



**EXPLORING THE NATURE AND EXTENT OF
ENTREPRENEURIAL INTENSITY IN THE INSURANCE
INDUSTRY IN THE HYPER-INFLATIONARY ZIMBABWE
(2007-2010)**

By

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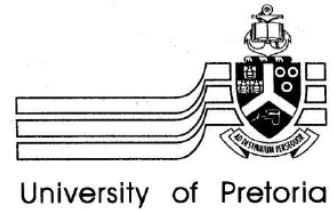
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Abstract

Superintending an enterprise in an adverse environment can be a daunting task. If that environment is fraught with economic vagaries such as once found in the hyperinflationary Zimbabwe it can be catastrophic. Yet, some businesses survived when others collapsed. Suffice to infer that most insurance companies in Zimbabwe, buoyed by the need to confront the vagaries of the hyperinflation such as stunted growth, at the very least and enterprise collapse at the very worst had to resort to entrepreneurial intensity for survival. The research therefore sought to explore the extent of entrepreneurial intensity in such an adverse environment. Background to the research contextualised this study to the Zimbabwean scenario. The research problem was also dissected. Research objectives and questions were subsequently advanced to guide the direction of this study. Hypotheses were also proffered. From the outset, the study sought to project entrepreneurial intensity as collaborated and corroborated by other key concepts such as corporate entrepreneurship and entrepreneurial orientation. The research also explored various definitions of entrepreneurial intensity. It was noted that entrepreneurial intensity is synonymous with intensified entrepreneurial performance. Critical drivers for entrepreneurial intensity were analysed and essential determinants and antecedents of entrepreneurship were accorded space and importance. Various conceptual frameworks were also articulated to buttress the emerging arguments in the complex field of entrepreneurship and entrepreneurial intensity. The models advanced then served as a beacon in navigating the complex phenomenon of entrepreneurial intensity throughout this discourse. The study also argued that entrepreneurship can be measured to gauge its intensification levels at any given point in time. Consequently, a few models were advanced to explain entrepreneurial outcomes. Therefore, data gathered on 307 respondents were subjected to various tests in an effort to discover if entrepreneurial intensity was responsible for keeping most insurance companies afloat during the hyperinflation. Ultimately, the results confirmed the presence of entrepreneurship – its nature and form in the insurance industry in hyperinflationary Zimbabwe, particularly in the years 2007-2010.

Key words:

Entrepreneurial intensity; Entrepreneurial orientation; Entrepreneurial activity, corporate entrepreneurship; corporate venturing; Entrepreneurial performance; Hyperinflation; Human factor antecedents

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Acronyms

CE	-	Corporate entrepreneurship
EI	-	Entrepreneurial intensity
ENTRESCALE	-	Entrepreneurship Scale
EO	-	Entrepreneurial orientation
EP	-	Entrepreneurial performance
EPI	-	The Entrepreneurial Performance Index
GEM	-	Global Entrepreneurship Monitor
OCED	-	Organisation for Economic Co-operation and Development
TEA	-	Total Entrepreneurial Activity

CHAPTER 1

INTRODUCTION AND BACKGROUND TO STUDY

'The beauty of entrepreneurship, as in the beauty of the flower, is in the minute elements that are juxtapositioned [sic] into an impressive, larger whole'

(Welsch 2003:287)

1.1 Introduction

It takes some measure of entrepreneurial endeavour for all business organisations to start up, otherwise they would not exist (Zimmerman 2010:1; Kang 2013:25). Equally, it requires the entrepreneurial prowess of some individuals, whether by themselves or in a collective, to take their ventures across the famed Rubicon of success and remain at the top of the marketplace, regardless of the vagaries and hostilities of the business environment. The pressures to maintain this position are made even more acute by the observation that as businesses grow, they become too bureaucratic and lose their entrepreneurial spirit and capabilities (Johnson, 2001 :135; Christensen, 2004 :302) which does not augur well for ventures operating in a competitive marketplace. The situation becomes even more detrimental when hyperinflationary conditions prevail, such as existed in Zimbabwe from 2003-2008. Even as they grow, companies must of necessity continue along whatever entrepreneurial orientation resident in their management while seeking to simultaneously re-invent themselves and achieve their strategic goals even in a challenging and harsh business environment.

The effects of globalisation, internationally and domestically, that have brought about economic challenges, political instability, inadequate resources, competition for customers and markets as well as a myriad of other challenges, have meant that only those companies which are entrepreneurial survive the arduous, obstacle strewn path to reach corporate entrepreneurial excellence. Some companies have undertaken a great deal of research and development, utilised their financial resources, skills and time to promote and drive entrepreneurial and growth related strategies. Nonetheless, sometimes these efforts are not reflected in corresponding entrepreneurial outcomes

within the company. Oftentimes, unanticipated deleterious outcomes arise from corporate strategic implementation efforts that have gone wrong, notwithstanding the expertise, capital, assets and other available resources. Whatever the outcomes, companies must resiliently depend on entrepreneurial orientation (Dess, Lumpkin & Eisner 2010:447) that might be present in the organisation.

Questions were posed as to whether entrepreneurial intensity could foster vibrant corporate entrepreneurial activity adequate to stimulate growth, especially in a harsh and unstable socio-economic environment such as Zimbabwe. In the said Zimbabwean scenario, the question arose of whether some insurance companies' ability to emerge out of the hyperinflationary environment to stabilise and align with the growth trajectory was attributable to entrepreneurial intensity, whilst other companies did not overcome the challenges and were barely able to survive.

The objective of the study is therefore to fully explore the intensity of corporate entrepreneurial activity of insurance companies in Zimbabwe and examine whether entrepreneurial intensity was responsible for the survival and revival of the insurance industry during and in the post-hyperinflationary environment. The research aim was to discover how insurance companies fared during and after the previously described economic turmoil.

This research sought to hypothesise, firstly, that those insurance companies, which overcame the situation and were revitalised did so on the back of entrepreneurial intensity that eventually saw a rise in the levels of corporate entrepreneurial activity. Secondly, the study sought to hypothesise that the insurance companies that did not fare as well had leadership teams who lacked the entrepreneurial intensity to drive the companies out of the prevailing economic quagmire.

In pursuit of establishing factual solutions to these hypothetical statements, the study has depended upon both primary and secondary data. However, data were largely quantitatively analysed. Despite being broad, the research made use of a relatively

large sample with descriptive statistics augmented qualitative research design. Since the research was predominantly a survey-based investigation, stratified random sampling was preferred with data collecting instrument in the form of questionnaires. Interview was eventually done with the Group Chief Executive Officer and therefore interviews eventually became insignificant as a tool in collecting data. ANOVA was considered in data analysis, complemented by a few other data analysis techniques to enhance the quality of the results.

In pursuit of the underlying challenges in the context of entrepreneurial intensity within the corporate insurance business, the study was structured to capture the various thematic strata that constitute an empirical academic study of this nature. Accordingly, this chapter presents the background to the study, the problem areas motivating this research and the research objectives and questions.

1.2 Background

Whilst Zimbabwe's economic regression may be contextualised to the global economic crisis that reached its peak in 2008, it is important to note that Zimbabwe's economy had begun a downward spiral almost a decade earlier. Zimbabwe has recently witnessed an incomparably dire socio-economic downturn, especially between the years 2003 - 2008. During that time, in which the record hyperinflation peaked at 231 million percent in July 2008 (Reserve Bank of Zimbabwe, 2008), but which both the Cato Institute of Calculations and the Forbes Asia put at above 500 billion percent, year on year, and which virtually brought the Zimbabwean economy to its knees, companies, especially in the insurance industry, were faced with the need to survive yet still realise growth within global capitalism.

The financial services sector, especially, without exception, the insurance industry, was the hardest hit as these sectors according to the then Reserve Bank of Zimbabwe governor, Dr Gideon Gono are driven by public confidence (The Herald, October 8, 2012). Contextually, public confidence waned. Insurance products were the last items consumers would think of purchasing when they had some money as they instead

sought to acquire scarce foodstuffs. Consumers would frequently take a bus across the Limpopo River border to shop from South African supermarkets where such items were available in abundance. The insurers themselves were failing to live up to their promise to the policy holders as the Zimbabwean dollar was losing value by the day against sums and services assured, According to the Institute of Insurance of Zimbabwe President, Chomi Makina (2013), it was not unheard of to fail to bury an insured person simply because the costs of funeral could no longer be afforded by the insurance company.

This consequently meant that corporate leaders were forced to intensify their entrepreneurial prowess in pursuit of economic stability within their organisations and reinvigorate their companies' ability to withstand the treacherous business environment through undertaking deliberate, strategic and vibrant entrepreneurial activities.

This entrepreneurial intensification became essential in view of fading public confidence in the face of diminishing policy values and investment portfolios. This accorded with (Lundstrom & Stevenson, 2001) notion that an increase in entrepreneurial vitality is in 'recognition of growing evidence that a high level of entrepreneurial activity contributes to economic growth'. This view is even more accurate at present since business ventures are more than ever regarded as a vehicle for entrepreneurship contributing more than just employment: the attendant socio-political and economic stability and entrepreneurship has actually become a critical tool for economic growth (Audretsch & Thurik, 2000; Andretsch, Thurik, Verheul, & Wennekers 2002:2; Samila & Sorenson, 2009:4). This is more so even within the corporate world and the insurance industry in particular.

Buoyed by the need to confront hyperinflationary vagaries such as: stunted growth, erosion of markets, loss of public confidence in the insurance products and international competition on the global markets, intensified entrepreneurship looked more promising as a panacea for these challenges (Reynolds, Bygrave, Camp, & Arkko, 2000; Nie, Dowell & Lui, 2012:256). Such pursuit of entrepreneurial intensity allows for the

organisation to be creative and innovatively adequate in order to protect its territory, sustain profitability, enter into new markets and avoid becoming useless and defunct (Marri *et al* 2003; Smith 2009). Insurance companies that needed to continue in business during and after the hyperinflationary period needed to resort to entrepreneurial intensity in order realise increased performance. Entrepreneurial transformation became inevitable and a necessity for survival in the insurance industry.

1.2.1 The nuisances of hyperinflation

The business environment is often fraught with certain nuisances and irritations that inhibit the proper flow of the business processes and activities. Inflation is one such and is most detrimental to the business environment. The former has always brought about economic quagmires and socio-economic upheavals. It has usually occurred when liquidity and real wages start increasing beyond their fundamental values (Dreger and Zhang 2011:35) cited in Galbraith (2012). This increase in liquidity and wages in turn triggers price increases which subsequently impact on wages, causing a vicious cycle. Thomsett (2011:73) posits that “the real definition of inflation is the gradual erosion of purchasing power”.

Inflation at its highest is called hyperinflation and often results in appalling social deterioration and untold suffering. In its wake, hyperinflation causes debasement of the value of money as prices rise exponentially, spiralling unabated and finally metamorphosing ‘into a non-functional monetary system’ (Coyle 2011:89). History has shown that such a confused and destabilised monetary system has often led to socio-economic depravity and despondency, usually followed by political discordance and unrest. This was the case in the post-First World War Weimar Republic (now Germany) and its neighbour Hungary too. Post the two world wars, several Latin American countries were also affected such as Argentina, Brazil, Chile, Nicaragua and later Bolivia with the inflation syndrome seemingly contagious in the South American region. In Africa, Zimbabwe (2000 - 2008) was the country that experienced the worst inflation ever on the continent in recent years.

Cardoso (1999:107) contributes the view that once inflation becomes established, it feeds itself in a vicious cycle; prices and wages rising astronomically, adding that it becomes more detrimental in countries with highly sensitive indexing mechanisms whose response to inflation is by automatically raising prices and wages leading to hyperinflation. This is echoed by Pite (2013:215) who says “...several countries in desperate fiscal situations have resorted to the printing press, causing hyperinflation and disastrous consequences for the economy”. This is true of events in many inflation-haunted countries. In the case of Zimbabwe, the Fidelity printing press never ceased to run, churning out worthless notes to pay wages and to buy fuel and basic food stuffs that were no longer on the shelves, but were now found on the black market. This is also a reflection of what many Latin countries went through as they experienced hyperinflation around the early 1980s.

In such situations of socio-economic unpredictability, it becomes difficult for businesses to function normally. If hyperinflation reduces assets to worthless effects, overnight, sudden depletion of resources makes whole branches of trade non-viable and the stock market is abolished by political events (Geuss 2010:171).

In this context, the monetary policy presentations of the Reserve Bank Governor who presided over the tempestuous economy in Zimbabwe, Gideon Gono (2003-2013), were beginning to chime well with that of a former United States of America President, Jimmy Carter's, perception of inflation, as well as Milton Friedman's monetary theory singling out inflation as the economy's number one enemy at every opportunity: advocating controlling money supply through constant adjustment of interest rates so as to control wholesale and consumer prices (Kang and Grosfoguel 2010). When the economy of the United States of America was hit by inflation, President Carter reacted aggressively in his response against it, identifying it as fundamental to the country's economic difficulties (Disalvo 2012:135) just as the government of Zimbabwe did.

1.2.2 Reflections on some inflation riddled countries

To better understand the impact of inflation on Zimbabwe, it is necessary to understand what other countries went through too when faced with the same challenge, and how

they overcame inflation. The research therefore investigated some of the countries that were obliged to endure the effects of hyperinflation in the last century and how they attempted to deal with the phenomenon.

1.2.2.1 Inflation in Europe

Emerging from the ashes of the First World War defeat to the Allies, The Weimar Republic, now Germany, encountered one of the worst episodes of hyperinflation ever experienced, bringing to the fore the belief that money can be “the expression of society as totality” Rosanvallon and Goldhammer (2011: 116): price instability became the order of the day, dictating and destroying societal bonds and threatening democratic endeavours as post war Germany struggled to repair the damage inflicted by the Allies. Germany struggled to maintain price stability and full employment (McLean 2013: 163). In just the year 1923 alone, prices rose to a price level factor of 481.5%, and as the currency depreciated by the minute, larger notes were being printed all the time (Burman & Slemrod 2013:12).

Ultimately, Germany’s hyperinflation spilled over to affect the whole of the economy in Europe. Nevertheless, even in the face of such unprecedented privation the Germans never lost hope for the future and even hid got weary in trying to “to reconstruct private life after World War 1... to return to economic prosperity and private prosperity...” (Perry 2010:174). Quiggin (2012:215) considers that “by 1929, Germany seemed finally on the path to recovery after the destruction wrought by what was then called the Great War of 1914-1918, the punitive treaty of Versailles and the hyperinflation of the 1920s”.

Hungary, bordering Germany, is one of the European countries that evinces the indelible scars of a runaway inflation. The administration of the day attempted many solutions to mitigate the hyperinflation, including cutting state expenditures in a country where national income was non-existent, the banking system was in a state of paralysis and money lending had ceased (Cornelius 2011:402). This author adds that:

‘The problem had started during the war with the printing of money and now, with the demands of reparations, reconstruction could be accomplished only by printing more and more. The mint printed floods of paper notes but could barely keep industry moving. Reparations payments lagged. Inflation spiralled - at the black market the dollar was worth 1,320 *pengo* in July 1945 and 290,000 at the end of the year. At its height, the daily inflation rate was 158,486 percent and the value of the dollar at the end of July 1946, 4,600,000 quadrillion, the greatest in history up to that time’ (p.60).

Hungary also produced the largest denomination ever printed when in 1946; it issued a bank note worth 100 quintillion pengoes.

1.2.2.2 Inflation in Latin America

Latin American countries also bore the brunt of hyperinflation which affected their economic strategies (Macia 2012:180). “By 1990, average inflation across Latin America reached a rate of 500%” (Green 2010:217). The GDP of the Bolivian economy for instance fell by 10% between 1980-1985, with per capita consumption estimated to have shed 16% over the same period (Goertzel 1999:179) to reflect the effects of the marauding inflation in Latin America at the beginning of the 1980s. In the same way that Europe was affected by Germany’s hyperinflation in the 1920s, the Latin American hyperinflation affected most of the said countries’ economies so severely that the economic blueprints and stimulus mechanisms introduced were unable to prompt the much needed economic reforms.

Argentina was one of the given countries to experience the hyperinflation that pervaded the said states circa the 1980s. Basic goods became unaffordable to an ordinary Argentine and the country “was faced with serious economic and political consequences” (Williams, *et al.*, 2012 :151).

The sad picture of inflation that wrought havoc in Argentina is aptly and bleakly painted thus by one scholar:

‘During the first five months of 1989, the cost of staples skyrocketed, with the price of bread increasing by 554 percent, milk by 441 percent and cheese by 1,000 percent. On 24 May 1989, food riots broke out and poor Argentines looted grocery stores across the country, particularly in the suburbs of Buenos Aires, Córdoba, and Rosario. In response, the government declared a “state of siege” and froze food prices. These riots showcased the depths of Argentines’ daily suffering and their discontent with the government’s attempts to remedy it...’ (Pite, 2013 : 215).

In a fashion typical of all near-submerging economies, Argentina “...instituted a neo-liberal austerity program and, more significantly, had moved to cut hyperinflation by pegging the peso to the dollar in 1991 which led to the influx of the Brazilian products into Argentina” (Metoyer 2000:62). These austerity measures instituted under Carlos Menem became known as the “Convertibility Plan” (Galbraith 2012:253). Metoyer adds that Argentina’s austerity plan backfired with a cocktail of failing economic resuscitation measures until the government started being more orthodox and market-oriented, including opening up the economy and reforming the state. However, hyperinflation remained undeterred, returning in 1989 with renewed vigour and threatening another failure of the now vulnerable Argentine economic fabric (Metoyer 2000:62)

Another Latin American country, Brazil, like its neighbour Argentina, also had its economy significantly affected by inflation. Poor fiscal policies as well as mistimed and procrastinated economic and state reforms afflicted Brazil: “In the 1980s and 1990s, Brazil suffered through rampant inflation and this history of profligacy haunts Brazilian economic policy” (Balding 2012: 185). According Kosack (2012 :277) citing the EPEA (2006) Report, inflation in Brazil “had risen to 2,460 percent in 1993, but fell to 941 percent in 1994, 23 percent in 1995, 10 percent in 1996, and 4.8 percent in 1997. In 1993, per-capita growth turned positive again: it was 3.3 percent in 1993, and 4.2 percent in 1994” Compounding the situation was the fact that “the economic context was one of runaway inflation and increasingly constrained public investments” (Baiocchi, *et al.*, 2011 :48). Eventually, Brazil overcame hyperinflation with an economic

strategy known as the Plan Real, which started in 1994. “The Plan Real also pegged the Real to the dollar, but with some room to float; this was accompanied by the introduction of further market reforms” (Galbraith, 2012 :253).

In Chile, the Allende socialist government started experimenting with neo-liberal policies in the mid-1970s. Such careless and populist experimentation with economic fundamentals coupled with political intrusions bred hyperinflation in Chile. Widespread shortages of foodstuffs and basic products coupled with widespread strikes resulted. In 1973, General Pinochet, came to power following a coup on the democratically elected government of Salvador Allende, and immediately introduced a raft of measures including reduction in expenditures and liberalisation of the economy and the exchange rates, among other restrictions aimed at restoring the economy and mitigating the hyperinflation. These tactics were successful.

In the Nicaraguan context, the government had to deal with rebel wars, which demanded a large portion of its resources to fund the contra rebels’ misadventures with dire consequences for the economy. Military expenditure increased by 43% in five years at the expense of other critical sectors such as social welfare, education and health programmes. Multilateral lending organisations, such as the International Monetary Fund (IMF) and the World Bank, ceased funding Nicaragua’s national projects or lending to its other critical economic sectors, thereby expediting the economic demise of that country. By 1988, hyperinflation exceeded 36 000 percent (Williams 1991:201) in Metoyer (2000:74). The government was forced to introduce a range of austerity measures to bring down the rate of inflation and normalise the economy, including a reduction in the fiscal deficit from 24% of GDP to 10%, devaluing the currency, reducing government subsidies and freeing the markets. Government expenditures were also reduced through rationalisation of government portfolios and activities (Haskin, 2012 :133).

While austerity measures had been successful elsewhere in Latin America, including Chile and Bolivia, Nicaragua’s Sandinista government did not seem to be making

headway in normalising the economy with its own austerity measures. In reality, after implementation of such measures, hyperinflation then rose to 13 490 percent, partly due to legacy issues. The irony of this situation is that policies aimed at controlling inflation contributed to one of the worst cases of hyperinflation in history (Ryan, 1995 :143).

Even the United States of America, the symbol of economic stability, was not spared by inflation either at certain points in its history. The effect of the 1800s Civil War was felt across many counties such as North Carolina:

‘... after 1863, the proliferation of Confederate paper money, coupled with myriad state currencies and widespread counterfeiting, and shortages of both consumer and agricultural goods resulted in hyperinflation in excess of 9,000 percent. By 1865, prices had risen so much that shoes in Wilmington sold for more than \$600 and wool overcoats for \$1,500. Even in comparatively self-sufficient western counties, prices for foodstuffs increased dramatically, such that over the course of the war, the price of eggs increased 1,666 percent, flour 2,777 percent, and corn more than 3,000 percent’ (Silkenat 2011:159).

In spite of a huge supply of money on the market in the United States of America, prices continued to rise. As a result, traders had constantly to re-evaluate how much their goods were worth due to inflation.

1.2.3 The unique history of Zimbabwe

Zimbabwe realised its independence from British rule on 18th April 1980. The country immediately changed its name from Rhodesia to Zimbabwe. The currency also altered from the pound to the Zimbabwe dollar. At that time, the new government inherited a vibrant economy from the colonial system imbedded in agriculture and mining with complementary infrastructure, such as good road networks, electricity generation

equipment and water reticulation systems in various cities and towns as well as well-built cities and towns.

Barely five years into independence the Zimbabwean economy slowly deteriorated, culminating in the fall of the Zimbabwe dollar on 'Black Friday' – Friday, 14 November 1997. Whilst most went about their business as usual, it was “business unusual” on the money market with the Zimbabwe Dollar falling by 71.5% to the United States Dollar. This was the beginning of a cataclysmic journey that culminated in the printing of the \$100 000 000 000 000 (one trillion dollar) bank note in 2008, just before the adoption of the United States Dollar by the Government of National Unity. The stock market crashed, wiping out 46% from the value of shares (Mambondiani, 2009). Various futile economic strategies were employed by the Robert Mugabe government in an effort to streamline the economy and resuscitate it. The Economic Structural Adjustment Programme (ESAP), an economic blueprint encouraged by the International Monetary Fund (IMF), was introduced, but was still not adequate to stabilise the economy. This, coupled with incorrect government policies and fading public confidence in the Zanu PF led government, and worsened by military interventionism in the Democratic Republic of Congo (then Zaire) in 2000, as well as the subsequent compensation costs to war veterans demanding to be paid for taking part in the struggle for independence (Moore 2003), further put strain on the economy, which has never recovered. By the turn of the century the economy of Zimbabwe was on an unstoppable downward spiral. Company closures and retrenchments leading to high unemployment rates were on the increase against initially a steady rise in quality of education, then an increased but mediocre output of university graduates who could not be absorbed into the mainstream economic activities of the country.

The economic downturn was worsened by irresponsible political leadership and poor political decisions which did little to realign government aspirations with international confidence. Inflation was on the rise, which Williams, Lobell and Jesse (2012 :214) attribute to Zimbabwe's leader, Robert Mugabe, a political strongman and his cohorts of military veterans, known for their undemocratic and disastrous policies as well as

successive fraudulent elections which drew the ire of the international community, which then imposed sanctions to the country. The prevailing environment in Zimbabwe between 2000-2008 was ripe for hyperinflation. It was also ready for high level entrepreneurial activity. Chronic food and fuel shortages emerged: “By 2005, the economy had contracted in real terms for five successive years, Zimbabwe’s average income had returned to its 1953 level, inflation was in three figures, ...a quarter of its population had fled abroad” (Hood, 2011 :39). By 2006, in Zimbabwe, according to the New York Times, a roll of toilet paper cost Z\$145,750 (Burman & Slemrod, 2013 :12).

1.2.4 Insurance in hyperinflationary Zimbabwe

The insurance industry is defined by the (Zimbabwean) Insurance and Pensions Commission (IPEC), as being made up of companies that provide security to policy holders through payment of compensation to them whenever they suffer any loss, damage or injury to insured items in exchange for agreed premium payments by the policy holders (IPEC Report, 2012). The life insurance industry in the country is characterised by underperformance and stiff competition for its dwindling client base due to three major reasons: hyperinflation that occurred between 2000 and 2009, oversubscription and a liquidity crisis. The Financial Gazette (2013) adduces hyperinflation as one of the major reasons why the insurance industry is still underperforming. The mentioned period of hyperinflation, between 2000 and 2009, was caused mostly by inverted economic fundamentals. In this period, most insurance companies failed to pay for claims lodged by policyholders; those most affected were pensioners. Approximately 1, 2 million of the latter lost the value of their pensions from 2000 to 2008 (The Financial Gazette 2013). Consequently, the general public lost confidence and trust in the insurance industry, while this trust has not yet been fully restored, leading to very few individuals who are willing to take up insurance policies.

As said elsewhere in this discourse, the inflation in Zimbabwe, had reached alarming levels even by official numbers of 231 million percent in July 2008 (Reserve Bank of Zimbabwe, 2008). As mentioned, it is thought to have peaked above 500 billion per cent year on year, while other economists put it at 6.5 sextillion percent inflation by 2008.

Such a scenario rendered any kind of business almost impossible. Slowly and unofficially, Zimbabweans including government itself, were starting to use the United States dollar. The Central Bank would clandestinely source and supply the USD to central government for their critical transactions, including official travel by senior government officials. The black market was emerging, supported by government itself. As expressed by Jones (2012 :255) inflation became the most pressing issue facing Zimbabwe. In the insurance industry, the challenge was how an insurance portfolio, hitherto made up of stable premiums, would sustain the onslaught of inflation of such magnitude and still be able to fulfil the promise to a policyholder. Many insurers started renegeing on their promises or at best, downgrading compensations and pay-outs upon maturity of such policies. Other insurance companies went bankrupt from the drastic effects of hyperinflation.

A renowned Actuary and Group Chief Executive of First Mutual Holdings Limited in Zimbabwe, Douglas Hoto aptly sums up the situation in the hyperinflationary Zimbabwe, saying it resulted in the printing of high denominated notes and steep price increases while excessive exchange controls became the order of the day. With respect to the insurance industry, he added that hyperinflation resulted in the erosion of insurance values and consumer confidence. Poverty and unemployment resulting in low disposable incomes supervened. Informalisation of the economy immediately ensued as well, resulting in the decimation of the middle class in Zimbabwe (Hoto, 2014 :3).

In February 2009, the government announced that the country was now adopting a multi-currency system. To this end, the following currencies were introduced into the local economy; The United States Dollar, the South African Rand and the Botswana Pula. However, the currency that has emerged as the most prominent is the United States Dollar. The introduction of the foreign currencies into the economy and the phasing out from circulation of the Zimbabwean dollar meant that insurance companies faced new challenges, chief among them being lack of capital. Overnight, insurance companies had to start recapitalising from scratch as almost all their savings and cash investments had been wiped out during the hyperinflationary period. Most companies

tried to circumvent this problem by writing a lot of business even though they did not have capacity to settle the claims. There was therefore a public outcry when it was noted that claims were once again not being settled. The Regulator – IPEC – stepped in, closed down a number of undercapitalised companies and fixed the minimum capital requirement at USD\$2 million for life assurance companies, \$1,5 million for non-life companies and USD\$3 million for reinsurance companies. There are now 13 life assurance companies, 2 re-assurers, 29 non-life insurance companies and 30 insurance brokers remaining in the country (IPEC Report 2013). The problem of capitalisation still haunts the industry as the economy continues to struggle; some companies were granted a grace period in which to raise capital. In April 2013, IPEC reported that it was suspending the licences of five short term insurance companies, to protect the rights, benefits and other interests of policyholders (The Zimbabwe Mail, 2014). This revealed that the industry is facing a number of problems, even post hyperinflation, as the industry swings from one extreme to another without stabilising.

Further to the above, the industry is oversubscribed. According to the IPEC Report the annual revenue turned over by the whole insurance industry in Zimbabwe was \$473 million dollars (for both life and non-life insurance). The money is being shared by an industry containing 74 firms that have limited underwriting capacity. It therefore emerges that the average business underwritten by each company would be \$6 million (if the money were to be apportioned equally). This indicates that the industry has too many players sharing too small a cake. As intimated, competition in the insurance industry has become ruthless since companies try to outdo each other, at times resorting to undercutting each other on prices to attract the little business that is available.

Table 1.1 presents the market position of First Mutual Life in the insurance industry on the basis of Net Premium Written (NPW) in 2013 to provide a glimpse of how intense the insurance marketplace has become.

Table 1.1: NPW and Market Share per Company in 2013

Company	NPW (000)	Market Share
Altfin	3,668	1%
CBZ Life	7,464	3%
Evolution	653	0.0025%
Fidelity	11,582	4%
FML	28,139	11%
Heritage	1,362	1%
Old Mutual	138,384	54%
ZB Life	6,779	3%
Zimnat Life	13,354	5%
Nyaradzo	46,778	18%
Total	258,163	100

(IPEC Report, (2013))

Contrastingly, in the post hyperinflation period, the country started experiencing a liquidity crisis, resulting in deflation. The year-on-year inflation rate for the month of March 2014, for instance, was -0,91% shedding 0,42 percentage points from the previous month (Zimstats, 2014). The liquidity crisis drove prices down; as a result, a number of companies have either retrenched workers or shut down due to macro-economic challenges that included lack of capital which reduced spending power, in a true replay of the hyperinflationary scenario. The difference, this time, was that inflation was expected to remain subdued due to a depressed aggregate demand, stable international oil and food prices as well as the strengthening of the US dollar against currencies of major trading partners. When companies close, as they did during the 2000-2009 hyperinflationary period, one result is that the Insurance industry suffers because there will be fewer clients to take up the insurance policies, especially life policies, which are considered a luxury.

Survival in this environment relies on the creation of a unique source of competitive advantage; hence entrepreneurship, in particular its intensity, becomes a critical competitive and survival strategy.

1.2.5 The case of First Mutual Holdings Limited

Formerly known as Afre Corporation, First Mutual Holdings Limited, a listed company on the Zimbabwe Stock Exchange (ZSE), is a holding company for seven insurance related companies:

- First Mutual Life Assurance Company
- FMRE
- FMRE Botswana
- TristarInsurance
- African Actuaries Consultants
- First Mutual Health Company
- Pearl Properties.

When hyperinflation set in, just four companies existed and were operational. All the group companies are supported by various group services, such as Human Resources, Information and Communication Technology, Finance, Corporate Services, Business Development, Training and Development.

The biggest entity was First Mutual Life Assurance Company (FML) a Life Assurance company registered and trading in Zimbabwe, and the second biggest Life Company in Zimbabwe after Old Mutual Zimbabwe. The company has been in existence for over a century now, although the name has changed through mergers and acquisitions. The company has two main business units that generate revenue: Employee Benefits (EB) which deals with employee pensions and other retirement annuities, and Individual Life Business (IB).

FMRE is the second biggest reinsurance company in Zimbabwe. FMRE Property & Casualty was created to exploit the short term reinsurance business, underwriting from primary insurers in non-life classes whilst the FMRE Life arm was created to provide life reinsurance both for the First Mutual Life business and other assurance players in life classes.

FMRE operates a Botswana unit, which was created for the purpose of exploiting the reinsurance business in Botswana in non-life classes.

TristarInsurance was created for the purpose of offering short term insurance products and creating value for the Group. These products are offered to both individuals and corporates. Some of those on offer include motor vehicle insurance, fire insurance, aviation, travel and farming insurance.

African Actuarial Consultants (AAC) was created as a subsidiary of First Mutual Holdings in 2006. It offers customised actuarial services in the Life, Health, Employee Benefits and Short Term insurance businesses on the Zimbabwe market and beyond, into the sub region. The Company offers relevant technical advice on product pricing and design; statutory actuarial valuations; liability estimation and appropriate reserving; optimum reinsurance and investment strategies; experience investigations as well as services aimed at managing a provider's internal and external risks to maximize profits.

The health company was created first as a department of First Mutual Life in 2009, before becoming a fully-fledged subsidiary entity of First Mutual Holdings in 2014. The main focus of this entity is to provide medical aid cover, competing with the likes of CIMAS and PSMAS in the health insurance market.

Although not entirely an insurance company, Pearl Properties was created by First Mutual Holdings as a real estate business. The rationale was to have the company creating and locking in policy and shareholder value through the development and management of properties in major towns of Zimbabwe. Pearl Properties (2006) Limited

is listed on the Zimbabwe Stock Exchange. Its main focus is preserving shareholder value and policy holder value through investing in prime properties in the major cities of Zimbabwe.

1.3 Literature Review

The literature review provides a brief synopsis on the topic of this research and what it intends to achieve by articulating various and relevant conceptual frameworks. Several concepts regarded as appropriate to the research were explored with regard to entrepreneurial intensity as a branch of entrepreneurship. Ancillary concepts such as corporate entrepreneurship, entrepreneurial orientation and entrepreneurial activity were also explored because they support the core concept of entrepreneurial intensity being examined by this study. An evaluation of entrepreneurial intensity was also offered, including the measurement variables such as risk orientation, innovativeness, proactiveness, and competitiveness.

This section also investigates complementary, but critical concepts to entrepreneurship in general and entrepreneurial intensity in particular. The study adopts a theory-based approach to exploring the nature and extent of entrepreneurial intensity in the insurance industry.

1.3.1 Origins of insurance

Phelps (1895) defines insurance as the “capitalisation of affection” (Zelizer, 2011 :21). If one desperately loves something, one will do anything she or he can to protect it, be it life, health or property – hence the concept of insurance business.

Insurance as it is known today can be traced back to the 16th Century when a number of British traders came together and agreed to protect each other against loss of their cargo at sea in the event of a member’s ship being shipwrecked. Early insurance was popularised by Edward Lloyd’s London Coffeehouse where these merchants met and

pooled their resources to insure their cargoes. Schweikart and Doti (2010 :62) add that in the United States of America, insurance reached through “Benjamin Franklin’s Philadelphia Contributionship for the Insurance Houses from Loss by Fire (1752)” (p.62). This agreement was contained in a certificate which later became known as a policy. The agreement was to protect these merchants against the chance of any possible loss which came to be known as risk. Members would contribute towards a central fund from which any losses would be paid out. The merchants’ contributions to the ‘pot’ became known as the premiums. Consequently, marine insurance became the oldest form of insurance known in the common law world (Rob, 2011 :189)

The 16th Century agreement among merchants is similar to what today is known as the policy document, which stipulates the conditions of such an agreement. The fund bears similarities to the pool of resources created by modern day insurance companies. All the risks defined and covered in the policy were therefore indemnified accordingly out of that fund. In the present day, however, the risk has today grown to cover more than the mere loss of goods in a shipwreck to include cover for human life, loss of income and other economic assets and even future earnings.

Over the centuries insurance has developed along two distinct forms: short term and long term (life). Short term insurance addresses a risk or loss which could occur, but may never arise at all, such as fire, accident or burglary, whilst long term insurance is concerned with the risk or loss which must inevitably occur, i.e. death. The only question concerning life insurance (death) is: when will it happen? On the other hand, short term insurance concerns itself with: “if” it (a loss event) occurs. Life insurance companies replaced the earlier more informal systems with professional management. Financial protection became a purchasable commodity, especially among American families (Zelizer, 2011 :21). The first life insurances took the form of death and funeral benefits provided by mutual societies (Rob, 2011 :189). Although marine insurance remained the most significant revenue stream, during about the 1840s, life insurance in the United States began to be sold on a significant scale, especially among the farmers who at that point constituted the majority of the American population (Schweikart and

Doti (2010 :62). These two distinct forms of insurance gave rise to the terms “insurance” and “assurance” so as to differentiate the short term from the long term respectively, signifying the emergence of the insurance industry as a major business in any economy.

1.3.2 The potency of insurance to economies

It is easier to appreciate the place of insurance if a tragedy strikes. Accidents, misfortunes and any form of suffering and other related risks (Parker, Sarat and Umphrey 2011:8) will frequently happen. For instance, the infamous 9/11 terrorist attack on the World Trade Centre lower Manhattan brought a new appreciation to a large sector of the New York business community of the role of insurance and the risks associated with business and life in general that require mitigation. According to Diebold, Doherty and Herring (2010) the events of 9/11 represented a very large single loss in the history of insurance, underscoring the importance of insurance in economies of the world. In addition to the above example, there are many other known instances where insurance companies have become insolvent due to man-made or natural disasters. According to Kern (2010:13), post Hurricane Andrew, nine insurance companies in the USA became insolvent under the weight of losses emanating from the hurricane; he adds that catastrophes have had a more devastating impact on insurers since 1990 than in the entire history of insurance, as illustrated in Figure 1.2.

Table 1.2: Past insured losses to catastrophes in USA

Description of Catastrophe	Insured Loses	Year
4 Hurricanes in Florida, (i.e.; Charley, Frances, Ivan, & Jeanne)	\$33 billion	2004
Hurricane Andrew which struck Florida	\$23.7 billion	2007
Northridge earthquake	\$19.6 billion	2007
Hurricane Katrina	\$46 billion	2005
Other natural disasters	\$87 billion	2005

Kern (2010:13)

In South Africa and Zimbabwe, it is the insurance companies rather than banks that generate a lot of money for onward investment in property, particularly with regard to protecting the investors' value. The likes of Old Mutual, Liberty Life, Discovery, Momentum and First Mutual Life present themselves as examples of the large role played by insurance companies in the economies of South Africa and Zimbabwe respectively, especially by pooling together investment capital through premiums. Nevertheless, it remains easier for the public to take a simplistic view of insurance and its contribution to the economy.

1.3.3 The anathema of inflation to the insurance business

Any collapse of business systems and their fundamentals creates a shaky business footing which consequently has a direct bearing and effect on the operations of businesses. When inflation continues to rise, it reduces the competitiveness of firms (McLean 2013:217). Companies start struggling from the effects of a depressed economy, weaker purchasing power, rising wages and rising prices until finally, investment portfolios are diminished. Insurance premiums will no longer sustain the companies' promise to policy holders. When Germany was experiencing its worst inflation in 1920s, Allianz, at that point a dominant insurance player in the German market, had with foresight built foreign currency reserves which it then relied upon when the Deutschmark was eroded by inflation. Allianz was therefore able to create various insurance classes owing to such a strategy. Allianz successes were embedded in strategic decisions and scientific management principles. It has been asserted that "The most significant move during these times was the foundation of Allianz Life in 1922 together with Munich Re. By 1927 it was the largest life insurer in Europe" (Stadler, 2011 :181) even as other insurance companies were collapsing under the weight of hyperinflation. In fact, Allianz had the boldness to acquire other collapsing insurance companies, reorganising and reinventing them through deliberate strategic moves and leadership principles and leading them to profitability and growth.

1.3.4 The entrepreneurial conundrum

The entrepreneurial conundrum may be illustrated by Gartner (1988) who quotes the poet Yeats (1956) asking whether one can differentiate the dancer from the dance. Likewise, can entrepreneurship be seen and understood in the absence of the entrepreneur? Whilst entrepreneurship is seen as a critical panacea for all our economic ills, the discipline has largely remained a mystery and as slippery as its definitions; thus Gartner's (2001) contention that it is fragmented and therefore better explained poetically, borrowing from Yeats (1956) who juxtaposes the allegory of the dancer and his or her dance.

The field of entrepreneurship is therefore a unique discipline in many ways. The paradox of entrepreneurship is that the entrepreneurial spirit seems more present in abject situations. One may enquire why entrepreneurship is perceived differently by different players. There are other factors that enhance this riddle, such as competition, hyperinflation, dwindled markets and costs of production that have, in their different ways, contributed to the entrepreneurial conundrum. It becomes a matter of a chicken and the egg (Hess,2009; Hess 2011:178) in that while entrepreneurial intensity breeds success, yet more often than not entrepreneurial intensity in firms is invoked by desperate situations, such as hyperinflation. It remains a puzzle as to how certain entrepreneurial behaviours spring into action in constrained environments "in which each piece is fitted into the place selected for it by the concatenation of pertinent circumstances" Baumol (2010:156). It therefore follows that the intensity of entrepreneurship is dependent upon the level of difficulty of the environment in which it is practised. Consequently, entrepreneurship is confronted by a myriad of challenges. In their writing, Nieman and Niewenhuizen (2009:35) strengthens this view by describing contributing factors, such as access to start-up capital, access to markets, access to appropriate technology and other resources, such as skills which are relevant but often lacking in entrepreneurship.

1.3.5 The force of entrepreneurship in chaotic environments

When faced with business challenges that cannot be remedied by normal and existing solutions, businesses often turn to entrepreneurship because “Despite its complexity and unpredictability, environmental turbulence seems a major catalyst for entrepreneurial activity in transition economies” (Cooper, *et al.*, 2006 :36). This notion is buttressed by Morris (1998 :66) who argues that the level of dynamism, hostility and complexity in the environment determines the level of innovation, risk taking and proactivity for many would-be successful entrepreneurial firms. In context, the notion that this entrepreneurial intensification becomes very necessary in view of fading public confidence in the face of diminishing policy values and investment portfolios supports Lundstrom’s and Stevenson’s (Lundstrom & Stevenson 2001:11) argument that an increase in entrepreneurial vitality reflects a high level of entrepreneurial activity. Business ventures are therefore regarded more than ever as a vehicle for entrepreneurship which contributes to employment and socio-political and economic stability and in essence entrepreneurship has actually become a critical tool for economic growth (Audretsch & Thurik, 2000; Audretsch, Thurik, Verheul, & Wennekers 2002:2; Samila & Sorenson, 2009:4). This is still more the case within the corporate world and the insurance industry in particular.

In the Zimbabwean scenario, buoyed by the need to confront hyperinflationary vagaries such as stunted growth, erosion of markets, loss of public confidence in the insurance products and international competition in the global markets, intensified entrepreneurship has become a panacea for these challenges (Reynolds, Bygrave, Camp, & Arkko, 2000; Nie, Dowell & Lu 2012:256). Such pursuit of entrepreneurial intensity has various advantages for the organisation, as mentioned above (Marri *et al.* 2003; Smith 2009). Insurance companies that needed to continue in business in and after the hyperinflationary period had to employ entrepreneurial abilities and skills in order to sustain excellence – firstly to protect and then to grow shareholder value by increasing levels of entrepreneurial intensity. Entrepreneurial transformation became inevitable and a necessity for survival in the insurance industry, just as in any other facet of the ailing Zimbabwe economy.

1.4 Problem Statement

Whilst insurance companies have enjoyed varying degrees of success in achieving strategic corporate objectives and success, some of them have encountered unintended consequences when certain strategic agendas were designed and implemented (Craft and Furlong 2004). This is more pronounced especially when no entrepreneurial leadership drives these organisational policies, visions and venture plans, and when corporate strategies are implemented without a clear and organised view of where and how entrepreneurship would manifest itself within the organisation with less entrepreneurial managers left in “uncharted waters without analytical compass” (Audretsch 2004:2).

Therefore, the definite management problem advanced in this study would be: whether entrepreneurial intensity fostered and stimulated enterprise growth in the insurance industry in Zimbabwe for those companies that sought entrepreneurial interventions in order to respond to the challenges posed by hyperinflation. The lack of entrepreneurial intensity could have led to stunted performance by many insurance companies at the height of the hyperinflationary environment in Zimbabwe, as fewer entrepreneurial leaders could not encourage corporate teams to respond entrepreneurially to the hostile economic conditions obtaining then.

The problem was further investigated, giving rise to the following research questions:

1.5 Research Questions

The broader research problem can be understood in light of the following research question:

Did entrepreneurial intensity mitigate the hyperinflation challenges in the insurance industry in Zimbabwe? And did it subsequently influence a desired business growth-trajectory?

This question is supported by the following sub-questions:

1.5.1 With what frequency was entrepreneurship practised in the insurance industry in Zimbabwe?

1.5.2 To what degree was entrepreneurship present in the insurance industry in Zimbabwe?

1.5.3 What were the relevant entrepreneurial orientation factors and antecedents in driving entrepreneurial intensity and ensuring survival in the challenging business operating environments?

1.5.4 What entrepreneurial strategies can be relied upon and should be recommended to enhance enterprise competitiveness and sustainability for the insurance market?

There have been a few entrepreneurship related studies in Zimbabwe and even fewer on entrepreneurial intensity; therefore, scholarly literature on the subject is minimal, including the GEM Reports that have not extended their research to Zimbabwe. It is ironic that the closest geographical location where research on entrepreneurship has been undertaken and of which there is a considerable amount of literature on the subject, is South Africa. This research could then be generalised to Zimbabwe on the basis of proximity. However, the economy of Zimbabwe pales into insignificance by comparison with that of its neighbour, making any generalisation of such research irrelevant for the Zimbabwean situation. Regardless, the research and measurement techniques and findings from the South African context and certain other countries were useful in exploring the Zimbabwean phenomena, given the geopolitical influences on this country by some of the participating countries.

It was logical to borrow and adopt material concerning entrepreneurship developments from neighbouring countries such as South Africa, which exert so much influence on

Zimbabwe economically, and to share political and social histories extending even to academia in view of the many Zimbabwean students and professionals who have studied in South African universities.

1.6 Research Objectives

The primary and secondary objectives of this study are as follows:

1.6.1 Broad primary objectives

The aim of the study was to fully grasp the entrepreneurial dynamics and intensity in the context of companies in the insurance industry in the face of challenging economic and business environments.

1.6.1.1 Broadly, the research attempted to discover how vibrant entrepreneurship within the insurance company can enable businesses to achieve excellence and foster business growth.

In order to achieve this primary aim, the research also generated the following secondary research objectives by means of both a literature review and case study:

1.6.2 Secondary objectives

1.6.2.1 To explore the degree of entrepreneurial intensity in insurance companies in Zimbabwe during the hyperinflation period that prevailed in Zimbabwe

1.6.2.2 To explore the frequency of entrepreneurial intensity in insurance companies in Zimbabwe during the hyperinflation that prevailed in Zimbabwe

1.6.2.3 To explore people orientation factor and other relevant factors and antecedents in enhancing the survival of the organisations within a chaotic environment

1.6.2.4 To suggest favourable entrepreneurial endeavours that could be undertaken to enhance competitiveness and sustainability in the ever sensitive insurance industry market.

1.7 Hypotheses

Corporate entrepreneurship fosters innovation and entrepreneurial leadership qualities in order to transform ideas into economic value by enhancing effective competition (Thornberry 2006; Thornberry 2003:330; Smith, Smith and Bliss 2011:686). Corporate entrepreneurship therefore embodies and exhibits the entrepreneurial spirit, allowing for the search for new venture opportunities to permeate the whole organisation (Dess, *et al.*, 2010 :440-441). Therefore, entrepreneurial leadership becomes crucial. It is imperative that custodians of the company's vision and strategy become responsible for creating a favourable entrepreneurial climate (Nieman & Niewenhuizen, 2009 :12) to warrant agile, high levels of entrepreneurial intensity, since acting entrepreneurially is a deliberate choice. In most instances, enterprise leaders are keen to pursue entrepreneurial intensity, but an environment as described above would be stubborn and unrelenting for unencumbered pursuit of the same. Appropriate stimulators must therefore be in place to encourage the practice of enterprise entrepreneurship. In the Zimbabwean context, the environment had become politically and economically poisoned, unstable and unfriendly. It certainly demanded high levels of entrepreneurial intensity to survive and maintain a competitive advantage (Garret 2010:2; Philips *et al* 2013:) by means of entrepreneurial activity.

The following broad hypotheses are therefore founded on the articulated assertions:

Ho1: The insurance firms that **survived the hyperinflationary** environment **exhibited entrepreneurial intensity** to mitigate the vagaries thereof.

It is noted that certain entrepreneurial strategies, enterprise policies and procedures tend to enhance but sometimes even “restrain” overall entrepreneurship (Ahmad & Hoffman, 2003:9) especially when enterprise leadership is naïve and incompetent about the specific facets of entrepreneurship they are intending to affect, hence the following hypothesis:

Ho2: Lack of entrepreneurial intensity stifles growth and reduces market competitiveness of insurance firms and leads to their ultimate **demise** when faced with **hostile business environments** induced by **hyperinflation**.

To stimulate competitiveness and reduce the levels of venture failures (Evans & Leighton, 1990; Hage 2011:217) enterprise leaders should be able to exhibit entrepreneurial prowess leading to sufficient entrepreneurial intensity to enable the companies to compete favourably on the insurance market.

1.7.1 Ancillary hypotheses

Deriving from the major hypotheses advanced above, collaborative and complimentary sub hypotheses were designed to ensure that the search for the nature and extent of the force of entrepreneurial intensity in the insurance industry in hyperinflationary Zimbabwe could be validated:

Ho3: Entrepreneurial leadership support was low in some insurance companies that succumbed to hyperinflation

Ho4: Entrepreneurial leadership orientation was high in insurance companies that survived the hyperinflation

Ho5: The degree of entrepreneurship was high in the insurance companies that survived the hyperinflation and low in the insurance companies that collapsed

Ho6: The **frequency of entrepreneurship** was high in the insurance companies that survived the hyperinflation and low in the insurance companies that succumbed to the same

Ho7: Some **entrepreneurial strategies** taken ended with good consequences to some insurance companies

Ho8: Some **entrepreneurial strategies** ended in detrimental outcomes for some insurance companies

Ho9: Insurance companies that **took risks** had much better chances of growing than those that were risk averse

Ho10: Insurance companies that were **proactive** had much better chances of surviving the inflation than companies that were not

Ho11: Insurance companies that were **aggressively competitive** had better chances of surviving hyperinflation

Ho12: Insurance companies that were **innovative and creative** had better chances of surviving the hyperinflation

Ho13: Insurance companies that introduced **new lines of products and services** had better chances of surviving the hyperinflation

Ho14: Insurance companies that introduced **new distribution channels** had better chances of surviving the hyperinflation

Ho15: Insurance companies that **sought and exploited new opportunities** had better chances of surviving the hyperinflation

Ho16: Insurance companies that encouraged **entrepreneurial thinking** had better chances of growth

Ho17: Insurance companies that **resourced and financed entrepreneurial strategies and activities** had better chances of implementing those strategies for positive growth outcomes

Ho18: Insurance companies that **encouraged the acquisition of entrepreneurial skills** had better chances of building a focused and committed team of entrepreneurs that guided the organisation through the hyperinflation

Ho19: Insurance companies that **deviated into non-core business activities** had better chances of surviving than those that just held to the core business of insurance.

Ho20: The degree of **entrepreneurial manifestation** was high in the insurance companies that survived the hyperinflation

Ho21: Insurance companies that exhibited more **entrepreneurial manifestations** had better chances of coming up with growth strategies

Ho22: Attention to **positive human factor antecedents** (entrepreneurial behaviours) is crucial to surviving the hyperinflation

1.8 Research Methodology

1.8.1 Research design

Blumberg, Cooper & Schindler (2008:195) define a research design as a blueprint that expresses both the structure of the research problem and the plan of investigation to obtain empirical evidence. Embedded in the positivist paradigm (Tosey & Mathison 2010:63; Gullick & West 2012:533; Wilson 2012:230) of research philosophy and borrowing from the phenomenological paradigm, this study makes predominant use of a

quantitative research design (Trochim 2006:1; Fitz-Enz, 2010:209) augmented with descriptive statistics.

In a research study as broad as this and involving such a large sample, use of descriptive statistics becomes inevitable (Reuf 2010:70), especially regarding various entrepreneurial team within the insurance firms under study. Since this study is more exploratory and explanatory in nature, descriptions attempt to enrich the research by providing a thorough picture of the current state (Blumberg *et al* 2008:696) of firm entrepreneurship and related entrepreneurial activities. In-depth knowledge was realised by having a correspondingly large sample of target respondents. Inevitably, the research was both intensive and extensive, utilising various research techniques to extract data broadly, especially within the broad spectrum of the insurance industry in Zimbabwe during the hyperinflation environment.

In order to determine the general trends of the defined populations, this study seeks to unravel the influence of corporate leadership in enhancing entrepreneurial intensity with respect to the growth of the existing insurance businesses to counter vagaries of the hyperinflation that obtained in Zimbabwe. Critical realism that integrates the natural and the social worlds, has a bearing on the direction this research takes, particularly as it does not reject the existence of a real world, but appreciates that our understanding of the structures of the business society and the physical world is partial and depends on certain framings (Clement 2010:140-1). This becomes important insofar as the research endeavoured to capture the views of a broad spectrum of respondents within the insurance business in Zimbabwe.

1.8.2 Sampling

At the time of authorship, Zimbabwe had 83 players in the insurance industry; these are reflected in Table 2 as:

Table 1.3: Number of insurance players by class

Life Assurers	11
Short term insurers	23
Reinsurers	11
Funeral assurers	11
Brokers	27
Total	83

Source: IPEC (12 November 2013)

The target population consisted of employees and other stakeholders, such as board members of insurance businesses in Zimbabwe. The category of employees contextually includes all permanent employees, including executive managers and directors in the insurance industry.

The research employed probability sampling. Stratified random sampling was used to increase statistical efficiency and to provide adequate data for analysing various strata and enabling the use of other research methods (Blumberg *et al* 2008:244). It therefore follows that a case study of one company is complemented by a random selection of elements from subgroups, comprising the rest of the insurance industry in Zimbabwe. This was deliberate and intended to take account of certain unique and personal characteristics of some sample members (Zikmund 2003:213; Vakoch, 2011 :187). These subgroups included players from the life assurance, short term insurance and reinsurance businesses as well as funeral assurance and broker firms drawn from the abovementioned 83 players in Zimbabwe. A sample size of 300 respondents comprising largely employees, management and shareholders of such companies was deemed adequate representation for the insurance industry in Zimbabwe for this type of study.

1.8.3 Data collection

The literature segment of this research was largely influenced by what various scholars have previously advanced on academic platforms by means of textbooks, journals,

conference papers and the internet as well as other emerging scholarly works, in particular, in so far as they discuss entrepreneurship, entrepreneurial intensity and related concepts. New data was mined through a self-administered questionnaire distributed to the majority of the respondents, who are largely employees in the broader insurance industry of Zimbabwe. Respondents could choose to be identified or to remain anonymous. The remaining respondents who were external to the case study and from insurance companies, other than First Mutual Holdings Limited, were supposed to be interviewed to elicit their opinions, but eventually that did not happen. This was because the earmarked respondents were difficult to locate and interview as many of them had left employment *enmass* following the top management restructuring that was done in 2012.

Various measurement tools, such as the Entrepreneurial Performance Index (Morris, 1998) and Kuratko's Entrepreneurial Assessment Instrument (EAI) (Kuratko, *et al.*, 1990) informed the structure of the questionnaire, with Likert scale questions featuring prominently. The questions sought to address every hypothesis advanced by eliciting the views of the respondents in respect of the behaviour of their organisation and its people during the hyperinflationary period.

1.8.4 Data analysis

When the data had been collected, it was edited, coded and entered to ensure accuracy and conversion from a state of raw data to classified forms of data ready for analysis. Therefore, data collected were converted to numerical information (Blumberg 2008 *et al.*: 436) where possible. Content analysis (Patton 2002; Erdogan, Bahar & Usak 2012:223) which is defined as a research technique for the objective, systematic and quantitative description of the manifest content of communication (Blumberg *et al.* 2008: 697) ensued, to measure semantic content arising from the data collected. ANOVA and Binomial tests were applied on all scale data to complement the frequencies of the rest of the data, which sought to measure the degree and frequency of entrepreneurial undertakings that would ultimately confirm entrepreneurial intensity or otherwise. Proffered hypotheses would be rejected or fail to be disproved. Using available

statistics, hypotheses advanced were therefore tested to determine the accuracy thereof from sample data and inferences pertaining to the general population with regard to data at hand.

Quantitative data gathered was coded and analysed through the manipulation of the Statistical Package for Social Scientists (SPSS) computer programme.

1.9 Importance / Benefits of the Study

1.9.1 Academic

This research is expected to add value, fresh perceptions and new thinking to the discipline of entrepreneurship and provide it with renewed impetus regarding how entrepreneurship is perceived and studied in Africa and beyond. The contents of this study are expected to lay a solid foundation for future academic entrepreneurship research as well as find their way into various academic journals.

1.9.2 The corporate sector

Those who are entrusted with leading organisations in the corporate sphere and particularly those in the insurance field, may find the outcomes of this research useful, especially in as much as the findings entreat corporate management to diligently research, craft and implement their strategies prudently if their organisations and the stakeholders in the entire corporate value chain continuum are going to derive maximum benefits from their ventures.

1.10 Outline of the research

In pursuit of the underlying challenges in the context of entrepreneurial intensity within the corporate insurance business, the research was structured to capture the various thematic strata that aptly constitute an empirical academic research of this nature. Accordingly, the thesis comprises the following:

Chapter 1: Introduction and Background

This chapter has provided the introduction and background to the study both from the global perspective and local context. The matter of concern to this study was located and the unit of analysis was isolated and crystallised in this chapter. Prior reading around the social reality was exhibited, research problem identified and research questions were propounded. Hypotheses were also propagated.

Chapter 2: Developments in the Field of Entrepreneurship

This chapter chronicles the entrepreneurial journey to the present day, that is, developments in the discipline along the way, and explores the associated impact onto various sectors of the economy, the world over.

Chapter 3: Conceptual Frameworks

Chapter 3 attempts to locate entrepreneurship in the context of the business environment, the strains and challenges of firms emanating from the global environment and leadership responses in dealing with unstable business environments. Corporate entrepreneurship theories are discussed in detail to create a strong theoretical base for this research.

Chapter 4: Fostering Entrepreneurial Intensity

This chapter traces how various concepts are interlinked to enhance entrepreneurial intensity to ensure strong growth, especially as warranted and demanded by the prevailing business environment.

Chapter 5: Research Methodology

The chapter addressing the research methodology focuses on dissecting the research problem and exploring the proffered hypotheses. The chapter discusses the manner of testing the hypotheses. The concept of research design is also adequately explored while the data collection instruments used to mine empirical information are chronicled and discussed in detail and with particular reference to the questionnaire. The manner

in which data is processed and analysed is also discussed and finally, statistical techniques utilised are presented and justified in this chapter.

Chapter 6: Research Findings

This chapter considers what was discovered in this research and, using descriptive statistics, the research findings are presented, using tables and graphics. Hypotheses are rejected or fail to be rejected on the basis on the findings from the analysed data.

Chapter 7: Summary, Conclusions and Recommendations

This chapter offers a summary of the findings of the research, presenting the outcomes of the study. Research objectives and hypothesis are realigned and reconciled with findings to draw out conclusions. Scope for future research is advanced in this chapter as well.

1.11 Conclusion

Chapter one was intended to provide insight into the whole study by tackling snippets and contours of the research terrain. Background to the research was given to contextualise this study in the Zimbabwean scenario. The research problem was also investigated to offer a plausible rationale for undertaking this study and research objectives while questions were also advanced to guide the direction of this study. The hypotheses proffered in this chapter were examined so as to be accepted or discounted as the research proceeded and the relevant data was gathered.

CHAPTER 2

CONCEPTUALISING ENTREPRENEURSHIP

“Businesses don’t fail: leaders do” (Anon)

2.1 Introduction

This section presents a critical review of the literature that explores the essence of entrepreneurship in a business environment: in particular, corporate entrepreneurial intensity and the consequent entrepreneurial activity for any company operating in a challenging and unstable socio-political and economic environment. Contextually, it investigates the insurance companies in Zimbabwe. The section goes beyond interrogating entrepreneurial intensity within the insurance industry and explores the extent to which the entrepreneurial spirit among corporate leaders becomes necessary to drive the business beyond harsh economic and other operating challenges. It furthermore critically dissects the fundamental issues and concepts in the realm of entrepreneurial intensity. Finally, as may be expected, it critiques applicability and relevant methodology.

While there is an excess of literature in the discipline of corporate entrepreneurship and in particular, entrepreneurial intensity and its effects on the growth of corporate economies, for the purposes of this study however, the researcher focuses on the universal viewpoints. The particular focus is narrowed down to the once hyperinflationary Zimbabwean context. This is done in terms of how entrepreneurial intensity impacts on the entrepreneurial activity of the corporate entity and consequently, the well-being and ultimate growth of the company. The predominant emphasis here considers the challenges faced by the insurance industry in Zimbabwe’s worst economic depression and the period post that time as the insurance industry sought to resurrect and reinvent itself.

2.2 Developments in the Field of Entrepreneurship

Entrepreneurship plays a vital role in the development of an economy and the subsequent reduction of poverty and its related society. Professor Howard H. Stevenson of the Arthur Rock Centre for Entrepreneurship, once remarked that entrepreneurship makes a huge difference in people's lives and the liveliness of an economy in any society (OCED Report, 2007; Landes, Mokyr & Baumol, 2010).

2.2.1 Defining and conceptualising entrepreneurship

In his foreword to Morris (1998)'s *Entrepreneurial Intensity: Sustainable Advantages for Individuals, Organisations and Societies*, Professor Leyland Pitt noted that entrepreneurship is in danger of becoming a buzz word, loosely applied by consultants, academics, abused by government officials and managers to describe all manner of activity, most having nothing to do with and being far removed from entrepreneurship (Morris, 1998 :xvi); thus the need to properly define and conceptualise the construct and locate it in the broader socio economic environment affecting the person, the organisation and the society.

Entrepreneurship is a multidimensional concept encompassing different activities and behaviours (Audretsch *et al* 2002:123). Like an amoeba that mutates in response to prevailing circumstances and like a chameleon that changes its colours to reflect its environment, so can entrepreneurship be explained. Entrepreneurship can therefore be described as amorphous, nebulous and vague in definition. Cole (1969) observed that efforts to define entrepreneurship in over a decade of his endeavours had been in vain. Whilst the researchers involved in Cole's attempts at a definition of entrepreneurship had their respective notions concerning entrepreneurship, they could not limit the phenomenon to a single common definition. Other scholars have even conceded that there could be probably as many definitions for entrepreneurship as there are entrepreneurs and entrepreneurship practitioners and scholars. Since the emergence of the word, "entrepreneurship", and the subsequent attempts at defining it, the

manifestation has continued to evade universal definition – contrasting with the massive reception it has received as a critical variable in pursuit of economic growth.

The twin metaphors of an amoeba and a chameleon suggest that entrepreneurship can only be logically defined within a context. To define it one must first explain its root word, “entrepreneur”, derived from the French language and dating back to the eighteenth century. According to the Irish economist, Richard Cantillon (1755) in (Baumol 2010:12) an entrepreneur was referred to as a middleman, an intermediary who secures the means of production to develop products that can then be sold at a profit. Subsequent scholars and even the dictionary definition of their differences have not deviated much from this early definition of an entrepreneur. Much later, with heavy Cantillonian influence, Olomi and Rutashobya (2009) and Olomi (2009) would define entrepreneurship as the mobilising of factors of production for a certain venture and, in the process, assuming inherent risks and rewards of such a venture. In the early 1800s, another economist, Frenchman Jean-Baptiste Say, seemingly retracing the footsteps of Cantillon, defines an entrepreneur as someone who is primarily responsible for shifting resources from an area of lower utilisation into an area of higher yield. Link and Siegel would call this type of entrepreneur an “arbitrageur” (2007; Kizner 2000:125). From this, it may be deduced that not everyone who marshals resources is an entrepreneur unless they are able to deploy those resources into areas of increased rewards and outcomes and in the process, deal with associated risks.

Building on the mentioned entrepreneurship trailblazers, Cantillon and Say, Joseph Schumpeter (1934) in defining entrepreneurship, included the innovative dimension, emphasising the introduction of new means of production, new ways and methods, new markets, new organisations, re-engineering new products from the old, a new use of an old product. The word “new” became a symbol of creativity and innovation that has to date characterised the real entrepreneur especially as one attempted to distinguish an entrepreneur from a person running a small business. Schumpeter’s (1934) “buzz phrase” in describing entrepreneurship referred to the “new way of doing business”. Fillion would term these entrepreneurs “visionaries” for their innovative acumen (2004).

This is buttressed by Carland & Carland (2003:1); Anitsal and Anitsal (2011:1) and Auerswald (2012:20).

However, this assertion contrasts with the fallible Austrian theory (Jones, 2012 :187) on entrepreneurship which argues that an innovative economy consequently results in economic disequilibrium. The foregoing is buttressed by Gibb (2005) who sees in entrepreneurship the ability to create value for an entity and recognise opportunities characterised by the will and initiative to maximise those opportunities. In so doing, profit remains the reward for an entrepreneur taking risk and accepting uncertainty (Knight, 1997). Regarding Schumpeter's view on the innovative dimension of entrepreneurship, Hitt, Ireland and Lee (2000) support this perspective, citing the development of the micro-chip in the 1970s as a good example of entrepreneurship embedded in a notable innovation that has resulted in a flurry of technological developments in other areas too, and that is recorded in recent history. Radical innovations such as the internet have transformed the way people trade and live, and have given rise to a plethora of other internet facilities, all speaking to the role of innovation in entrepreneurship development (Venter, Urban & Rwigema, 2008; Timmons, 1999; Lerner, 2009:45; Timmons & Spinelli, 2009).

To bolster the same, Venkataraman (1997) argued that whilst entrepreneurship provides significant, innovative insights, intellectual problems and in particular, those that have to do with the lack of well-articulated theories of entrepreneurship, have also arisen. This apparent confusion and contrast is probably one of the grey areas of entrepreneurship requiring further research going forward.

However, it is apparent that it has become imperative for an entrepreneur to contribute innovative business ideas and operate strategically and innovatively in pursuit of business growth and sustained profits.

Since then, other scholars have added to the definition and concept of entrepreneurship, albeit that their views are differentiated and add value to certain

viewpoints and perspectives largely influenced by the sectors and professional backgrounds of the authors. Behaviourist theorists such as McClelland (1961) brought in a different definition characterised by the need to achieve as a motivation for one starting a venture. He contended that individuals with a higher need to achieve (n-Arch) were likely to start a venture compared to low achievers. McClelland regarded the “need to achieve” as a desire to do well in pursuit of self-satisfaction and a sense of accomplishment. A person with such motivation would not hesitate to start a business and consequently apply themselves seriously, regardless of the challenges, obstacles or the risk associated with the venture.

2.2.2 Traditional neo-classical versus contemporary definitions

Whilst traditional, neo-classic economic theorists, such as Cantillon and Say, tend to treat entrepreneurship as a “mystical” element in the formation of an enterprise (Schidel & Hofer, 1978; Baumol 2005; Landes *et al* 2010:195), latter-day scholars tend to view entrepreneurship as a branch of knowledge involving the systematic pursuit of formulated principles and employment of skilful techniques in developing and managing a business.

Entrepreneurship blends effective theory with hands-on participation and provides solution-driven innovation. It then embodies the profitable expansion of ideas into actions, creating unique products such as solar lanterns (Thorp & Goldstein, 2010 :95). Entrepreneurship would therefore provide platforms that push for business-oriented economic growth of societies and nations. It also seeks to address economic ills, challenges and threats in an innovative, technologically sustainable and effective way. When an entrepreneur is starting an enterprise, a certain amount of expertise has to be used, including business experience, professional research and approaches to bring in the cognitive element (Harper 2003:4; Forbat, 2007:22)

Lischeron (1991; Fayole, Basso & Legrain 2008) regard an entrepreneur as the founder of a venture and as a manager. An entrepreneur can also be someone who buys the business or even inherits it. He can also be an agent acting on behalf of the founder or

can be a partner or shareholder. Most importantly, he must be creative and an innovator and a developer of a new marketing strategy. As complemented by Dees (1998:1; Gallucci 2013:4) the essence of entrepreneurship is not all about starting a business but being able to grow it through opportunity seeking, value creation and innovation, amongst other critical growth factors. This is where entrepreneurial intensity is expected of the corporate entrepreneur.

The globalisation of the economies has heralded a new focus and given impetus to the whole definition of entrepreneurship from different perspectives, as already referred to. However, Nieman and Nieuwenhuizen (2009 :9) would define an entrepreneur as a person who recognises an opportunity in the market, mobilises the resources required and goes ahead to create and grow the business with the intention of satisfying the market. In doing so, the person takes the risks as well as the rewards associated with the venture should it fail or succeed respectively. Critical to this definition is the attempt to include other entire concepts and variables as propagated by early scholars in defining entrepreneurship so as to craft a nearly holistic definition.

Variables, such as opportunity exploration, gathering of resources, market satisfaction, venture creation, growth, risks and rewards are factors that have, over the years, been applied across the entrepreneurship field and have come to be accepted in the definition of entrepreneurship, hence the decision to view the definition by Nieman and Nieuwenhuizen (2009) as more inclusive and near-universal than most that have preceded it in the attempt to capture the essentials of entrepreneurship.

The innovation and growth elements are also prominent. In this innovation quadrant, opportunity seeking and diversity is critical as an occasion to add value by engaging in entrepreneurial activities that differ from those of rivals. However, these opportunities do not present themselves but should always be sought out by the entrepreneur (Venter, Urban & Rwigwena, 2008). It becomes imperative for the corporate entrepreneur to pursue entrepreneurial intensity, seek, and exploit the opportunities in the environment

Glancey, McQuaid & Campling 2000:132; Dixon 2003: 50,143; Greenhalgh & Rodgers 2010:117).

In the narrow sense, whilst entrepreneurship is widely perceived as critical to our economic endeavours, wealth creation, poverty reduction efforts and ultimate prosperity, the field has continued to defy common definition, save for those contextualised definitions that have seen entrepreneurship located in various backgrounds, scenarios, sectors, environments and countries to an extent and defined accordingly, as alluded to in the amoeba and the chameleon metaphors discussed elsewhere in this discourse. The definition of entrepreneurship remains elusive. As a field, it is still characterised as diverse and fragmented (Gartner, 2001) and, as previously mentioned, probably reason enough to pose the poetic question (Yeats, 1956) in Gartner (1988) “How can one differentiate the dancer from the dance?”.

Entrepreneurship is therefore a phenomenon that manifests itself in the economy in many different forms, with varying outcomes which may or may not always be related to wealth creation but among other issues may be concerned with tackling unemployment, and socio-economics ills such as inequalities (Ahmad & Hoffman, 2003:4; McMullen 2011:1) well as enhancing venture growth, venture prosperity and profitability. A deliberate entrepreneurial business decision such as new venturing and implementation of other strategic entrepreneurial platforms are essential to achieve corporate sustainability and growth, especially in unstable economic environments. by Cooper *et al.* (2006 :47) complemented by Ireland and Webb (2007) remark that entrepreneurship is a phenomenon that encompasses acts of organisational creation, renewal or innovation occurring within or even without the firm motivated largely by the benefits accruing to the individual firm and to the economy at large.

2.2.3 Entrepreneurship: Assigning schools of thought

In this regard, the Gartner (1988)'s question derived from Yeats' (1956) poetry remains relevant. How can one differentiate the dance from the dancer?

This question is an attempt to understand entrepreneurship from the perspective of the entrepreneur. The two are interchangeably used and analysed because looking at the dancer (entrepreneur) is like watching the dance (entrepreneurship). Various schools of entrepreneurship have been propagated in recent years in an effort to locate the entrepreneurship element in the whole matrix. Consequently, the mind-set of an entrepreneur can be viewed from various perspectives concerning how they think and take risks in running their ventures. Cunningham and Lischeron (1991) identified six schools which are discussed hereunder. However, the cognitive school, a recent phenomenon in this arena, is still trying to find its footing in understanding the field of entrepreneurship.

2.2.3.1 Great Person School

Some people, especially entrepreneurs, contend that the latter are born and not made and that entrepreneurship is not so inclined (Pawan & Rajesh 2009:87; Thorp & Goldstein 2010:118; Prosek, 2011 :179). This assertion speaks to the “Great Person School” of entrepreneurship, which Peter Drucker (1985) however attempts to refute, insisting that precisely because entrepreneurship entails risk, therefore entrepreneurs must be trained. This school advances that an entrepreneur is understood through a dichotomous variable – as to whether an entrepreneur is born or made.

The assumption is that possessing character traits, it can be concluded that entrepreneurs are born with something that others do not possess. In this school of thought, entrepreneurs cannot be sculptured through the many academic and professional programmes they may be taken through; rather, they are born with certain traits, certain risk taking behaviours with a certain entrepreneurial charisma inherent in them. There is always the sixth sense in them that is absent in others, which for instance, would encourage them to look at an opportunity that others may miss.

2.2.3.2 The School of Personality

Otherwise known as the Behaviourist School, this school envisions the entrepreneur from a psychological perspective and assumes that people behave entrepreneurially

because of their personality. The need for achievement, for instance, according to McClelland (1961; Emre 2013:1) becomes a motivation for some individuals to get into business. The critical feature of this school of thought and which has seemingly taken South Africa for example, on an unprecedented economic growth trajectory, is the entrepreneurial “get-it-done” attitude by some individuals keen on opportunity seeking, opportunity grasping and excellent problem solving skills complemented by knowledge of the business they wish to establish as requisite assets when starting one up.

Entrepreneurs are typically innovative, imaginative, creative, adaptable and reliable people who take risks and are flexible. In addition, it is considered that these persons have the strength to endure the struggle of life and have more motivation in achieving the objectives (Johnson, 1996:62-70) cited in Develi *et al* (2011). Develi *et al* (2011:118) argue that the most important characteristic of the entrepreneurial personality is the predisposition or tendency to take risks. The risk includes believing in a maximum return and achieving the realisation of the undertaking with balanced decision-making. Entrepreneurs have a tendency to be independent and desire to be their own boss. Bridge *et al* (1998:42) cited in Develi *et al* (2011:118) found that the entrepreneurial personality informs the basic qualities separating the entrepreneurial individual from the average one.

2.2.3.3 The Classical School

From the entrepreneurship perspective, classical school put emphasis on innovation as central to entrepreneurship as advanced by entrepreneurial innovation scholars such as Schumpeter (1934). The basic tenet of this school is that owning a business is not enough unless one starts doing something about the business. Innovation becomes critical entrepreneurial act in catalysing business growth hence the demand placed upon entrepreneurial innovation – new methods, new markets and distribution channels, new products and the value adding processes.

2.2.3.4 The Management School

Popularised by scholars such as Peter Drucker in the 1950s, the school assumes that entrepreneurs can be trained and developed through training programmes and other capacity building initiatives in contrast to the views expressed by other abovementioned schools, especially the Great Person and the Personality Schools. Consequently, Peter Drucker (1985) as discussed earlier in this Chapter, is one of the earliest proponents of the school of management. Focusing on technical management, the emphasis is that an entrepreneur can be trained and developed. McClelland (1961), a major contributor to this school, is of the view that a manager in an organisation can be just as entrepreneurial in his/her approach to his/her role in the company. Another contributor, Weber (1947), also locates an entrepreneur as a manager within an organisation even as he attempted to distinguish between the two, in terms of what they do.

2.2.3.5 The Leadership School

Some entrepreneurs come through the Leadership School, where they simply rely on getting results through other people. Usually, this type of entrepreneur is one who would have risen through the corporate environment and has been a leader working with teams to achieve strategic corporate goals. They would ordinarily be versed in adapting to various leadership styles to align with people's needs.

2.2.3.6 The Intrapreneurial School

Otherwise known as the Corporate Entrepreneurial School of thought, the Intrapreneurial School is premised upon the assumption that corporations and indeed other organisations need to adapt to be sustainable and to grow as an enterprise. Hitherto, entrepreneurship was thought to be inherent just to the owners of businesses and not to the managers of the enterprises. However, large corporations have tended to innovate in order to survive. For instance, some business environment and operating challenges may invoke the entrepreneurial spirit among organisational leadership, leading for example, into corporate venturing to mitigate the pertaining challenges and achieving the necessary strategic turnaround for their organisations. Don Brown, CEO

of Arterlocyte Inc. argues that enterprises need to recruit people with a “do-it-yourself” attitude and a passion for creating and launching new things (<http://sep.cwru.edu/>).

2.2.3.7 The Cognitive School

This is an emerging school of thought usually associated with contemporary scholars who have had the benefit of studying the preceding six schools and realised that something is missing from the definitions matrix of who an entrepreneur should be. Or, at least, there is little to indicate where entrepreneurship stems from. The school propounds the view that the entrepreneurial process is a factor of certain thinking processes with inherent biases, paradigms and archetypes. Neergard and Krueger (2005) are of the view that if entrepreneurial beliefs can be identified, these can be replicated and inculcated to improve existing entrepreneurial processes and activities. In that way, entrepreneurship can be said to result from a thinking process; so do his or her entrepreneurial activities which might lead to growth. Shepherd and Krueger (2002 :177) point out that cognition research offers considerable direction to understanding how entrepreneurs think, whilst Vance, Groves, Gale and Hess (2012 :1) consider that worldwide recognition of the importance of non-linear thinking in entrepreneurial cognition is critical in driving change.

These schools of thought are viewpoints by which we can understand the dancer-entrepreneur through how they dance: their traits, behaviours and ways of doing things and going about their entrepreneurial activities.

2.3 Exploring the High Entrepreneurial Performance Motive

In his *Achieving Society* treatise, McClelland (1961) propounded the concept of the need to achieve as central to the broader theory of motivation, emphasising the need to achieve as being inherent in some people. He implies that individuals are motivated by the need to achieve. This hypothesis is pursued by Scarlett (2011:1) who makes the assumption that in the business world motivation predicts the positive intensity and quality of effort the organisation can expect from an individual within a firm. Business

has also since recognised that talent without engagement and motivation is devoid of value and inadequate for any organisation intending to intensify its entrepreneurial activity.

Therefore, a permeating motivation should move individuals in the corporate entity to the desired entrepreneurship sphere. When motivated, the organisation stands to realise, at a bare minimum, lowered management costs, increased revenue streams, possibly benefiting from numerous innovative occurrences, processes and products, eliciting higher customer loyalty and positive return on human capital investments.

Scarlett (2011:2) also advances the business case for managing employee motivation, essentially, for fostering corporate entrepreneurs. When correctly measured, engagement drivers provide management with a statistical method to maximise return on human capital. For instance, employees who are positively engaged are likely to have increased individual production levels, complemented by higher levels of creativity and innovation capacities. Motivated employees are also likely to be engaged, robust and enthusiastic which would make them more productive, causing them to be a pleasure to work with and for customers to do business with and are likely to be able to solve challenges and have lower incidences of human error. It follows therefore that their economic contributions to the enterprise dependably would exceed their engagement costs.

2.3 Force of Entrepreneurship: Exploring some Motifs

Some themes common to most entrepreneurs are now explored to discover the justification for and appreciate the force of entrepreneurship. Such a rationale may be hidden away in a number of motivational factors that may include certain premeditated entrepreneurial outcomes.

2.3.1 The growth aspiration motif

Growth is often used as a proxy for business performance; as a result, growth as a measure of performance may be more accurate and accessible than accounting measures of financial performance (Wicklund & Shepherd, 2005 :80). The growth motif

is always both a motive and a consequence for starting a business, whether a small one or large corporation. Hisrich *et al* (2008 :45) consider that every entrepreneurially managed firm has the desire to rapidly grow the organisation. Growth is desirable as it makes the organisation bigger and it should continue to benefit from a larger size, while increased production efficiency makes the firm more attractive, increases its bargaining power, enhancing legitimacy and prestige and ultimately, the much desired firm's performance.

Whilst an organisation should be wary of inorganic growth, spurred only by profit margins, others may deliberately rein in their growth intentions (Turk & Shelton, 2006 : 37) to avoid growing beyond their means. A case in point is how Southwest Airlines, one of the renowned airlines at service innovations had to miss growth opportunities because it could not just manage to grow beyond its means (Hisrich, *et al.*, 2008 :512). Even as growth remains the ultimate measure of entrepreneurial excellence, it must therefore be done in a way that ensures its well managed and does not lead to a quick collapse due ill management of the rate of growth. However, the success and aspirations of most entrepreneurial organisations are embedded in their ability to grow as this is associated with improvement in the overall performance of the organisation and wealth creation of the same.

There can be little doubt that the predominant view embodied in the entrepreneurship literature is that entrepreneurial leadership and teams exist and are disproportionately involved in the establishment of ventures which have the potential for rapid growth and expansion of the firm (Carland & Carland, 2013 :73). In fact, the many attempts at defining entrepreneurship would view the entrepreneur as someone who, in the process of building a vision, establishes a business aiming for profit and growth Inacio & Gimenez 2012; Nieman & Niewenhuizen, 2009 :9). This means that the firm's growth motif is at the heart of entrepreneurial activities, not to mention its intensified entrepreneurship. It remains the motive and objective of the entrepreneurial leadership to ultimately grow the firm in their belief that this signifies the success of their entrepreneurial endeavours. In any case, according to Alsaaty (2011 :2) the

entrepreneurial orientation of even the small firms is such that they exploit the marketplace through commitment, focus, and determination of their employees as well as resource deployment to achieve not only organisational renewal but, ultimately, growth too. According to Shaw (2006 :20) some firms even leverage their technological acumen and systems to achieve a competitive positioning and growth stance, facilitating regular information access, knowledge management and stronger relationships.

From the various definitions of the entrepreneur and entrepreneurship, in which growth is a common denominator, it is fair therefore to conclude that the essence of entrepreneurship is the achievement of growth.

2.3.2 The profitability and wealth creation motif

Almost all definitions of entrepreneurship have noted that the central aim of starting a venture is profit making. In defining the entrepreneur as someone who sees an opportunity that can bring about value and then takes the risk of finding the necessary resources to create value for potential customers and grows a venture to profit from the opportunity, Nieman and Niewenhuizen (2009 :9) underscore the profitability theme as a motive for entering into entrepreneurship. In instances where a firm could, for example, choose to trade-off long-term growth for short-term profitability (Zahra 1991) in Wicklund and Shepherd (2005:80), profitability becomes a barometer for success.

A firm's profitability derives from certain levels of entrepreneurial behaviour, which in turn depends on the level of organisational creativity (Bratnicka, *et al.*, 2013 :1). However, the model of corporate entrepreneurship and creation of wealth, according to Antoncic and Hisrich (2004:539) who tested it, does not indicate that profitability may correspond directly to the growth rate of the business industry. Nonetheless, profitability remains an objective not simply of setting up the venture, but of acting entrepreneurially as well. Entrepreneurs who prioritise growth have a unique psychological disposition, different from that of those entrepreneurs who choose to focus on income generation. According to Davidsson (1989) a willingness to grow, for instance, may be an outcome of an achievement motivation.

According to Dunn, Kogut and Short (2011:42 most entrepreneurs, men and women, are motivated to start small businesses by the goal of satisfactory profitability. The motivation for a profitability embedded organisational success is more desirable but most difficult to attain in a business environment of economic uncertainty. To achieve this, leaders must become effective entrepreneurs or must hire top executives with entrepreneurial leadership abilities to positively influence profitability (Valdiserri & Wilson, 2010 :49). The scholars add that any organisation exhibiting a robust entrepreneurial leadership style will result in business profitability and success.

Profitability is therefore driven by corporate entrepreneurs; the reason why they in turn resort to intensified entrepreneurship in difficult times is to achieve exactly that, one of the critical motives for starting a venture – profitability and creation of wealth. The enterprise growth motive therefore prescribes an enhanced entrepreneurial disposition and, as such, growth oriented entrepreneurs are termed macro-entrepreneurs. Carland and Carland (1997) contend that these are highly driven entrepreneurs who perceive their involvement with their business as the primary vehicle for pursuing self-actualisation. They measure success in terms of changing the world or creating something that no one else has been able to do, and have one characteristic in common: a dream to create, a dream to change, a dream to shape the world differently. They are often innovative and creative and have a tremendous risk-taking propensity. They never cease striving, taking risks, expanding, growing and competing, even when they might be considered by others to already be highly successful or tremendously wealthy (Josien, 2012 :22)

2.3.3 The Venture Creation Motif

Entrepreneurs create new ventures for a variety of reasons and satisfying a variety of objectives (Agarwal & Chatterjee, 2007 :6). One of those reasons is to maintain the growth momentum of the firm through diversification of revenue streams by creating a new venture. According to Dess *et al* (2010 :435) the rationale for corporate entrepreneurship is to create value for the organisation and through investments create either new sources of competitive advantage or organisational renewal.

Liang and Dunn (2007 :80) are of the view that the decision to launch new ventures includes endogenous factors in the individuals as well as exogenous factors in the environment and [that the] "...motivation related to new venture formation often revolves around the opportunity to gain control over personal lives/independence, to get profits/financial rewards, to enjoy what individuals are doing, to achieve personal goals and recognition, and to make a difference/contribute to society" (p. 81).

The other motivation for a new venture by a large existing business, according to White, White and Miles (2006 :111) is that in most situations, the start-up may be strategically related to the investor's ongoing business, boosting the firm's product diffusion and marketing efforts and in addition, the new venture might contribute to the existing firm's product or marketing efforts or, it could be that the firm just wants to invest a portion of the investor's portfolio into a new venture and probably signal enterprise growth and a new revenue stream.

2.3.4 New products and services motif

Launching of new products always dignifies the company's ambitions to outdo the competition and ensure it stays on the winning trajectory with its new offerings. Companies such as Apple, Microsoft, 3M, Samsung and Southwest Airlines, amongst others, have kept their presence on the market with a determined, continual supply of new products and services. Harvard Business School reports that its graduates regard the creation of new products as being the essential driver to a successful business and that captains of industry would do well to accord more emphasis to product development in order to survive and thrive (Gray 1995:6). New products and services, therefore, are not merely inputs to successful entrepreneurship but an expected end in themselves to aid the company's journey to prosperity.

2.3.5 Innovation and Technological Advancements Motif

Most entrepreneurial organisations are motivated by the desire to continually devise innovative and technological improvements to processes and products as a competitive

advantage in the marketplace. The more technological enhancements they produce, the more they develop a market stamina that will catapult the firm to profitability and growth. Cimoli, Fleitas and Porcile (2013:354) declare that technology and endowments contribute to define competitive advantages in international trade, resulting in it being easier for the organisation to discover and exploit resources hitherto difficult to exploit.

Emphasising the catalytic usefulness of innovations and technological advancements as both an antecedent and an outcome, Osiri *et al* (2013 :32) assert that entrepreneurs can also be motivated to create new businesses in response to newly developed technological advancements. The creation of the computer and the internet, for instance, have not just revolutionised the way we live and view the world, but represent innovations which have transformed the business models of enterprises and facilitated the creation of completely new industries. Therefore, any offerings that possess entirely unique qualities and characteristics, such as technology-based products, services, and processes, will inspire new and continued research.

Underscoring the cyclic nature of entrepreneurship and the innovations and technological advancements motive for the entrepreneur, Osiri *et al* (2013) add that the development of new technologies provides many opportunities for entrepreneurship where both existing and new ventures can exploit emerging markets to capitalise on new or improved technologies (p. 39). Innovations and technological advancements also make for ease of entry into international markets and are therefore justified as motivation for competitiveness on the global markets.

2.3.6 The employment creation motif

According to Audretsch *et al* (2002:2) entrepreneurship and in particular, creation of new businesses, has always been associated with confronting unemployment by creating and sustaining of jobs. However, in the view of Nijhawan and Dubas (2007 :101) the relationship between employment creation and entrepreneurship may not be as clear cut as is generally thought, since the causality may run both ways with

entrepreneurial activities creating employment opportunities and lack of employment opportunities which may stimulate self-employment.

Be this as it may, job creation and sustainability of employment remains high on the agenda of entrepreneurship. It has been noted that when the operating environment become difficult and turbulent, jobs are lost and companies would most likely prioritise sustaining existing jobs without necessarily creating new ones. Therefore, an organisation could be motivated by the number of jobs they create or sustain in any given period and by extension, their contribution to national employment creation agenda in the economy.

2.4 The Human Factor in Entrepreneurship Development

2.4.1 Stockpiling the entrepreneurial capital

In exploring the complex concept of entrepreneurship, it becomes imperative to build up the entrepreneurial capital needed to be able to carry the venture through to entrepreneurial excellence. It also becomes equally important to first understand the entrepreneur who makes and drives entrepreneurship; whether in the corporate environment or in the new venture or enterprise. To best understand the entrepreneur concept, it is also imperative to explore the concept of human factor content, a concept prevalent in the social sciences. It becomes more compelling to borrow the concept and apply it in entrepreneurship since the key driver of the discipline of entrepreneurship – the entrepreneur – is a human being first and foremost, prone to fallibilities with a bearing on the ultimate success or failure of their entrepreneurial adventures. Develi *et al* (2011) add that there are many determinants of what makes one a successful entrepreneur and these include capital, knowledge, experience, family, and stability. The scholars further maintain that even if the chance of success depends on many different environmental and demographic factors, the true key determinant factors are the characteristics, which the entrepreneurs carry within them – the human factor content.

2.4.2 The human factor concept

Defining the term human factor can be complex given that it is a term so fractured in its use, so diverse and flexibly applied to various disciplines that may have borrowed the term from the sphere of human capital. The concept of the human factor can be traced to the influence of human error in the human-system interaction (Sharit, 1998 in Salvendy, 2006 :708), recognising that whilst human fallibility is common if properly managed it can bring enhanced success to many organisations. Bos (2013 :3) articulates that the concept of human factor content is about “The psychological, cultural, behavioural, and other human attributes that influence decision-making, the flow of information, and the interpretation of information by individuals and groups at any level in any state or organization.”

The study relied on the more apt definition of the human factor provided by Senyo Adjibolosoo who referred to the “...spectrum of personality characteristics and other dimensions of human performance that enable social, economic and political institutions to function and remain functional, over time” (1993:142). This scholar adds that no institution can function effectively without being upheld by a network of committed persons who stand firmly by it.

Such persons must strongly believe in and continually affirm the ideals of the institution (Adjibolosoo, 1994:26). Sandon (2010), adopting a systems context, defines the human factor as about designing human tasks within a specified system context to maximise physical and mental performance and minimise human errors. The human factor broadly speaking can, therefore, mean those unique characteristics and qualities of human personality that determine whether the available human capital will successfully or unsuccessfully accomplish the economic mandate of the enterprise through the appropriate deployment of the said unique traits and qualities to deal with every day challenges in order to achieve the desired results (Adjibolosoo, 1993: 143).

Adjibolosoo (1993; 1994; 1995) in his work, acknowledges the significance of knowledge and information acquisition as well as the application thereof. He also places

importance on exhibition of responsibility in leadership, dedication through commitment, resourcefulness in the utilization of available resources, resilience and tolerance in the face of adversity as well as inventiveness and innovativeness. These traits, amongst others, contribute to the content of the human factor and without these qualities it would be difficult for an entrepreneur to adequately realise a venture so that it could reach the growth phase. Consequently, it should augur well in view of the aforementioned definition to treat the human factor as endowments of human character or personality traits necessary in driving a business venture or any organisation.

This discourse therefore adopts the position that the terms: human factor, human qualities, characteristics and personality traits are inter-changeably and synonymously used. Drawing from this perspective, it seems therefore that no economic institutions and processes such as the creation of a profitable enterprise can function effectively without being driven by a network of committed persons who possess the appropriate human characteristics and qualities and stand firmly by that venture. Such persons must strongly believe in and affirm the ideals of the venture. The human factor, as perceived by entrepreneurs, is as relevant to the effective performance of the whole enterprise as the nervous system is to the proper functioning of the whole body (Fox, 1987:212-235; Raven & Johnson, 1997:917-939; Hess 2009:173; Fitz-Enz 2010:37). It therefore follows that the extent of development or underdevelopment of an entrepreneur's human factor characteristics has a bearing on the effectiveness with which they impact their venture. Entrepreneurs, whether working on their own or in partnership or in a corporate environment, using their positive human factor are able to accomplish intended entrepreneurial tasks and objectives (Adjibolosoo, 1995) where human attitudes, behaviours and actions become very important.

In underscoring the importance of the human factor to a venture, Adjibolosoo (1995 :9) likens it to the necessary software that allows for computers to operate the various technological gadgets and equipment such as airplanes. It follows therefore that any business growth should be premised upon the appropriate human factor characteristics of the entrepreneurial participants. Business growth will be a pipe dream if such

characteristics as integrity, loyalty, responsibility, motivation, honesty, wisdom, vision, dedication, commitment, creativity, skills, knowledge and understanding are ignored. Successful utilisation of these attributes results in the human capital that is ready to foster venture growth.

2.4.3 Dissecting the human factor composition

As discussed elsewhere in this chapter, a business wishing to be successful must endeavour to accord priority and consideration, on a par with the balance sheet particulars or better, to the acquisition of entrepreneurial corporate leaders and managers possessing the said vital human factor content. According to Adjibolosoo (1993; 1994; 1995) the human factor is composed of six critical components: which include spiritual capital, moral capital, human capital, aesthetic capital, and human potential. These components will be fostered by other studies such as the Five Factor Model (Bowler, *et al.*, 2012 :1083; Loeber & Welsh, 2012 :143; Rai & Kumar, 2012 :341) developed and advanced by other scholars such as Schneider and Smith (2004) to crystallise the concept of the human factor and the accompanying human performance.

2.4.3.1 Spiritual capital

A populist work by a renowned motivational speaker, Stephen Covey (1989:292) regards the spiritual element as the core of one's value system where efficiency and effectiveness are derived in the performance of one's tasks and assignments within the venture. Some scholars see spiritual capital as a sub-species of social capital, referring to the ways in which religion is practised for the wellbeing of civil society, with a positive influence on a variety of social conditions, including health, volunteerism and a healthy economy (Hertzke, 2013 :323-324).

Adjibolosoo (1995 :34) argues that spiritual capital is that aspect of the human personality which possesses the capability to align with the universal dictates on laws and principles of life. The attributes of spiritual intelligence include faith, humility, and gratitude, the ability to integrate and self-regulate emotions, morality, and the capacity

for moral conduct. One's spiritual condition impacts on one's general knowledge acquisition and ability to process that knowledge to assist one to perform assignments better (Ronel, 2008 :100). Korten (2009 :3) adds that such inherent individual spiritual intelligence must then translate into an effective collective spiritual capital that seeks to explore possibilities. This is true in firms where individual entrepreneurs who are collaborating would be spearheading the search for various avenues for venture growth.

Spiritual intelligence is likely to spur entrepreneurs to excel in their assignments, hence it is a critical trait a corporate entrepreneur should look for when leading a corporate team. In fact, Kwiatkowski and Sharif (2005 :204) discuss the argument that human capital resources (entrepreneurs in this case) are called to perfection: - to bring on humanity to fulfilment. They add that "scripture lends ample support to entrepreneurial activity, especially with the parable of the talents which is essentially a story about capital, investment, entrepreneurship and the proper utilization of economic resources" (Kwiatkowski & Sharif, 2005 :166). Spiritual capital equips an individual to do what is right and to pursue business assignments and objectives until tasks are effectively completed. James (2013 :689) opines that spiritual capital is a critical variable in promoting economic prosperity. He adds that it is the soil from which institutions that respect and promote the autonomy and productive capacities of individuals, grow.

2.4.3.2 Moral capital

Neglect of moral capital among partnering entrepreneurs may lead to moral decadence, another vital component of the human factor. Deficiency in the moral capital component of the human factor leads to issues of business ethics and corrupt tendencies with scant regard for business processes, corporate governance, customers, suppliers and many other stakeholders, to the detriment of the venture and everyone affected. Within the venture activity, respected and trustworthy partners who wield a relatively higher social influence and who in so doing can risk damaging their reputation are necessary (Keith & McQuaid, 2000 :106). Aguirre (2013 :53) concedes that moral capital is important to the economic agent (entrepreneur) and the efficiency and production of economic activity. The moral factor is therefore very critical in the context of leadership, especially as

leaders generally form a significant repository of trust for those whose interest they try to advance, or for those (businesses) whose cause they represent (Kane, 2001 :27).

2.4.3.3 Human capital

Marvel (2013 :403) defines human capital in the narrow sense as referring to skills or knowledge that is useful to a particular setting or industry, whilst broadly, human capital, particularly with formal education, is considered useful to a great variety of employers (Wiklund & Shepherd, 2003 ; 2005). Human capital is often seen as guiding entrepreneurial behaviour and is critical in facilitating nascent entrepreneurship (Davidsson & Honig, 2003) as well as enhancing venture performance (Dinov & Shepherd, 2005; Zarutskie, 2010) and the subsequent identification and exploitation of opportunities on the market.

The human factor therefore is often viewed as synonymous with the economic concept of human capital which underlines that education and training can be regarded as forms of investments that will help increase future levels of income for both the individual and their venture entities by making people more productive, in the same way that physical capital, such as equipment and machinery, is essential to the venture (Gwartney, *et al.*, 2009). At a micro level, human capital is considered the component of education that contributes an individual's efficiency, productivity and earnings. Human capital therefore refers to the ability and efficiency of people to transform raw materials and capital, thereby creating value in their ventures and developing their own intrinsic value (Son, 2010). Carter *et al* (1996: 156) agree that a corporate entrepreneur must be able to organise a team of people who match the business' operational needs if the venture is to be successful. Tesome, Platt and Alexakis (2004 :22) conclude that failure of a business has often been attributed to lack of human capital.

2.4.3.4 Aesthetic capital

This factor implies possession of artistic capacities such as imagination, inventiveness, innovation and creativity: vital competitive edge attributes for an entrepreneur. Usually, aesthetic capital entails a cultural phenomenon in which people acquire a simultaneous

endowment of social and cultural capital that also includes voluntary socialisation (McMullen, 2006 :959). This critical component of the human factor speaks to not only moral criticism but also to the “personal aspiration” (Shiple, 2009 :631) of the entrepreneur. The human factor component is what the Five Factor Model classifies as “Openness”, encouraging perceptiveness in the entrepreneur, especially when making a decision regarding what is good and what is not good for the organisation.

2.4.3.5 Human potential

Human centred entrepreneurship requires that the entrepreneurs’ talents should be harnessed and developed to enable them to undertake assignments competently. These talents, which are usually dormant, need to be unlocked (Bertucci, 2006 :175; (Schulte, 2013 :98) to add value to the organisation and should not be restricted to routine and reactive roles. Human potential has the capacity to generate a wave of increased global prosperity in organisations (Auerswald, 2012 :51). Therefore, platforms comprising conducive environments should be provided by organisations to individuals to enhance and realise their creative potential (Finkel, 2002 :216; Vogelsang, Townsend, Minahan, Jamieson, Vogel, Viets, Royal & Valek 2013 :95). If identified in employees, the component of human potential should be developed through many of the conventional training programmes, such as leadership training, to ensure the potential is fully extracted, developed and deployed into the business.

2.4.3.6 Human Abilities

Human ability is seen as an enabling variable premised on the concept of transferability in terms of conative directing of mental energy (Dennis & Tapsfield, 1996 :80; Becker 2012:84) Human ability affords corporate leaders the opportunity to “connect, form partnerships and create a context for learning and innovation” (Vogelsang, *et al.*, 2013 :595). This human factor element points to the capacity of an individual entrepreneur to competently apply themselves in the discharge of their assignments. Human abilities can either be acquired or can be a natural endowment in the individual to the extent that if fully utilised in conjunction with other human factors and personality

characteristics, they may result in a whole entrepreneur, fully developed, who is able to deliver good performance in the enterprise.

Studies have also shown that mental abilities have an impact on job performance and that one's IQ is closely related to various forms of socio-economic successes and failures (Wong, 2007 :1). Citing Spearman (1927:222), Dennis and Tapsfield (1996 :xiv) warn that whilst human ability can play a useful part in identifying and selecting people who can perform well there is a need to guard against over promising performance to the organisation on the basis of the abilities factor, referring to this as “living in a fool’s paradise of faculties”.

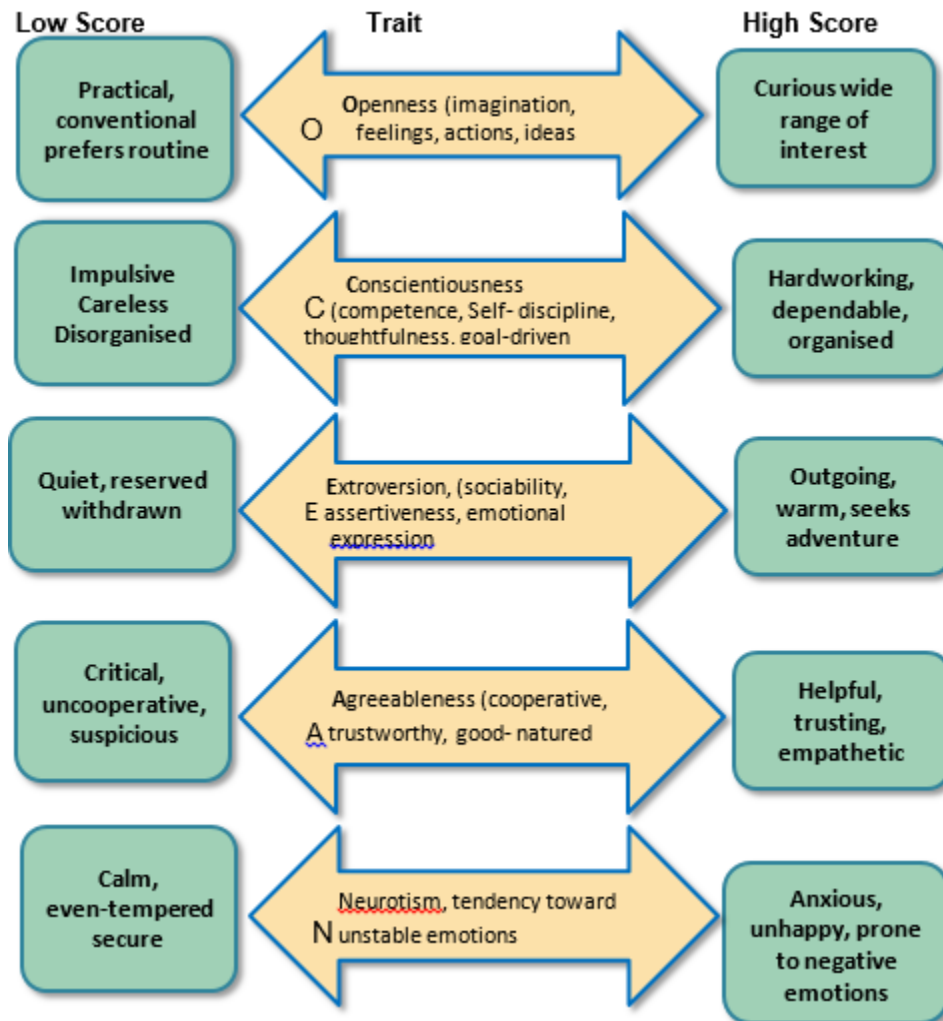


Figure 2.1: The Five Factor Model
 Adapted from Schneider and Smith (2004)

Schneider and Smith (2004 :1) and Brice (2006:2) have advanced the human factor concept in terms of the Five Factor Model as providing a personality model and its nexus with individual performance, team performance and organisational effectiveness. The Five Factor Model (Digman, 1990; Costa & McCrae, 1992; Schneider *et al*, 2004; Bowler, *et al* 2012:1083), also known as the General Factor of Personality (Russel & Karol, 1994; Amigo, *et al* 2010:5), entails:

(a) Openness: which involves appreciation for the art, generation of unusual ideas, curiosity and experience which, if inherent within an entrepreneur, should be able to help in the projection of the venture to the growth phase

(b) Conscientiousness: which is about a tendency for self-discipline, also critical in managing a venture. The factor also advocates for one to act dutifully in the venture in which they are involved and aim for achievement (McClelland, 1961). Their actions are usually planned rather than spontaneous

(c) Extraversion: describes energy, surgency, stimulation – vital attributes for a would-be successful entrepreneur;

(d) Agreeableness: a factor which describes one as being friendly, compassionate, and cooperative rather than antagonistic. Agreeableness, contextually, also includes an entrepreneur's ability to make friends, social conformity, compliance, tolerance and trust

(e) Neuroticism: this human factor element is about being sensitive, angry, anxious, depressive and exhibiting other unpleasant responses usually drawn from previous experiences that depict human factor decay and are an obstacle to business growth.

2.4.4 Other corporate entrepreneur's psychological factors

Shane (2003 :97) discusses the entrepreneurs' psychological factors that compose the human factor. This scholar takes note of the personality and motives for venturing and engaging in entrepreneurial activity and discusses extraversion, which is an aspect of

personality that includes an entrepreneur's sociability, assertiveness, ambition, initiative, impetuosity, expressiveness, gregariousness, talkativeness, and exhibitionism (Barrick & Mount, 1991) in Shane (2003 :97). Shane (2003 :99) further discusses McClelland's (1961) need for achievement as a motivation and quality, a human characteristic which an entrepreneur must have in order to successfully exploit an opportunity.

A risk taking propensity is also a critical factor of an entrepreneur's personality which points to an individual's ability and readiness to engage in risky entrepreneurial opportunities and activities. Dollinger (2008:9) echoed by Hisrich, *et al* (2008 :6) define entrepreneurship as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. This definition introduces the personal element in which the entrepreneur must be willing to operate under risky and uncertain environments. Risk-averse managers may be relevant in serving as the stabilising voice of reason in the team by reining in colleagues who have a high-risk appetite and ensuring prudence.

The internal locus of control, being the ability to take control of one's operating environment and being master of one's own destiny and in control of external varied circumstances (Tracy 2014:5) that would impact them, as well as self-efficacy, defined as an entrepreneur's ability to complete a given task (Bandura, 1986) and the belief that an entrepreneur is capable of "goal-directed behaviour to affect the operational environment" (Bos, 2013 :186) are also critical traits for the corporate entrepreneur in driving the business to excellence, even in chaotic environments.

These elements, complemented by cognitive characteristics, such as intuition and confidence, make up the most desirable human factor texture. The personality psychology of the human factor, according to Schneider and Smith (2004 :30) is therefore like the operating system of the human machine. The human factor therefore captures the uniqueness of the individual entrepreneur in the enterprise.

2.5 The Individual-Enterprise Nexus: Locating the Individual Entrepreneur

Corporate venturing, even mergers and acquisitions, have become some of the more recent and deliberate entrepreneurial success strategies where corporate leaders and managers leverage on each other's strengths to close the gap of their weaknesses. Venture collaborations between firms, typically between larger and smaller firms, are the most commonly preferred form (Burke, *et al.*, 2008 : 293). As such, growth oriented firms are more willing to attract venture capitalists (Cooper, *et al.*, 2006 :4) as strategic managers and key enterprise drivers. Consequently, the person/s who the business employs, especially in top leadership positions, become(s) very important. Rwigema and Venter (2004:28) identify organising and mobilising a team as a critical step in the entrepreneurial process. These individual alliances and teamwork allow for the new ventures to be more flexible and responsive without raising costs or slowing operations (Shane, 2003 :214) for the benefit of the business.

Morris (1998 :75) observes that "...entrepreneurship does not happen without entrepreneurs..." This underlines the importance of the individuals that should drive the venture. He adds that "...of all the elements necessary for successful entrepreneurship, the individual entrepreneur is the most critical" (p75). The question of people – a team with strong skills – must be addressed to drive the business (Bygrave, 1997:16; Gartner, 1999:230; Clover & Darroch, 2005:243). The entrepreneur's role, thus, is to "...encompass the ability to devise and implement monitoring and control mechanisms to achieve optimum efficiency in production" (Keith & McQuaid, 2000 :102). This, other researchers add, requires the acquisition of and incrementally combining new knowledge assets and capabilities (Sirmon, *et al.*, 2004) among the managers within the entrepreneurial collective activity. If that is the case, it becomes imperative that the corporate managers and their employees be in possession of certain human qualities and characteristics that should be functioning efficiently (Adjibolosoo, 1995 : 33) to drive the venture to the growth phase.

Whilst the need to build entrepreneurial teams and to achieve is a necessity, especially for small firms, sometimes the challenges encountered with such strategies can be high as it is uncommon to see high failure rates (Spence, *et al.*, 2008 :413), attributable to entrepreneur fallibility. Entrepreneurial acumen in whatever form therefore is greatly needed for enterprise growth and entrepreneurship development in general and should thus be pursued relentlessly.

Shane and Venkataraman (2000 ; 2001) defined entrepreneurship as a discipline which seeks to establish how opportunities to create new products or services, new markets, new production processes or raw materials or new ways of organising existing technologies arise and are discovered or created by particular individuals within the enterprise, who then use various means to exploit and develop them to the end of benefiting the firm (Baron & Shane 2008:5). Consequently, according to Shane and Venkataraman, entrepreneurship is an activity carried out by specific individuals who employ their unique attributes, skills and knowledge to identify opportunities and exploit them in their various and unique ways to benefit their mutual enterprise or business partnership.

Shane's and Venkataraman's (2000 : 219) definition of entrepreneurship focuses on the individual entrepreneurs' role in the exploitation of opportunities rather than on environmental antecedents and consequences. Therefore, Shane and Venkataraman are justified in focussing on the individual in their definition because it is they who drive the venture; hence, the importance of identifying the right calibre of corporate entrepreneurs with the appropriate human factor content to drive the various enterprise facets. De Carolis and Saporito (2006) expand this definition by way of developing a model that explains this basis through exploring how both external and internal capital may affect why some entrepreneurs and businesses, but not others, exploit opportunities. This is buttressed by Shane and Venkataraman's definition, useful for its recognition of external and internal factors influencing one's ability to spot opportunities and exploit them.

The foregoing, if accepted by the corporate entrepreneurial leaders, are reason enough to warrant the identification of entrepreneurs to bring in either as venture managers or team leaders, to fully exploit opportunities existing on the market as well as to contributing to various growth strategies others would not ordinarily have devised by themselves.

It is also important to explore the human factor content in the context of the “intra-individual” of the entrepreneur because no two people share the same information at the same time (Venkataraman, 1997). Whilst one entrepreneur may have the information which may be used to identify opportunities, the other entrepreneur may fail to see the relationship between the opportunity and the information they have stored unless they discuss. Thus entrepreneurial individuals working as a collective are more likely to discover the relationship between the opportunity and the information they have respectively stockpiled. These individuals, armed with certain success-defining human factor characteristics, then launch a venture and successfully run it after it comes into existence (Baron & Shane 2008:5).

Nieman and Niewenhuizen (2009 :9) in defining an entrepreneur as a person who recognises an opportunity in the market, mobilises the resources required and goes ahead to create and grow the business with the intention of satisfying the market, capture the strategic significance of the individual and lucrative business exploration or failure thereof. Again, it is the individual entrepreneurs, whether collectively or singly, who take the risks as well as the rewards associated with the venture, should it fail or succeed, respectively revealing the individual-sustainable venture nexus.

Human factor variability becomes of the essence especially as one then seeks to explain various processes and dynamic cognitive and action patterns within the individual entrepreneur (Uy, *et al.*, 2010 :32). More than anything, firms’ successes and failures are a function of individual players’ human factors reflected through information corridors and cognitive properties. The reason why some but not all people engage in entrepreneurial behaviour (Shane & Venkataraman, 2000 : 219) is that people respond

differently to entrepreneurial opportunities. Basically, it depends upon the reservoirs of human factor content inherent in these individuals.

As mentioned previously, different people have different reservoirs of information and therefore discover different opportunities based on what they know. More than two people working together become better than one. This should explain why, in the aviation industry for instance, flying a huge passenger aircraft require more than one pilot to enhance safety. In the instance of a surgical operation, there are often more than one doctor to ensure high chances of operation success than you would be assured of by a single doctor. Complementarity becomes important when one is employing staff. The more entrepreneurs that come together to form a team in a firm, the better, as various critical human factor attributes are stockpiled in one enterprise, especially when fairly spread.

Shane and Venkataraman (2000) also go on to say that entrepreneurship does not require, but can include, the creation of a new organisation meaning that entrepreneurship can occur within an existing organisation, inferring intrapreneurship by those already employed in the organisation. One, two or more entrepreneurs can come in and collaborate on a venture where their exclusive or overarching but unique attributes are synergised nonetheless into a unified, solid and complementary effort.

It is also acknowledged that certain societal factors could enhance entrepreneurship – once again reason enough to bring individuals into the firm from diverse background whose attributes can positively impact the organisation rather than allow a solo act to lead the business to collapse. Shane and Venkataraman (2000 : 219) citing Baumol (1996) related the institutional environment to the supply of people who are willing to create firms. This means that given the right environment there could be an increase in individuals willing to establish firms. (Gartner, 2001 : 30) citing Low and MacMillan (1988) suggest a focus on "new enterprise", a label that might encompass both emerging and established firms that may engage in entrepreneurial endeavours. They also explain the importance of the process of firm creation, which contextually may take

the form of corporate venturing. Reuer and Ragozzino (2006 :28) say that prior research has catalogued many positive motives underlying firms' decisions to engage in alliances, such as the ability to exploit specialised resources, learning ideas from colleagues, as well as gaining rapid access to markets.

According to Uy, Foo, and Aguinis (2010 :32) questions about difficulties experienced by the entrepreneur with venture creation processes, venture resources and skills acquisitions have been repeatedly omitted in numerous attempts at defining entrepreneurship. In those circumstances, the entrepreneur's human factor is explicitly ignored and if it remains underdeveloped will negatively impact on the growth of the firm, leading to its demise. Uy, Foo, Aguinis (2010:32) also argue that another gap in entrepreneurship definition lies in the "within-individual relationships" after tracking inter-entrepreneur relationships where comparisons would have been made among partnering entrepreneurs. The intra-individual relationships speak to an individual's state of human factor content, which will then become vital when the venture creation becomes complex through entering strategic alliances, partnerships or vertical integration.

Blenker and Jensen (2001 :1) concede that there have been numerous definitional struggles and answers to the definition of entrepreneurship. A new dimension seems to have emerged in particular, with the foregrounding of the nexus of lucrative ventures and their enterprising individuals (Shane & Venkataraman, 2000 :218) to buttress the fact that without the entrepreneur there is no entrepreneurship.

2.6 The Significance of the Human Factor in Developing Entrepreneurs

The opportunity to create wealth and being their own boss has attracted many to entrepreneurship (Rose, *et al.*, 2006 : 1). However, the lack of the human factor content among corporate leaders has not made firm management entrepreneurial enough to drive the venture to excellence. Consequently, this has amplified the research into the formal and informal human endowments and attributes of the entrepreneurs who have

led their businesses successfully to the growth stage, focusing mainly on their leadership, entrepreneurial orientation, management skills, competencies, human capital and personality traits (Rose, *et al.*, 2006 :1); hence, the recent emphasis on the human factor content of the entrepreneurs involved to successfully take the firm to this stage.

Fliaster (2011 : 1) points out that collaborative efforts help identify or solve problems as well as validating new and creative ideas, offering crucial perspectives and entrepreneurial opportunities. However, finding a corporate entrepreneur is a monumental task. Before scouting for venture managers, it is imperative to define a profile of characteristics (Carman & Lussier, 1996 : 398). Ohmae (1989 : 151) concurs by adding that an employment alliance is more like a marriage. In some instances, there may be a formal contract but in others no formal contract may exist, resulting in a loose, evolving relationship.

As noted, corporate entrepreneurs come in different forms and are therefore usually differently defined from other entrepreneurs. However, a seemingly common denominator is contained in the definition of an entrepreneur by Nieman and Niewenhuizen (2009 :9) who declare that he or she is someone who sees an opportunity in the market, gathers resources and creates and grows a business venture to meet those needs, bearing the associated risks and rewards in the venture. Having gathered the resources minus the positive human factor content, whither the entrepreneur? Firm demise may ensue unless entrepreneurial managers and employees are found with inherent appropriate human factor qualities.

The human factor, therefore, when correctly deployed, can be the “game changer” to provide that much needed human edge to competition. There are times when the founding entrepreneurs think they have reached a dead end with their venture, that the growth continuum is blocked, when their motivation has evaporated, energy is sapped by prospects of failure, when creativity for value creation is seemingly dead and in desperate need of reinvigoration. When that happens, the recruiting of entrepreneurial

corporate managers must be considered to impart a fresh impetus to the firm and take the business beyond the current obstacles. The focus should then be placed on bringing into the firm managers with relevant entrepreneurial behaviours and competences adequate for enhancing the much needed entrepreneurial activity and ultimate performance of the venture (Dej, 2007 :85). Mabogunje (1989:38) notes that there is a need to inculcate wealth oriented behaviours and values in individual partners and team members; this signifies a shift from venture success influenced by other resources such as capital, technology and equipment to a human approach to business growth, powered by positive human factors.

Mitsuda and Wanabe (2008 : 141), having followed the studies of the GEM Reports and Babson, came to the conclusion that the human make-up of the venture protagonists is crucial in the performance of the business, adding that a lack in this area could be the reason for a low degree of entrepreneurial activity in Japan. Burke, *et al.* (2008:181) underlining the importance of the human factor, emphasise that retaining people and ensuring high motivation levels and effectiveness of team members are some of the most critical aspects of any growth strategy. Collaborative venture success is rooted in value creation for the stakeholders, in particular, the managers; that success can only be viewed in the context of (a) choice of appropriate team members, (b) the management of relationships, and (c) accumulation of relational capital (Townsend, 2003). A developed human factor should provide sound ethical and value systems and progressive coexistence even among entrepreneurs in a firm and achieve economic self-sufficiency for the enterprise.

Spence, *et al* (2008 :415) make it clear that to start with, ventures consist of identifying one's own strengths and weaknesses in order to find employees to complement one's own core competencies. Sarker, Cavusgil, and Aulakh, (2001 :369) add that a firm's partners must be "different but similar", different enough to provide complementarities yet sufficiently similar to show compatibilities and share goals and vision. Thus, proper identification of skills and traits becomes relevant to compensate for the weaknesses of

other partners. This calls for reallocation of responsibilities among team players to enhance the entrepreneurial alertness of the firm (McGrath & MacMillan, 2000).

2.7 Chapter Summary

This chapter reviewed literature on the broader concept of entrepreneurship, its origins, the human factor and entrepreneurship development. A number of theories and authorities were cited in a bid to consolidate the subject under study. The next chapter focuses on a number of entrepreneurial frameworks that allow for a better comprehension of the discipline of entrepreneurship.

CHAPTER 3

ENTREPRENEURIAL INTENSITY – A CONCEPTUAL PERSPECTIVE

Growth in the global economy is fuelled above all by entrepreneurship - the nature of which has changed dramatically in recent years

Harvard Business Review, (2013:63)

3.1 Introduction

Recently, it has become imperative for researchers to explore and appreciate in depth the rather contemporary phenomenon of entrepreneurial intensity. Consequently, the researcher has found it justifiable to explore some of the determinants of this elevated corporate entrepreneurship concept, to do an analysis thereof and explore impact towards equilibrium level of entrepreneurship (Audretsch, 2004:19; Baumol 2010:71) in the firm. Some of these determinants become essential in terms of encouraging corporate leaders to start up ventures and even in the case of established enterprises to ensure sustainable ventures. There are a number of determinants and intervening variables impacting on entrepreneurial activity (Gao & Shi, 2004:2; Fini, Grimadi, Marzocchi & Sobrero 2010:1) and inevitably its intensity. These may include market demand, unemployment, industrial structure, entrepreneurial culture, technological innovations, financing and human capital (Audretsch, Thurik, Verheul & Wennekers, 2002).

To better explore the concept of entrepreneurial intensity, various ancillary conceptual frameworks were employed. According to Cresswell, Ebersson, Eloff, Ferreira, Ivankova, Jansen, Nieuwenhuis, Petersen, Clark and van der Westhuisen (2012:15) a conceptual framework is an explanation for events in which key concepts or principles are linked “...hierarchically with the larger concepts at the top and flowing out to subsidiary concepts”.

A critical review of the literature exploring relevant and contemporary sources on the topics depicted in the conceptual map serves as background to the study and helps

reveal the gap in terms of what other scholars have since written on the subject matter and what is still to be explored, as well as possible shortcomings in the literature. The researcher was guided by Saunders, Lewis and Thornhill (2009:94) in carrying out the literature review where the key consideration in doing a literature review is, “to ask yourself how it contributes to your research question(s) and objectives and to make notes with this in focus”.

This chapter introduces concepts and theories as they seek to explain the discipline of entrepreneurship. More especially, in particular, these concepts address the various areas of interest and difficulty in navigating the rugged entrepreneurial terrain. Concepts such as entrepreneurial intensity, entrepreneurial activity, entrepreneurial orientation, corporate entrepreneurship amongst others, are elucidated and their intertwined relationship dissected to create a strong academic foundation in the field of entrepreneurship.

3.2 Towards Entrepreneurial Intensity: A Conceptual Framing

Given the fact that certain entrepreneurial concepts are interwoven to provide a solid foundation for the concept of entrepreneurial intensity, it is essential to examine and discuss some ancillary concepts in the field of entrepreneurship before examining and discussing the core structure and import of the given major concept. These concepts include some mentioned above: corporate entrepreneurship, entrepreneurial activity and entrepreneurial orientation, especially as they singularly and collectively give rise to the said concept. Kuratko *et al* (2007 :56) argue for instance that corporate entrepreneurs give rise to it by the relentless pursuit of entrepreneurial activity.

3.2.1 The concept of corporate entrepreneurship

Kuratko *et al* (2007 :56) opine that corporate entrepreneurship is being embraced by many organisations as more than simply a component of a company's strategy, but rather as the very framework for the company's future success and activities.

Corporate entrepreneurship attempts to locate entrepreneurship within the context of a firm. As such, entrepreneurial activities and behaviours in larger, established organisations have been termed corporate entrepreneurship (Clohessy, *et al.*, 2007 :40). In other spheres, corporate entrepreneurship has been described as entrepreneurship occurring in medium to large sized organisations (Morris, Kuratko & Covin, 2008; Morrisette & Oberman 2013:3) where corporate management establish and manage a new venture by leveraging the parent brand and resources as well as the market position (Wolcott & Lippitz 2007: 75). This is buttressed by Ireland, *et al* (2006a:1) who state that corporate entrepreneurship allows individuals within a firm to explore and exploit opportunities and innovate, notwithstanding the availability or lack of resources.

Corporate entrepreneurship has been created out of the need to foster entrepreneurial awareness in firms and boost competitiveness (Sathe 2003:2; Dess, Lumpkin & Eisner 2010:16; Philips & Messersmith 2013.1). Sathe (2003:2) adds that corporate entrepreneurship represents efforts by corporations to generate new business and counter an array of challenges in the business environment, such as market stagnation and bureaucracy (Sathe, 1989; Landes *et al* 2010: 420, 422). This is sometimes brought about by enormous growth of the parent company resulting in complicated structures and policies and procedures. Guth and Ginsberg (1990) in Kuratko *et al* (2005 :700) buttressed the assertion that corporate entrepreneurship embraces two central phenomena: new venture creation within existing organisations and the transformation of on-going organisations through strategic renewal. Thus, according to Osiri, Macarty, Davis and Osiri (2013 :34) corporate entrepreneurship does not explore the role of individuals, but instead considers the innovative undertakings of an organisation as a whole, taking various forms, including the creation of new ventures within an established organisation, transforming business processes and changing the status quo of business practices in the industry.

An unstable business environment in recent years has seen corporations moving towards deliberate efforts at corporate entrepreneurship practices, with those

companies who fail to reinvent themselves within the entrepreneurship context, dying. Consequently, many firms are being forced to re-examine their strategies in order to remain competitive in the marketplace (Rigby, 2003). Broadly, corporate entrepreneurship is therefore defined as the development of business ideas and exploring opportunities in the context of an established firm (Birkinshaw, 2003:3; Kuratko & Hodgetts 2004:51; Russo 2010: 123).

According to Hisrich, Peters and Shepherd (2008), corporate entrepreneurship has for a long time been recognised as a potentially viable means for promoting and sustaining organisational performance, business renewal and corporate competitiveness. Subsequent entrepreneurial activities help companies to develop new businesses that create different revenue streams. Corporate entrepreneurship activities also enhance a company's success by promoting product and process innovations. This study promotes that in its broader definition, corporate entrepreneurship therefore embodies risk taking, pro-activeness and radical product innovations. These corporate entrepreneurship activities could improve organisational growth and profitability and, depending on the company's competitive environment, their impact may increase over time. The empirical evidence is compelling: that corporate entrepreneurship improves company performance and is achieved by increasing the firm's pro-activeness and willingness to take risks and by pioneering the development of new products, processes and services through enriching its competitiveness.

Garfinkle (2012:1) is of the view that the "it's not my job" attitude is more than just an employee career killer; it is a symptom of a much larger organisational problem: a lack or absence of an entrepreneurial spirit altogether. In essence, corporate entrepreneurship should cut across the breadth of the organisations. Employees who simply do their jobs and nothing more do not contribute to company growth. If they do not take the initiative by seeking out new projects and looking for opportunities to share their ideas and suggestions, an organisation can become ensnared in old ways of doing things. But if the workplace culture does not encourage employees to be proactive, they most likely will not have the courage to take the initiative.

In light of the foregoing, it could be said that corporate entrepreneurship is driven by all in the organisation, especially those that preside over the running of the firm, and should result in organisational renewal through a completely new venture and the accompaniments of new products and processes. This is clearly evidenced in General Electric's corporate entrepreneurship efforts that centred on organisational design and strategic processes (Ocasio & Joseph, 2005) to enhance organisational performance. It is therefore imperative that those persons in strategic positions within the organisation are able to exhibit the entrepreneurial inclination and attitudes needed to drive entrepreneurship within the company (Dess *et al* 2010:16). Hisrich, Peters and Shepherd (2008 :69) and Witham (2010:175) have noted that corporate entrepreneurship tends to be reflected in entrepreneurial activities such as new ventures, innovativeness, self-renewal and proactiveness complemented by top management orientations in organisations. When emphasis shifts from entrepreneurial traits to features that make up an organisation (Morris & Kuratko 2002; Luke, Verreyne, Martie-Louise & Kearins 2010:2) corporate entrepreneurship should become more prominent in revitalising the business. The management perspective of entrepreneurship leading to either failure or success of corporate ventures will become equally pronounced.

3.2.1 The concept of entrepreneurial activity

Entrepreneurial activity is a nascent phenomenon that still needs to be disentangled from the rigmarole and labyrinthine complications in the realm of broader entrepreneurship if it is to be understood in context. Ahmad and Hoffman define entrepreneurial activity as the "enterprising human action" in pursuit of the generation of value through the "...creation of economic activity" (2003:4) with Baumol (1993:6; Lerner 2009:12) noting that through such activity, an entrepreneur creates extraordinary value. It results in more than self-employment; through value creation it impacts on society at both the micro and macro levels (William 2011:1). Ahmad and Seymour (2005:1) similarly indicated that entrepreneurial activity is about the entry into new markets, the creation of new products or services and innovation associated with

different business activities. It is associated with organic as well as acquisitive decisions (Ahmad *et al* 2005:16). The given concept is therefore clearly a heterogeneous phenomenon (Audretsch, Carree, van Stel & Thurik, 2004:5)

The essence of entrepreneurial activity in the firm is therefore about creating value (Zimmerman, 2010 :78). In the dynamics of a nation's economy, such activity has a significant impact which has necessitated a high level of interest in the concept (Josien, 2012 :21). Therefore, the role of entrepreneurship in economic development involves more than just increasing per capita output and income; it concerns initiating and constituting change in the structure of business (Hisrich, *et al.*, 2008 :14). The emergence of the entrepreneurial society (Audretsch & Acs, 2001; (Lundstrom & Stevenson, 2001) points to the increased relevance of entrepreneurship to the sphere of business. Moreover, as Slightler (2001:1) points out, as economies expand and develop, entrepreneurial activity becomes a cornerstone of the developmental process, either by way of new start-up firms or by new ventures from established firms.

Audretsch and Thurik (2000) have noted a shift towards small firms and a thrust on self-employment that has resulted in accelerated growth of economies and reduction in unemployment rates in OECD countries. Hisrich *et al* (2008 :14) seem to suggest that without vibrant commercialisation of innovations by entrepreneurs, entrepreneurial efforts may not yield the expected entrepreneurial activity levels sufficient to stimulate the targets and business objectives of the firms. This assertion points to the need for entrepreneurial intensity in the corporate environment.

3.2.2 The concept of entrepreneurial orientation

Entrepreneurial orientation (EO) refers to a firm's strategic orientation, capturing specific entrepreneurial aspects of decision-making styles, methods and practices; as such, it reflects how a firm operates rather than what it does (Wicklund & Shepherd, 2005 :74). Dess *et al* (2010:447) are of the view that EO refers to the entrepreneurial strategies that business organisations employ in exploring and starting up new ventures. Entrepreneurial orientation, when measured at the individual level, is related to

categorical directionality and describes the propensity for someone to lead a new venture whilst, contrastingly, entrepreneurial intensity attempts to capture and define the degree of entrepreneurship such as the level of commitment and focus leading to a new venture entry (Liao, Murphy & Welsch 2005:33; David 2013).

As mentioned, Dess and Lumpkin (2001:431) have advanced five critical dimensions of EO: autonomy, innovativeness, risk taking, proactiveness and competitive aggressiveness. These scholars went on to note that autonomy is defined as independent action by an individual or team aimed at generating a business concept or vision and carrying it through to completion, whilst innovativeness refers to a willingness to support creativity and experimentation in introducing new products/services and novelty, technological leadership and R&D in developing new processes. Risk taking denotes a tendency to take bold actions such as venturing into unfamiliar markets, committing a large portion of resources to ventures with uncertain outcomes and/or borrowing heavily. Proactiveness is an opportunity-seeking, forward-looking perspective involving introducing new products or services ahead of the competition and acting in anticipation of future demand to create change and shape the environment, whereas competitive aggressiveness reflects the intensity of a firm's efforts to outperform industry rivals, characterised by a combative posture and a forceful response to a competitor's actions.

Shane and Venkataraman (2000) are seemingly justified in focusing on and emphasising the individual entrepreneur's orientation because it is the individual who drives the venture; hence, the importance of the firm's facilitating the identification of the right calibre of corporate entrepreneurs with appropriate motivation and skills sets to assist in starting up and running the enterprise. Other scholars' approach to the definition of entrepreneurship by way of developing a model which explains the basis through exploring how both external and internal capital (Coleman & Robb 2012: 47, 222) may affect why some entrepreneurs but not others exploit opportunities – putting more emphasis on the entrepreneur. This is buttressed by Shane and Venkataraman's definition, useful for its recognition of external and internal factors influencing one's

ability to spot opportunities and exploit them as complemented by Max's definition (2007:29).

In order to fully comprehend the conceptual framework, further attended to in detail hereunder, an exploration of a few critical theories follows.

3.2.3 The concept of entrepreneurial leadership and effective teamwork

The concept of entrepreneurial leadership has become increasingly important because, as intimated, organisations must be more entrepreneurial in order to enhance their performance, their capacity for adaptation and long-term survival; therefore, proactive individuals may be more successful in entrepreneurial leadership and may contribute more to the organisation (Prieto 2010:107). Nevertheless, no studies have been conducted concerning the formal creation of entrepreneurial teams and the protocols with which the team will function in order to maximise synergies and enhance entrepreneurial outcomes; especially given that successful entrepreneurial teams are difficult to create and maintain (Kamm, Shuman, Seeger and Nurick 1990) in Norton and Hale (2012:20).

A model of corporate entrepreneurship by Antoncic and Hisrich (2004:534) pronounces that organisational support in the form of firm leadership/ management is a crucial factor to achieving organisational performance. Cooper *et al* (2006 :86) recognise that managerial experience is the most beneficial for the firm because such experience ensures that the manager is increasingly less prone to making mistakes. An experienced manager already has established networks that benefit the business; they are more exposed to the challenges of running a business and have fewer things to learn. Nieman and Niewenhuizen (2009 :15) compare good leadership in a larger organisation to an orchestra conductor's task whose leadership and knowledge of the music is essential in producing good music for the audiences.

An effective leader must therefore be able to pilot the business like a true captain, confront and solve challenges and lead from the front.

Wren (1994) observed that the general view of leadership is that success or failure in producing results depends upon the character of the leader – personal traits, culture, and behaviour – not on any generalised concept of leadership (Valdiserri 2010:51). Powerful and "charismatic" leadership is a feature of entrepreneurial organisations since their structure is normally more informal than that of typical bureaucracies. Leadership therefore defines the organisation as a grid of intra and inter association (Shokri 2012:29) where both internal and external influences drive the business. Organisations that have deliberately relied on the power of teams have often experienced excellent results. Teams function effectively because of the peer monitoring and expectations of co-workers that are brought to bear to coordinate and monitor work (Pfeffer, 1994:44).

Schuler (1998:24) asserts that team-based approaches to work can increase innovation, improve quality, serve customers better and shorten the time it takes to transform an idea into a product that will be made available in the marketplace. Business Case Studies LLP (2013:4) concludes that a "high performance culture" exists when everyone in the organisation shares the same vision and where they trust and value each other's contribution. Siemens' operations are based on a teamwork culture. This emphasis on the team is set out clearly from the global Chief Executive Officer of Siemens, Klaus Kleinfeld: "Many times in my life I have seen how one individual can make a big difference, particularly when working in a great team. The quality of our people and of our teams is our most valuable resource, particularly in today's changing world where knowledge flows round the globe with lightning speed and is easily available". According to the Business Case Studies, Siemens states "...our business success depends on the performance of each individual, our teams and the total organisation". Figure 3.1 below places an example of a high performance team on a graph:

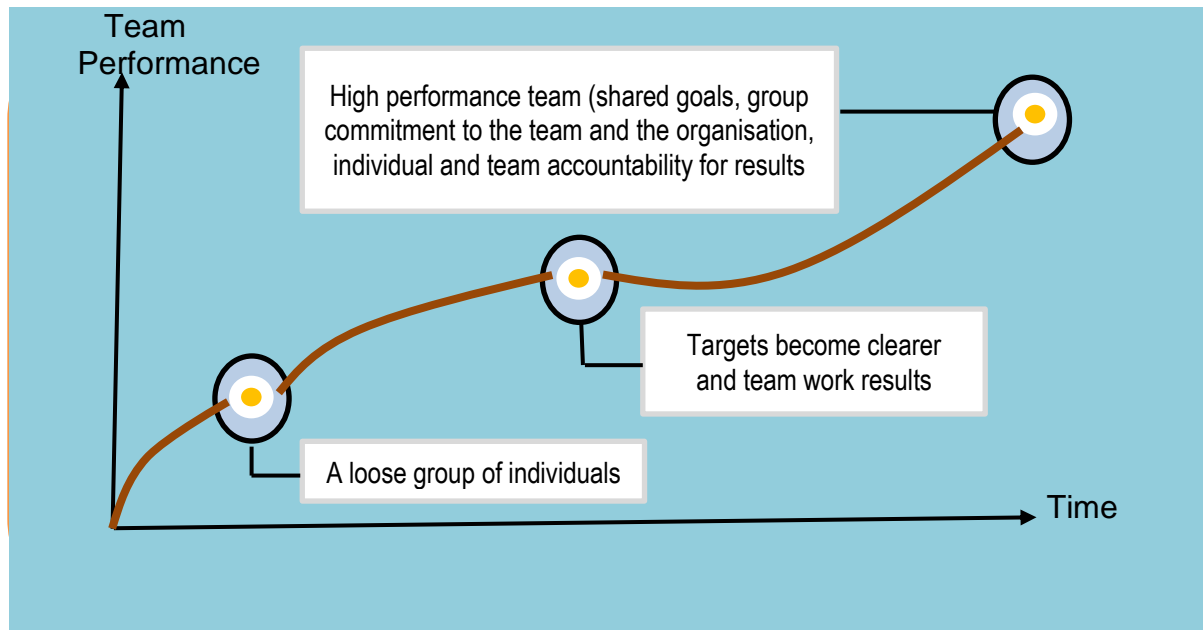


Figure 3.1: High Performance Team
Source: Business Case Studies LLP (2013:4)

A high performance team is one in which all members work towards shared targets and have a sense of shared responsibility for the results the team achieves (Business Case Studies LLP, 2013:4). As the team performance improves over time, the better the results. Leadership and teamwork are therefore crucial assets for entrepreneurial intensity within a firm.

3.3 Critical Theoretical Foundations

The researcher explores a few, but relevant, theories underpinning this study. Most of these are advanced to explain entrepreneurial thinking and behaviour as these are critical aspects relevant to entrepreneurship performance. Consequently, much of the current discussion for this study on entrepreneurial intensity is embedded in these theories.

3.3.1 The Eclectic Theory

The research problem in this context is inspired by the eclectic theory which attempts to respond to the question of why the numerous variations to entrepreneurship occur in the way they do. This theory, according to Audretsch *et al* (2002:3), endeavours to proffer a

unified framework for understanding and analysing the determinants of entrepreneurship by integrating different fundamentals of relevant disciplines into a coherent framework. Factors determining the demand for entrepreneurship are balanced against factors determining the supply of the entrepreneurs entering into entrepreneurship. The result is an equilibrated entrepreneurship balanced by the demand and supply factors.

A critical feature of the eclectic theory is being able to make a distinction between the demand side – which essentially is the product market perspective – and the ability of the market to absorb the products demanded, so as to achieve an enhanced diffusion. This perspective then articulates the relevance of entrepreneurship from the product demand side, also known as the *pulling factors*. The other critical component of the theory makes a case for the labour market perspective. This is commonly known as the *push factors*. There is always a necessitating factor for one to enter into the fray of entrepreneurship, thereby necessitating the supply of the labour into entrepreneurship. This labour comes from employees who may be intrapreneurs within the firm.

The eclectic theory also affords the opportunity to scrutinise entrepreneurship by analysing and making a “distinction between [the] *micro*, *meso* and *macro* level of entrepreneurship” (Audretsch, *et al* 2002:3). The *micro* focuses on the individual entrepreneur, his/her education, family background and work experiences whilst the *meso* focuses on such determinants as the profit motif and market opportunities. The *macro* is concerned with environmental determinants, such as the socioeconomic and technological variables.

In the context of this study, pursuant to investigating the *micro* component of the eclectic theory, this theory catalyses the understanding of the corporate entrepreneurs in the insurance industry, their skills, experiences, backgrounds and everything else that motivates them to enter into entrepreneurship, albeit on a corporate platform as the study seeks to discover why such entrepreneurs behave and act the way they do. The *meso* component seeks to assist the reader to understand market driven opportunities,

such as the attractive and lucrative markets for profitability and market opportunities for the product. The *micro* factor speaks to environmental and economic factors such as the hyperinflation that took hold in Zimbabwe in the period described. The aforesaid components make this theory relevant to understanding entrepreneurial intensity in the insurance industry in Zimbabwe at the height of the hyperinflation.

3.3.2 Entrepreneurship in economic theory

Before 2001, Baumol (2001) has sought to assert the significance of the role of entrepreneurship in economic development. Entrepreneurs are seen as significant role players in influencing the direction and general behaviour of the firm and, ultimately, its economic outlook. Wennekers and Thurik (1999:27) similarly argue that entrepreneurship is at the heart of economic growth, influencing even economic policy making and research. Whilst these scholars have reservations about how individual entrepreneurs in firms come to make certain entrepreneurial decisions, they concur that the latter act as economic agents to link the activities at the micro level with the economic outcome at the macro level and that their actions inevitably aggregate into economic growth.

It is for this reason – economic relevance – that this assertion forms a body of theory that seeks to explain the entrepreneurial intensity at the institutional level and in particular, in the insurance industry in Zimbabwe.

3.3.3 Resource Based Theory

Popularised by Alvarez and Busenitz (2001), the resource based theory articulates that mobilisation of critical resources becomes imperative in order to create a sustainable competitive advantage for the enterprise as resources are associated with unique capabilities (Jang 2014) that the organisation would do with so much especially in difficult environments. It follows therefore that management which is able to prioritise resource mobilisation and apply such resources most effectively will also be likely to enjoy superior entrepreneurial performance (Coleman & Robb 2010:12). According to Gillis, Combs and Ketchen (2014) resource based theory describes the characteristics

of strategic assets, which are resources and capabilities that produce performance differences among firms. Sirmon, Hitt & Ireland (2007) however, point out that these resources need to be appropriately deployed to elicit the relevant competitive advantage for the enterprise. It is for this reason that this study is influenced by this theory: understanding the importance of resources to influence and leverage entrepreneurial performance. More importantly, the theory becomes relevant in advancing the concept of entrepreneurial intensity driven by a sound relationship between resources and gaining a competitive advantage in the marketplace, as well as creating the best potential for cost opportunism and the realisation of strategic business outputs.

Essential to the entrepreneurial process and, consequently, to entrepreneurial intensity is the attracting, mobilising and deployment of resources to and in the entrepreneurial entity. An intention to embark the organisation on intensified entrepreneurship is neither an accident nor an afterthought; although the exploitation of the opportunity is central to their thinking, entrepreneurs are still concerned with committing certain levels of resources into the enterprise (Hisrich, *et al.*, 2008 :44), albeit calculatedly. Capelleras, Greene, Kantis and Rabetino (2010:302) assert that in order to examine the variety of factors influencing entrepreneurial outcomes, such as the speed of venture creation, it is necessary to take into account not simply the internal resources of the firm, but also individual perceptions about environmental resources.

Entrepreneurship must in essence therefore be fully resourced to reach the desired plane of performance. Resource-based theories of strategy (RBV) suggest that firms with valuable, rare and inimitable resources have the potential of achieving superior performance (Wiklund & Shephard 2003:1307). According to Shokri (2012), these resources include capital (investments in businesses), participation, knowledge and skills of workers, physical equipment and buildings. Attraction and use of capital is one of the key tasks of an entrepreneur, so as to gather necessary resources and innovate competitively in order to make profit (p29). Lichtenstein and Brush (2001:40) observe that in the early stages of firm growth, the resources discussed below are key, as is being able to ascertain and procure these resources, if entrepreneurial firms are to

survive and prosper (Jones & Jawayarama 2010:129) especially in distressed economic situations, such as the said hyperinflation experienced in Zimbabwe.

3.3.3.1 Financial resources

According to Wiklund and Shepherd (2005 :81) access to financial capital, even more than the ownership of capital, is an important resource for entrepreneurship. Obtaining the necessary financing to start and grow a business is generally considered one of the entrepreneur's major challenges (Carter, *et al.* 2003:9). It becomes even more critical for a larger corporation to mobilise financial resources, hence Nieman and Niewenhuizen's (2009) emphasis on this aspect as central in defining the entrepreneur and entrepreneurship.

3.3.3.2 Physical assets

A company needs equipment and machinery such as computers and printers as well as machinery to run the business. Vehicles are also a necessity as are buildings, whether owned or hired for office space, factory or warehousing of goods depending on the nature of the business. Several theories seem to suggest that what firms achieve is based on the assets they possess; thus, the basis for a firm's performance is how its resources are used to build competencies necessary for competitive positioning in the marketplace (Shaw 2006:23).

3.3.3.3 Technological resources

Technological resources refer to the assets that drive technological processes for efficiencies. These include internet, computers, communications systems as well as mobile and satellite networks. Business today is driven by hi-tech resources and their utilisation, including the various technological platforms, such as social networks. Innovation production, trade secrets, patents and copyrights are identified by Dess *et al* (2010:92) as some of the technological resources enhancing entrepreneurship.

3.3.3.4 Organisational structures

An organisation gearing for entrepreneurial intensity should deliberately design an organisational structure that responds to the entrepreneurial strategies put in place by management. In a troubled economy, such as the Zimbabwean one under discussion (2002-2010), organisational structures must be “...flexible, and permeable to facilitate smoother interactions with external parties such as customers, supplies, and alliance partners”, according to Dess *et al* (2010:484).

Entrepreneurial organisations should establish management structures and control systems that will not stifle innovation and are designed to deal with uncertainty, which should not constrain cross-functional interaction, limit communication to established patterns, penalise deviations and diffuse leadership (Davila, Foster, Lin & Lin 2009:326). Such excellent planning systems and planning processes are deemed critical for the entrepreneur striving towards intensified entrepreneurship.

There are also intangible resources defined by Dess *et al* (2010:93) as organisational assets that are difficult to identify and account for, and that are typically embedded in unique routines and practices. Wiklund *et al* (2003:1307) refer to these as knowledge-based resources, which are ways that the firms combine to transform their tangible assets, adding that these knowledge-based resources are critical for achieving a sustainable competitive edge and differentiation and enabling the firm to behave entrepreneurially as this makes it difficult for another company to imitate their business model.

Such intangible resources include:

3.3.3.5 Leveraging intellectual capital

Human capital is the most critical factor in an enterprise; its many attributes result in increased productivity (Carter, *et al*. 2003:4). As discussed in Chapter 2, entrepreneurial ventures often owe their successes to the appropriate deployment of their human capital. According to Dess *et al* (2010:482) the firm’s intellectual assets are a critical

component in the modern economy and therefore require close attention in the areas of attracting, developing and retaining talent to encourage its competitive advantage through completion of the project. The experiences and capabilities of the company's personnel, their creative capacity and generation of new ideas therefore make a significant difference in dealing with a difficult economic situation, such as the one in hyperinflationary Zimbabwe.

3.3.4 Knowledge Spill-over Theory of Entrepreneurship (Acs, Braunerhjelm, Audretsch and Carlsson, 2009)

The knowledge spill-over theory of entrepreneurship entails entrepreneurship facilitating the spread and commercialisation of new ideas that may otherwise remain dormant within organisations (Phipps & Prieto 2015:32). Entrepreneurial thinking –that is, creativity and innovation – is grounded in this theory. More often ideas are generated and opportunities identified, but fail to be exploited. When a critical moment such as hyperinflation arrives, such ideas and opportunities can be relied upon to guard against negative effects and even to encourage growth and profitability in those abnormal circumstances. It suffices to add that entrepreneurship enables the transfer of knowledge critical for EO and behaviour to enhance a firm's performance; hence the reliance on this theory in the ongoing discussion on entrepreneurial intensity.

3.3.5 Theory of Entrepreneurial Cognition

Theories related to cognitive capacities for entrepreneurial intensity are also relevant to this study. Influenced Mitchell, Busenitz, Lant, McDougall, Morse, and Smith (2002), Ling and Chock (2013) postulate that the bulk of current literature has focused on theorising and examining the effects of entrepreneurial cognitions based on a series of outcomes in the field of entrepreneurship. It follows, therefore, that the theory is closely linked to venture creation decisions.

Cognition enables entrepreneurial opportunities (Ko 2012:1) and, consequently, entrepreneurial intensity. It is easier to fail to recognise and miss out on lucrative opportunities if one does not develop prior cognition and awareness. One of the key

benefits of entrepreneurship education can be explored through the cognitive school of entrepreneurship where entrepreneurial thinking is central to entrepreneurial performance, creativity and innovation, opportunity recognition and exploitation. This school of entrepreneurship became addition to the schools of entrepreneurship advanced by Cunningham and Lischeron (1991) and discussed in Chapter 2 of this study, to emphasise how it has become the vital cog in the development of the field of entrepreneurship.

Aware of this essential cognitive theory, some organisations have embarked on a deliberate movement to develop the cognitive capacities of their employees so that, coupled with industry experiences and institutional memory, they are able to drive entrepreneurship from within, spotting and seizing opportunities and leading in exploiting them.

3.3.6 Theory of Planned Behavior (TPB)

The theory of planned behaviour (TPB) propounded by Ajzen (1991) is the most widely accepted theory used to explain the entrepreneurial behaviour of the organisation and its leaders. This theory assists in understanding how human beings behave the way they do; it further helps in providing insight into how we can change such behaviour (Ajzen, 1991; Prieto 2011:80). Gundry and Welsch, (2001) in Liao & Welsch (2003:153) added that "...following Ajzen's model, recent studies of growth intention and aspiration mainly take a motivational perspective, examining the psychological profile of an entrepreneur such as entrepreneurial intensity". The Theory of Planned Behaviour (TBP) is a successor to the similar Theory of Reasoned Action (TRA) developed by Ajzen and Fishbein in 1975. The latter reasoned that behaviour is voluntary and under an individual's control. However, the authors, upon realising that some behaviour is not completely voluntary or under control, resultantly added "perceived behavioural control", giving rise to TPB. According to TPB, human action is guided by three considerations:

- i. **Behavioural Beliefs** – which concern the likely (possible) consequences of the behaviour. Behavioural beliefs develop a positive or negative attitude towards the behaviour.
- ii. **Normative Beliefs** – beliefs about the normative expectations of others. These result in perceived social pressure or subjective norms.
- iii. **Control Beliefs** – beliefs about the presence of factors that may facilitate or impede performance of people. Control beliefs give rise to perceived behavioural control. Suffice it to say entrepreneurs consider an array of factors to determine whether their employees and indeed the organisation will be able to drive the venture to high performance.

Figure 3.2 illustrates the concept of planned behaviour:

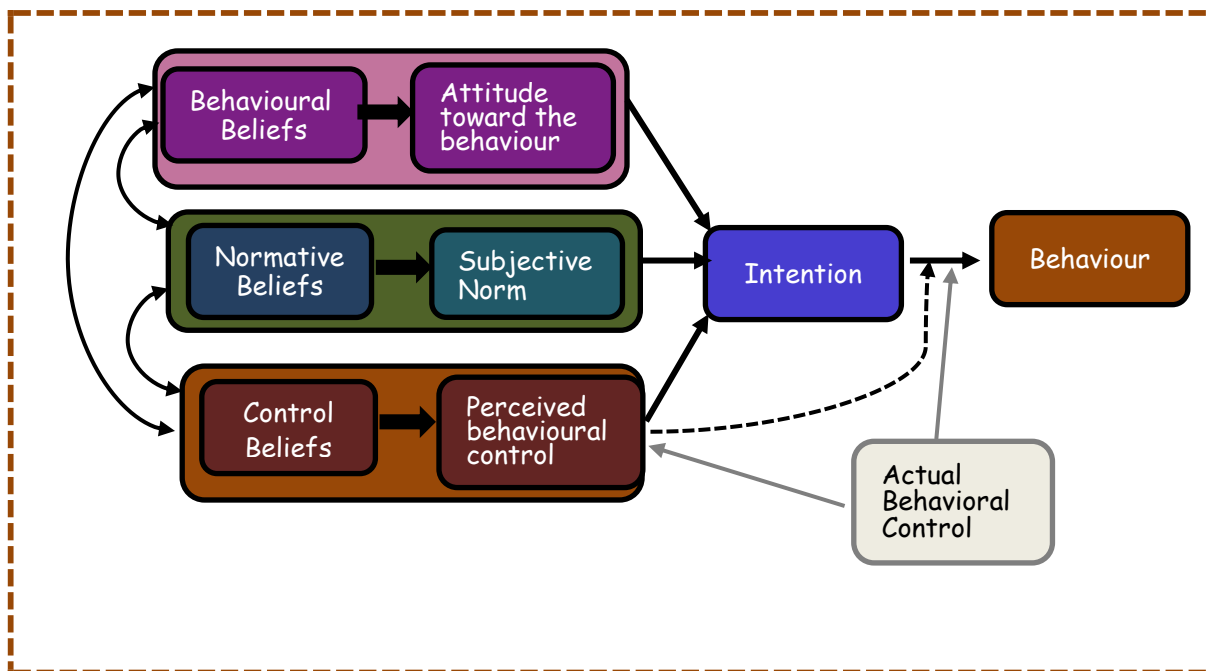


Figure 3.2: Theory of Planned Behaviour (Ajzen 2006)

Source: <http://people.umass.edu/aizen/images/tpb.png> (Accessed 22/09/2014)

Kruger *et al.* (2000: 411) point out that psychologists have proven that intentions are the best predictors of any planned behaviour, particularly when the behaviour is rare, hard to observe, or involves unpredictable time lags. The central factor in Ajzen’s (1991) TPB is the individual’s intentions to perform a specific behaviour. As such, entrepreneurial

behaviour can be argued to be synonymous with intentional behaviour since one has to plan for testing, and proceed to mobilise the resources, because it takes time to start a business.

The TPB (Ajzen, 1991) has been tested on a wide range of human behaviour, not entrepreneurial intentions per se, but has been found to be linked to the concepts of self-efficacy and managerial behaviour essential in the context of entrepreneurial phenomena (Krueger *et al.* 2000:417). Intentions therefore seem the best predictor of entrepreneurship (Souitaris, Zerbinati & Al-Laham 2007:568) especially in the context of entrepreneurial cognition and solidification of entrepreneurial consciousness among corporate entrepreneurs. Therefore, organisations that successfully drive entrepreneurial ventures rely on intentions, resulting in stronger chances of surviving chaotic business environments.

3.3.7 Transaction Cognition Theory (TCT)

As previously said, when the going gets tough for the entrepreneur and his/her enterprise, with all the environmental variables negating the venture at every turn and all management efforts being in vain, entrepreneurial cognition becomes vital. Cognition and cognitive psychology concern themselves with the study of individual discernments, retention and thinking. Therefore, one of the major questions arising from entrepreneurship and the development of transaction cognition theory (TCT) is that of finding out how entrepreneurs think (Mitchell, *et al.*, 2003 :534). Complementing TCT, Ozgen (2011:1) articulates Porter's Diamond theory of competitive advantage in pushing the agenda for opportunity identification. At the same time, Mitchell (2005) mentions that TCT theory was introduced to explain how to identify the cognitions in transacting systems that lead to high performance and entrepreneurial results, i.e. producing new transactions and units of value.

3.3.8 Critical Management Theory

In pursuit of sustainable entrepreneurial performance, the critical management theory becomes relevant. Workplace management has seen considerable modifications since

Taylorism management styles. More and more, it is seen to be implementing post bureaucratic control techniques such as peer and self-supervision which appear to be a more efficient form of management (Hjorth *et al* 2009:21). The theory advocates for post bureaucracy, opportunism and an entrepreneurial self, all critical elements of entrepreneurialism and in particular, entrepreneurial intensity. Therefore, this study draws influences from inter alia the theory of critical management.

3.4 Entrepreneurial Intensity: A Definitional Approach

There is a glaring deficiency of literature on organisational posture as it affects entrepreneurial intensity within established organisations (Kuratko, *et al.*, 2007 :56). In essence, entrepreneurial intensity captures the age of entrepreneurship, given that the “intensity” refers to something highly concentrated, which has a high degree of strength, force or energy or is strongly emphasised; hence this phrase refers to the force of entrepreneurship (Morris, 1998 : xviii). Corporate entrepreneurs are depicted as those managers or employees who do not usually adhere to the status quo, but who play a crucial role in enhancing the entrepreneurial intensity of the firm (Kuratko *ibid*). The central thesis of entrepreneurial intensity is the notion that entrepreneurship happens at varying degrees and frequencies and that enabling environments can and should be created to heighten entrepreneurial intensity (Morris *ibid*).

According to Dhliwayo, van Vuuren & Fletcher (2011:48) all firms fall on a conceptual continuum that ranges from highly conservative to highly entrepreneurial within corporate entrepreneurship, adding that it is this position of a firm on this continuum to which (Baringer and Ireland 2008) refer as its entrepreneurial intensity. It is the latter which Morris, Kuratko and Covin (2008) term entrepreneurial performance (p.48). However, Ireland, Kuratko & Morris (2006 :24) say that it is not that higher levels of entrepreneurial intensity are always desirable and that ever-increasing amounts of such intensity will always result in superior firm performance, as in some cases performance is only enhanced when a firm's entrepreneurial intensity exceeds the industry average. It therefore follows that entrepreneurial intensity should be viewed in relative rather than absolute terms and that there is no absolute standard of such intensity that

organisations should seek to develop. In fact, this kind of intensity varies between organisations and the industry within which they operate.

It is sufficient to suggest therefore that those businesses, especially in chaotic economic environments, need to leverage their entrepreneurial intensity in order to be stable and mitigate such instabilities and vulnerabilities. In this regard, China was one of the fastest growing economies owing to the deliberate emphasis on high entrepreneurial intensity in private enterprises as a distinctive management feature (Schlevogt 2002:84).

Table 3.1 Diverse Scholarly Definitions of Entrepreneurial Intensity

Scholar	Entrepreneurial Intensity (EI)	Focus
Morris (1998) in Kuratko et al (2007:57)	EI involves taking a proactive approach to the innovative pursuits of organisations.	-Internal corporate strategy
Morris, (1998); Ireland, Kuratko, & Morris, (2006)	EI refers to the degree and frequency of entrepreneurship in the organisation	-strength of the entrepreneurship strategy. -moderating effect of internal antecedents (i.e., factors affecting the internal environment)
Kreiser, Patel, & Fiet, James (2007:539).	EI refers to an individual's commitment and focus toward establishing a new venture	-EI captures the degree of entrepreneurship, the level of commitment and focus in leading a new entry
Morris (1988)	The concept of EI captures how entrepreneurship fluctuates by degree and frequency, and how it applies to personal well-being, organisational performance, and the quality of societal life	-examining and understanding the entrepreneurial process and strategies for fostering entrepreneurship
Liao et al (2005:33)	EI measures the focus and commitment of entrepreneurs regarding their entrepreneurial ventures. Focus refers to the extent to which an entrepreneur gives up other pursuits to create and own a business and work for the health of the venture. Commitment refers to the extent to which an entrepreneur spends time and resources on venture creation with a passion for development and growth.	Focus is on the need for achievement (McClelland 1961). Additionally, it has a secondary basis in commitment, internal locus of control, diligence, and determination
Dhliwayo, Van Vuuren, & Fletcher (2011:48)	EI points to the entrepreneurial level of a firm within a continuum of corporate entrepreneurship	Entrepreneurial performance

The common denominator of the aforementioned definitions is that entrepreneurial intensity refers to the ultimate performance of the organisation, encouraged by individuals within the firm who deliberately choose to act entrepreneurially for its benefit. This is seen through the lenses of the degree and frequency of entrepreneurship within the firm.

3.5 Relevant models relating to corporate entrepreneurship for entrepreneurial intensity

3.5.1 A Conceptual Model of Corporate Entrepreneurship (Covin & Slevin, 1991)

According to Farid (2005:59), Covin and Slevin (1991) proposed a conceptual model of a corporate entrepreneurship process that includes individual, organisational and environmental factors as well as their interactions. This model seeks to depict organisational renewal and entrepreneurial posture premised on risk taking, product innovation and proactivity, driven mainly by the external variables, strategic variables and internal variables (Chang 1999:21). It is these aspects that in turn drive entrepreneurial intensity; hence the relevance of this model in explaining the performance phenomena of a firm in desperate situations. It is the model's ability to connect the antecedents to entrepreneurship with the resultant entrepreneurial posture of the company that makes it relevant for this study.

3.5.2 A Conceptual Model of Entrepreneurship as a Firm Behaviour (Covin & Slevin)

Further developing their previous model, the Conceptual Model of Corporate Entrepreneurship, Covin and Slevin propounded the Conceptual Model of Entrepreneurship as a Firm Behaviour as a framework to explain the firm-level entrepreneurial phenomenon as driven by the entrepreneur. Entrepreneurial posture is explored through behavioural antecedents as influencing entrepreneurship in larger and even smaller firms to some extent. The model argues that the individual entrepreneurs' traits and behaviour have a bearing on the enterprise's overall behaviour and actions and ultimately, how it performs. This was highly relevant for this study as the entrepreneurial intensity of an organisation is premised on how those individuals that function within the enterprise behave and drive the organisation.

Whilst the model seems to correctly suggest that behaviour is central to the entrepreneurial process and therefore is a critical independent variable for firm performance and consequently relevant to the entrepreneurial intensity exploration, the Covin and Slevin model still needs further refinements to adequately attend to issues of the form and extent of the behaviour and commensurate antecedents. However, its strength is that the central issue of behaviour is well captured and relevant, since behaviour is a variable that can be managed. It is easier to influence the entrepreneur towards efficient entrepreneurship over time to enhance appropriate firm behaviour and consequently, the desired performance.

3.5.3 A Model for Middle–Level Managers’ Entrepreneurial Behaviour (Kuratko, et al., 2005)

The following figure (Figure 3.3) presents this model diagrammatically;

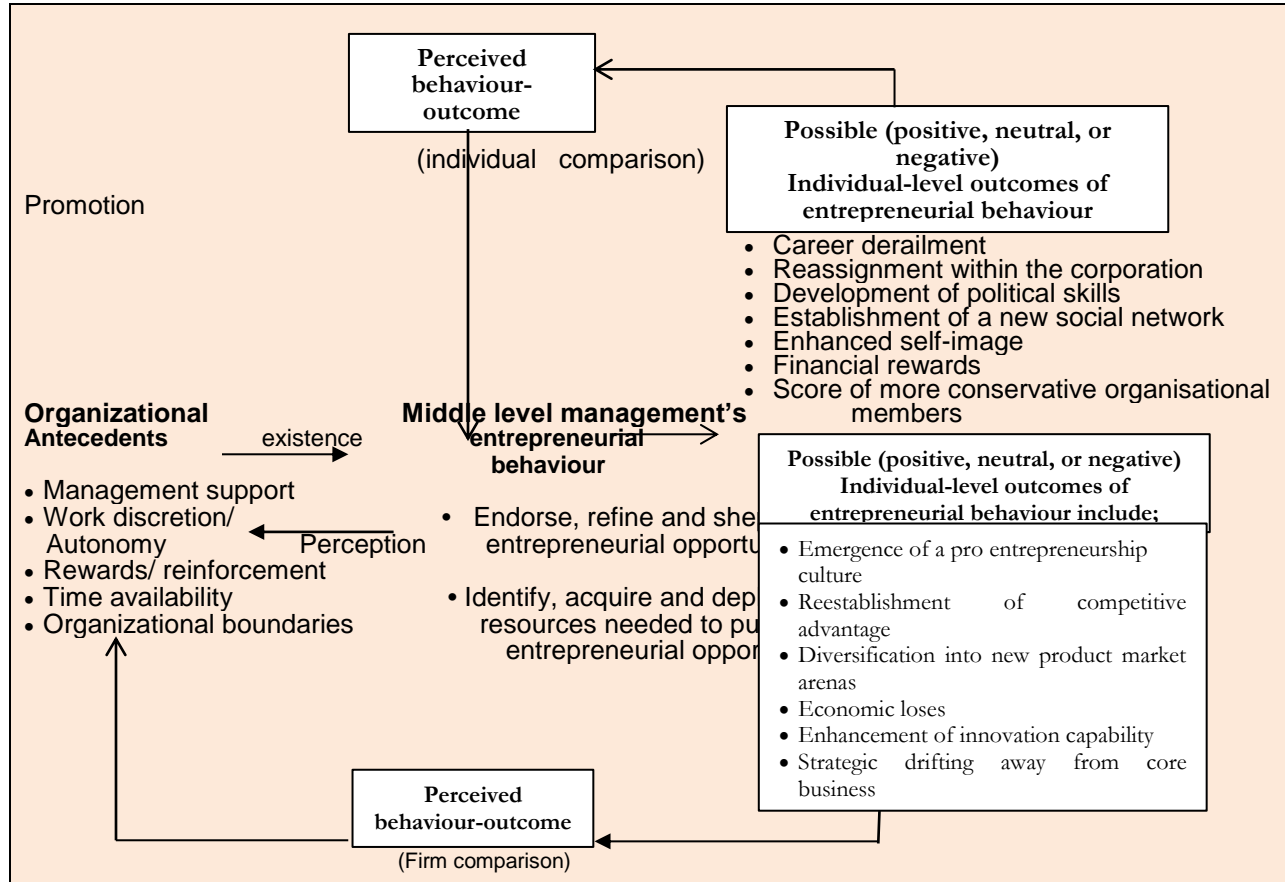


Figure 3.3: A Model for Middle –Level Managers’ Entrepreneurial Behaviour

Source: Kuratko, Ireland, Covin & Hornsby (2009)

According to Kuratko, Ireland, Covin & Hornsby (2009), middle-level managers’ entrepreneurial behaviour is linked to successful corporate entrepreneurship given the context that generally, the role of top-level managers revolves around the making of effective strategic decisions, as well as focusing on effectively communicating information between the firm’s two internal sets of managerial stakeholders (top-level managers and operating-level managers). However, in order for middle managers to

effectively perform this function, they must exhibit a certain positive entrepreneurial behaviour.

An apparent shortcoming of the Kuratko *et al* model is the glaring absence of antecedents causing middle-level managers to behave as entrepreneurially as they should do and outcomes of this lack. However, for the purposes of this study, the model is deemed adequate, especially in advancing the managers' entrepreneurial behaviour, an essential element in driving firm level entrepreneurial intensity towards achieving strategic mandates of the business.

3.5.1 A Model of Entrepreneurial Motivation (Naffziger, Hornsby, and Kuratko, 1994)

According to Kuratko, Hornsby, & Naffziger (1997 :24) in developing the model of entrepreneurial motivation, they suggested that a more complete view of entrepreneurship can only include the entirety of the entrepreneurial experience – that is, behaviours necessary to the operation of the firm and its performance, as well as the psychological/non-psychological outcomes resulting from firm ownership. It is therefore imperative that motivation is a critical success factor in starting, let alone in sustaining, a venture.

McClelland (1961;1965) posited that a high need for achievement, characterised by a desire to do well in order to attain a feeling of accomplishment, predisposes someone to seek out an entrepreneurial position, which the entrepreneur believes produces more achievement satisfaction than could be derived from other kinds of positions (Stewart & Roth 2007:403). However, the research agrees with Carsrud and Brannback (2011) in Solesvik (2013:253) who suggest that entrepreneurial motivation is not a well-researched area of entrepreneurial science in particular; the influence thereof on goal-specific intentions needs to be explored, The authors further say that entrepreneurial motivation is an important link between an intention and action However, since entrepreneurial action and behaviour is intentional, reflecting how much entrepreneurs are willing to commit themselves and are determined to keep trying to achieve (Hisrich,

et al., 2008 :58), there certainly should be motivational factors and indicators for such entrepreneurial efforts.

3.5.2 A Model of Employee Engagement

Esty and Gewirtz (2008:1) propounded a model that sets out the roadmap for increased employee motivation. The model emphasises that the best way to increase employee engagement is a concentration on creating a culture of engagement – the practices, mind-sets and ethos of an organisation, basically, “the way we do things around here” – which should then cultivate the entrepreneurial mind-sets in the organisation. In the narrow sense of the words, an engaged employee is an entrepreneurial employee as depicted by the model below;

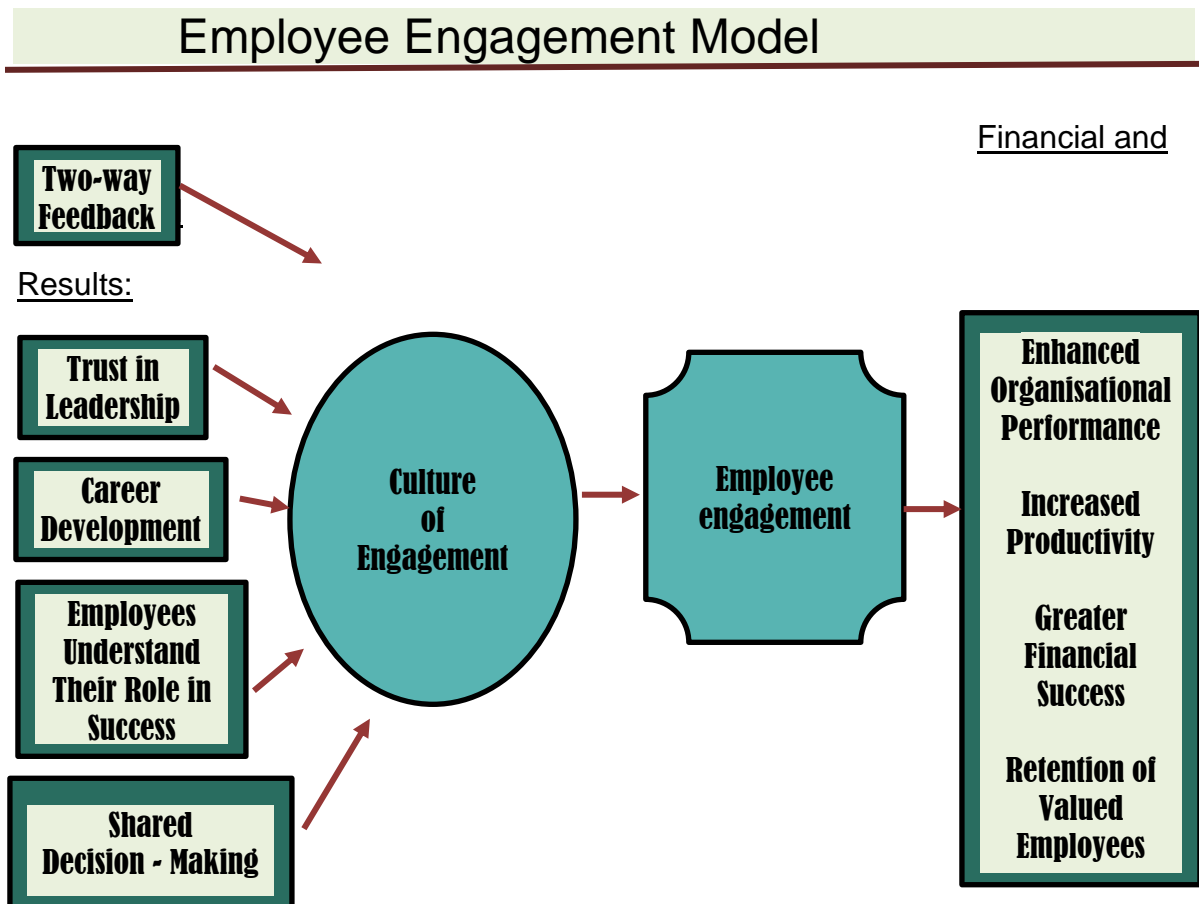


Figure 3.3: Employee Engagement Model

Source: Esty and Gewirtz (2008:1) (www.boston.com)

Esty and Gewirtz (2008:1) discuss the five critical drivers of a culture of engagement. Each driver must be converted into practical systems, practices and structures that are embedded in the organisation. Business executives build trust by developing a clear vision of the organisation’s future and communicating this to all employees. Employees need to understand their entrepreneurial roles in the success of the business: how their job fits into the big picture and what they must do more of, and do differently, to help the business succeed. When employees participate in making decisions, they need to take ownership of the business and its processes: an engendered sense of belonging. Entrepreneurial leaders need to push decision making processes down to the lowest possible to achieve this.

According to Robinson, Perryman and Hayday (2004:2) some of the behaviours demonstrated by the engaged employee include a) a desire to work to make things better; b) understanding of the business context and the ‘bigger picture’; c) a willingness to ‘go the extra mile’; d) behaviour reflecting commitment and organisational citizenship; e) working with colleagues to improve performance within the job for the benefit of the organisation. Figure 3.5 illustrates the analytical tool towards improving employee engagement for excellent results.



Figure 3.4: The IES' diagnostic tool

Source: IES Survey (2003)

The IES engagement model provides the most suitable milieu for corporate entrepreneurial development, by illustrating the strong link between feeling valued, involved and engaged. For Phelps and Brossoit (2007:2) an engaging work environment taps into employees' motivation to try harder and put in the extra effort that differentiates organisations from their competitors. When organisations employ engaged employees, the long-term benefits translate into the desired entrepreneurial performance. As a result, organisations will have more satisfied and loyal customers, increased profits, quality products or services and a satisfactory growth trajectory. Entrepreneurial leaders at the firm level are quick to realise that working with employees who have a stronger motivational fit for the job and the organisation leads to high levels of productivity.

Armstrong and Baron (2013:2) state that enterprises seek engaged employees because of their inherent positive relationships that will often manifest in profits, revenue growth, enhanced customer satisfaction, productivity, innovation, staff retention, efficiency and health and safety performance. Further, engaged employees will be loyal ambassadors of their organisations and help protect the employer's brand from the reputational risks associated with poor service levels or product quality. Conversely, disengaged teams bring huge risks, such as productivity losses, threatening effective teamwork, innovation and human capital management, as employees will not be inclined to use their knowledge and skills for the good of the organisation. Therefore, in order to achieve competitive success, organisations need to make all employees entrepreneurs, at all levels, focused on driving revenue generation efforts.

3.5.3 A conceptual model of entrepreneurial success

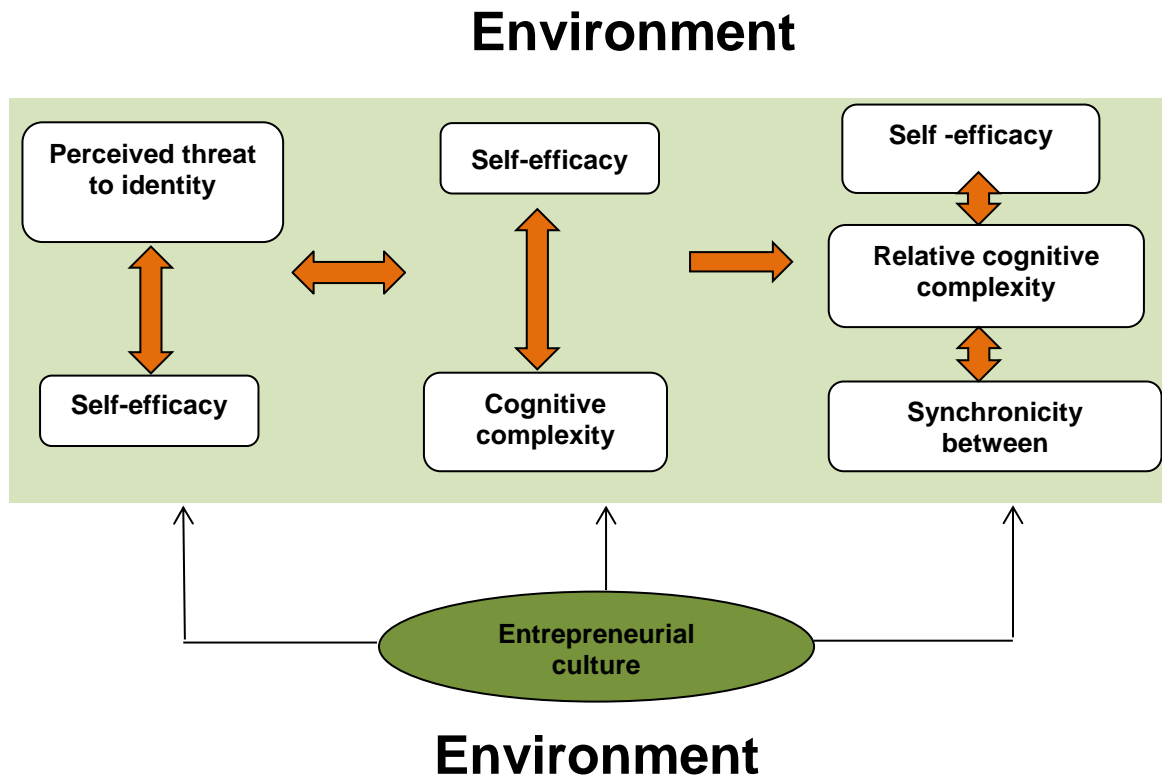


Figure 3.5: A conceptual model of entrepreneurial success

Source: Kumar (2007:65)

Kumar (2007) seeks to explain entrepreneurial success by proposing new constructs that are parsimonious and holistic in nature. These are cognitive complexity, threat to identity and status inconsistency, which assume that entrepreneurship is a consequence of interaction between the individual entrepreneur and her environment. These constructs become necessary in identifying key drivers to entrepreneurial performance; hence the relevance of this model in this particular study.

3.5.4 A Model of Strategic Entrepreneurship (Ireland *et al* 2003)

According to Covin and Kuratko (2010) in Guth *et al* (1990:329) strategic entrepreneurship refers to a broad array of entrepreneurial phenomena, which may or may not result in new businesses being added to the corporation, in which large-scale

or otherwise organisationally consequential innovations are adopted in the firm's pursuit of competitive advantage. While corporate venturing involves company involvement in the creation of new businesses, strategic entrepreneurship corresponds to a broader array of entrepreneurial initiatives which do not necessarily involve new businesses being added to the firm. All forms of strategic entrepreneurship have one thing in common: they all involve the exhibition of organisationally consequential innovations that are adopted in the pursuit of competitive advantage.

3.5.5 A Model of Strategic Entrepreneurial Management

Citing Hitt and Ireland (2000) and Venkataraman and Sarasvathy (2001), Hitt, Ireland, Camp & Sexton (2001:480) suggest that strategic management and entrepreneurship have largely developed independently of each other. They have both been re-focused on how organisations adapt to environmental change and exploit opportunities created by uncertainties and discontinuities in the creation of wealth, to the extent that scholars have in recent times advocated for the integration of strategic and entrepreneurial thinking – to the point that the two fields are deemed synonymous with each other. This assertion is echoed by Lin, Li and Chen (2006:170). According to Dhliwayo, Van Vuuren & Fletcher (2011: 48) strategic planning and entrepreneurship have been viewed as inseparable twins; and Hitt, Ireland, Camp and Sexton (2002); Meyer, Neck, Meeks (2002); Kuratko and Welsh (2004) and Wickham (2006) have all termed this relationship “strategic entrepreneurship”. Chandler (1962), cited by Herrmann (2005:113), defined strategy as planning and executing company objectives, and the adoption of courses of action, whilst Andrews (1965) mooted the idea of distinct competence, company mission and business definition (Herrmann, 2005:113).

Wells (2003:3) observed that Chandler's (1962) and Andrews' (1965) definition of strategic management suggested that a staff of strategic planners more or less thought up “...strategic programs” and then tried to sell them to decision makers. Wells (2003:3) reiterated that strategic management is much more than a staff job; it is, rather, a process that requires the senior leadership to establish the strategic direction of the organisation.

This view is upheld by Hannagan (2002: 3) who asserts that strategic management consists of decisions and actions used to formulate and implement strategies that will provide a competitively superior fit between the organisation and its environment. It can encompass the process of management needed to enable an organisation to move from where it is now to where it wants to be in the future (Hannagan, 2002:3). Strategic entrepreneurial management is therefore about crafting a sense of purpose for the venture, looking ahead, planning, positioning and strategic fit as well as leveraging and stretching. It is the creative part of entrepreneurial management that renders itself useful to entrepreneurship, the part that makes sense of organising, supervising and controlling. This dovetails with innovative thinking. Strategic entrepreneurial analysis is therefore concerned with the organisation itself, its environment, its expectations and purposes as well as its resources and capabilities.

True to the spirit of entrepreneurship, the common denominator binding all these definitions is that strategic management is concerned with the establishment of a competitive advantage, sustainable over a period, not simply by technical manoeuvring, but by taking an overall long-term prospective.

3.5.6 The confluence of strategic entrepreneurial thinking and planning

Research has shown that strategic controls are positively associated with greater entrepreneurial intensity (Sathe 2003:332). The need for entrepreneurial strategies becomes direr in situations of economic distress where ironically, planning becomes even more difficult. Griffin (2000:128) mentions that the formulation and implementation of an effective strategy plays a crucial part in the determination of the overall performance of entrepreneurial organisations and their eventual success. There is therefore a need for management and all stakeholders to take an integrative view of the organisation and assess how all the functional areas and activities fit together to help an organisation achieve its business mandate (Dess *et al* 2010:24).

The goal of strategy is profitable growth, meaning value above the firm's cost of capital (Cespedes 2014:25). In this assertion, the significance of strategic planning is therefore to provide the firm with a sense of direction. Whilst entrepreneurship is largely chaotic and rudimentary, strategic planning restores order to entrepreneurship and therefore is the essence of strategic entrepreneurship. Hitt, Ireland, and Hoskisson (2007:109) observed that strategy endows venture managers with adequate tools for evaluating progress. This means that strategic management has become a means of modern day business management, as it focuses on changes and amendments to be made in the organisation within the environment in which it operates (Svetlana & Alexei 2014:51). Strategic management provides businesses with a framework for operational planning, eliminating the disorderliness in venture driving.

A clear and reasoned strategy is a company's road map to competitive advantage. Essentially, strategy is the game plan for pleasing customers and achieving performance targets. This was also affirmed by Strickland *et al* (2006:13) who observed that winning in the market place requires a well-conceived strategy characterised by strategic offensives to out-innovate and out-manoeuvre rivals and secure a sustainable competitive advantage. Johnson, Scholes, and Whittington (2008:144) concurred with Strickland *et al*. (2006:13) when they observed that a firm that is strategy focussed is more likely to be a strong bottom-line performer. In fact, Johnson *et al* (2008:144) and Strickland (2006:144) are actually convinced that a firm whose strategy is stable and competently executed is most likely to be a standout performer. Emergent from this observation is the view that the quality of managerial strategy making and strategy execution has a positive impact on the firm's effectiveness and revenue growth, as well as return on investment.

Quintessentially, the entrepreneur must engage in a well-manicured strategic process. The strategy formulation process entails identifying and executing the organisation's strategic plan by matching the company's capabilities with the demands of its environment (Kaplan & Norton 2012). The process begins when a firm's executives evaluate their current position with respect to mission, goals, and strategies. The

process of strategy formulation involves scanning the organisation’s internal and external environments and identifying strategic factors that might warrant change (Daft and Marcic, 2009:98). Figure 3.6 below presents the relationship between intrapreneurship and the external variables that influence the ultimate entrepreneurial decision.

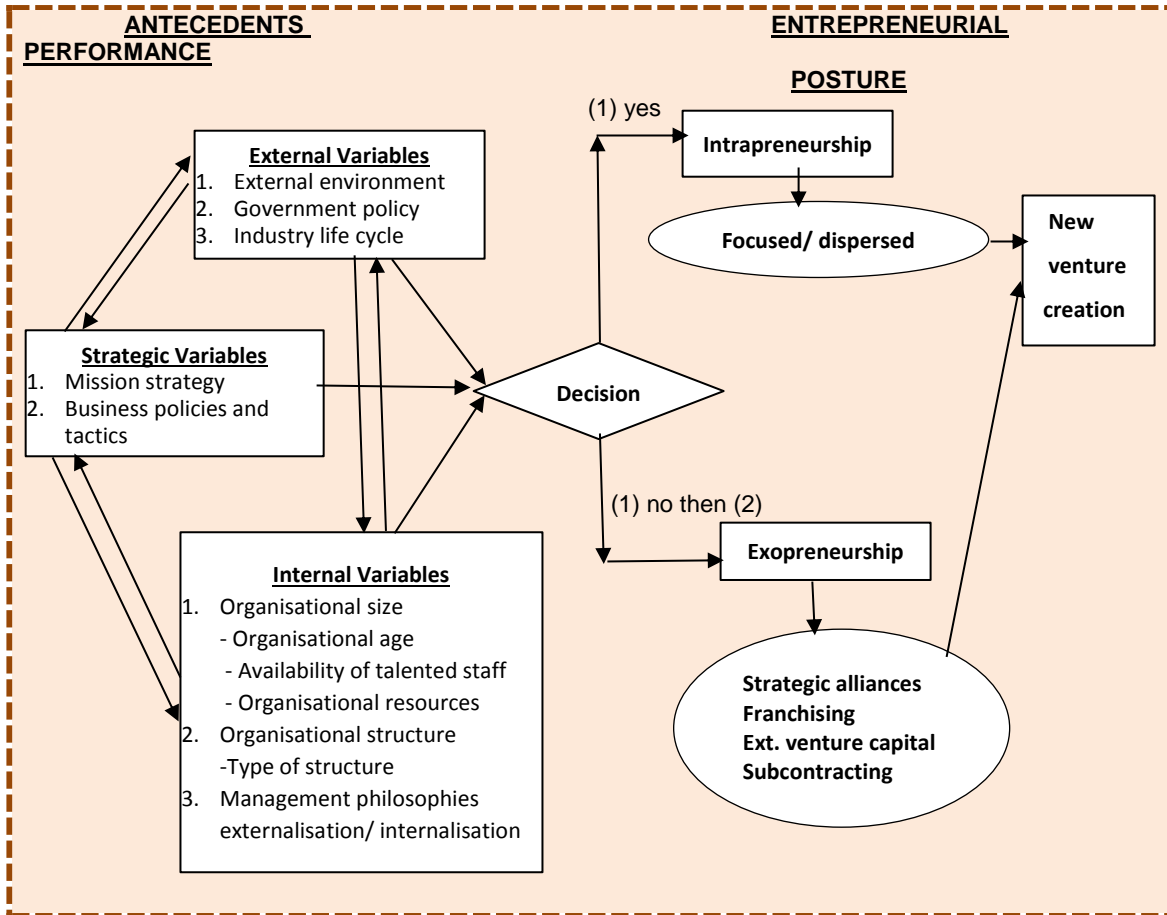


Figure 3.6: Intrapreneurship –Exopreneurship Model by Jesse Chan (Chang 1999:21)

According to Chang (1999) mission strategy is delineated as a vital antecedent to *exopreneurial* and *intrapreneurial* activities. Understanding these strategies helps the business acquire the relevant entrepreneurial posture that is meant to realise the intended strategic outcomes for the venture.

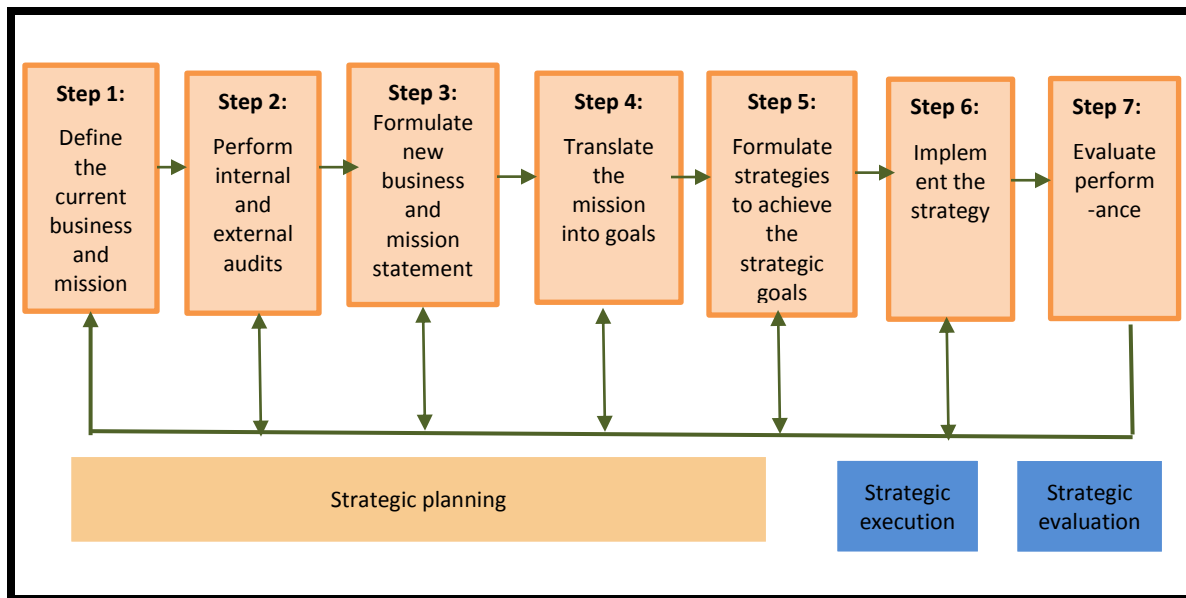


Figure 3.7: The strategic planning process (Dessler (2005:79))

As may be observed from Figure 3.7 the strategy formulation process is comprised of seven distinct stages which consist of: (1) Defining the current business, (2) Performing the external and internal audits, (3) Formulating new business and mission statements, (4) Translating the mission into strategic goals, (5) Formulating strategies to achieve the strategic goals, (6) Implementing the strategies and (7) Evaluating performance (Dessler, 2005:79).

The strategy formulation suggested by Dessler (2005:79) is slightly different from the one suggested by Strickland (2007:205). The strategy-making process proposed by Strickland outlines five distinct stages whilst Dessler (2005:59) outlined seven. The five stages identified by Strickland *et al* (2007:205) involve: Stage 1, developing a strategic vision; Stage 2, setting the objectives; Stage 3, crafting the strategy to achieve the objectives and vision; Stage 4, implementing and executing the strategy, while finally, Stage 5 involves monitoring development, evaluating performance and making correct adjustments. Figure 3.8 presents a summary of the strategy formulation process according to Strickland *et al* (2007:205).

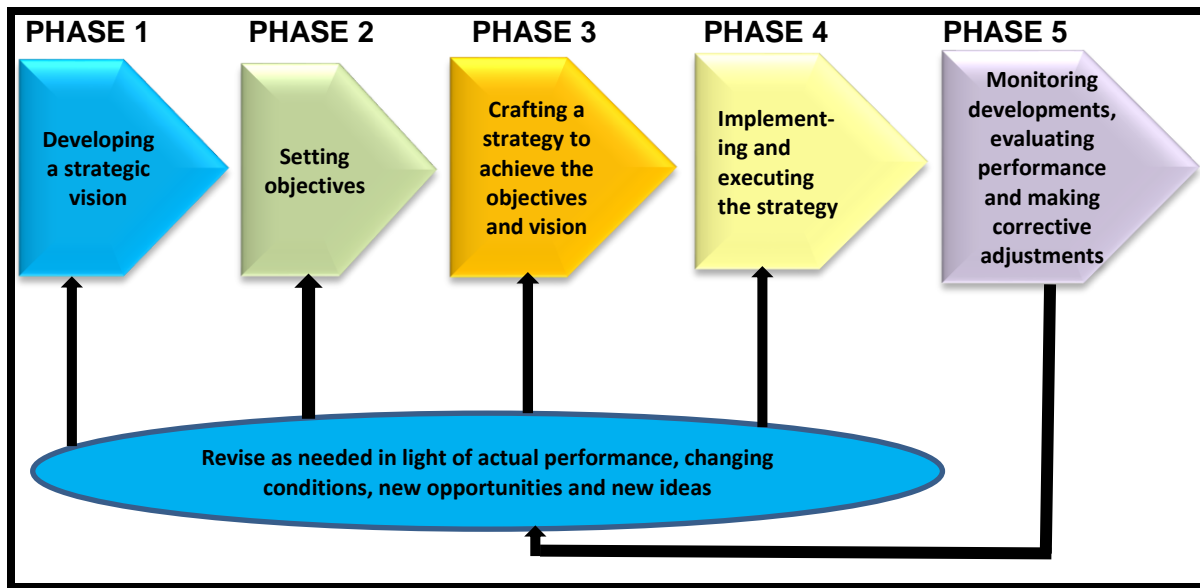


Figure 3.8: Strategy Formulation Process
Strickland *et al* (2007:205)

The first stage of strategy formulation according to Strickland *et al* (2007:205) is similar to Dessler's (2005:79) in that it is the initial stage that is concerned with developing the strategic vision of the firm. Strickland cautions that the first stage is absolutely essential in that it sets the tone and the directional path the company should take. This stage also establishes the direction that would define the company's product-market-customer-technology focus, which would improve its current market position and future prospects.

Strickland *et al* (2007:205) posit that the second stage involves setting the objectives of the firm. This is contrary to Dessler's (2005:79) view; he postulated that the second stage involves environmental scanning whereby the firms carry out their SWOT analysis. Strickland (2007:205) maintained that the second stage is very important in that it sets the objectives that will be used to convert the strategic vision into specific performance target-results and outcomes. Strickland *et al* (2007:206) articulated that the third phase is concerned with crafting a strategy to achieve the objectives and vision, whilst Dessler (2005:79) was of the opinion that the third stage should be involved with formulating the new business mission and vision statement. This is where

the strategic management experts diverge. Strickland *et al* (2007:206) are silent on formulating a new mission statement, but very vocal on marrying the strategy with the company's vision and objectives. The crafted strategies are implemented in phase four of the strategy making process according to Strickland *et al* (2007:205), while according to Dessler, strategy implementation implantation is executed at stage number six. The last stage of this process, which is number five according to Strickland *et al*. (2007:205), is mainly concerned with monitoring and evaluating the effectiveness of the newly implemented strategies. Dessler argued that evaluation of the newly implemented strategies is best handled at stage seven because the firm needs to formulate strategies to achieve the strategic goals before the implementation process. This is a further point of divergence between Dessler and Strickland.

However, despite the minor disagreement on the strategy formulation process, at least both Strickland *et al* (2007) and Dessler (2005) concur on certain distinct stages to be followed during such a process. They also concurred that the first stage is the most crucial as it sets the tone for the crafting of new strategies. They moreover agreed that the formulated strategies should be implemented, monitored and evaluated. This is a landmark observation, particularly when considering the fact that most organisations are found wanting when it comes to strategy implementation.

3.5.7 Strategy implementation for entrepreneurial intensity

Strategy implementation basically refers to the process whereby managers translate formulated strategies into action (Ungerer, Pretorius & Hernholdt 2007:65). This forms an integral part of the strategic entrepreneurial management process because the process turns the formulated entrepreneurial strategies into actions which ensure that the vision, the mission and the strategic objectives of the organisation are accomplished as planned (Strickland *et al*, 2007:208). Research has also indicated that strategy implementation is the solution to the challenges of business success (Ungerer *et al* 2007:65).

A plethora of studies have been devoted to examination of the dilemma underpinning strategy implementation, which have concluded that this is amongst the most difficult business challenges facing managers in the 21st century (Rumelt, Schendel, and Teece, 2006:67). It has also been observed that the high failure rates of organisational initiatives in a turbulent business environment are attributed to the poor implementation of business strategies (Kaplan and Norton, 2008:90). Therefore, strategy implementation is the ultimate source of competitive advantage. Knowledge about strategy itself is not useful unless one applies that knowledge. Figure 3.9 illustrates the strategy implementation processes.

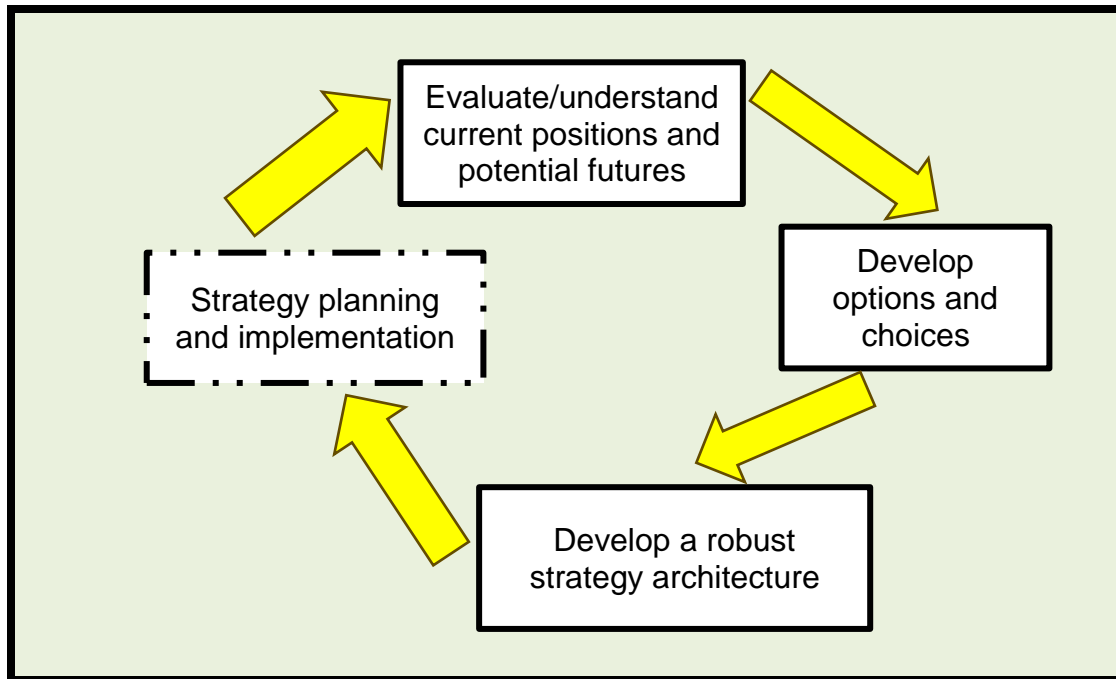


Figure 3.9: The Strategy Implementation Cycle

Source: Ungerer, *et al* (2007:70)

Ungerer, *et al* (2007:70) posit that the first stage of strategy implementation begins with an evaluation of a company’s current position. This is very important for the corporate entrepreneur in that it focuses on the strategic understanding of the company’s current and future business domain. Jooste and Fourie (2009:55) asserted that the evaluation of the current and future position of the organisations necessitates a match between

strategy and organisational elements, which they name “the strategic fit”. This leads to the development of a robust strategy architecture that will influence the behaviour within that structure. In developing the strategy architecture, Ungerer, *et al* (2007:70) cautioned that the following issues are of paramount importance: purpose and vision of the company; selected business domain; value propositions; competitive positioning and the business model. Figure 3.10 depicts the forces that influence the marketplace.

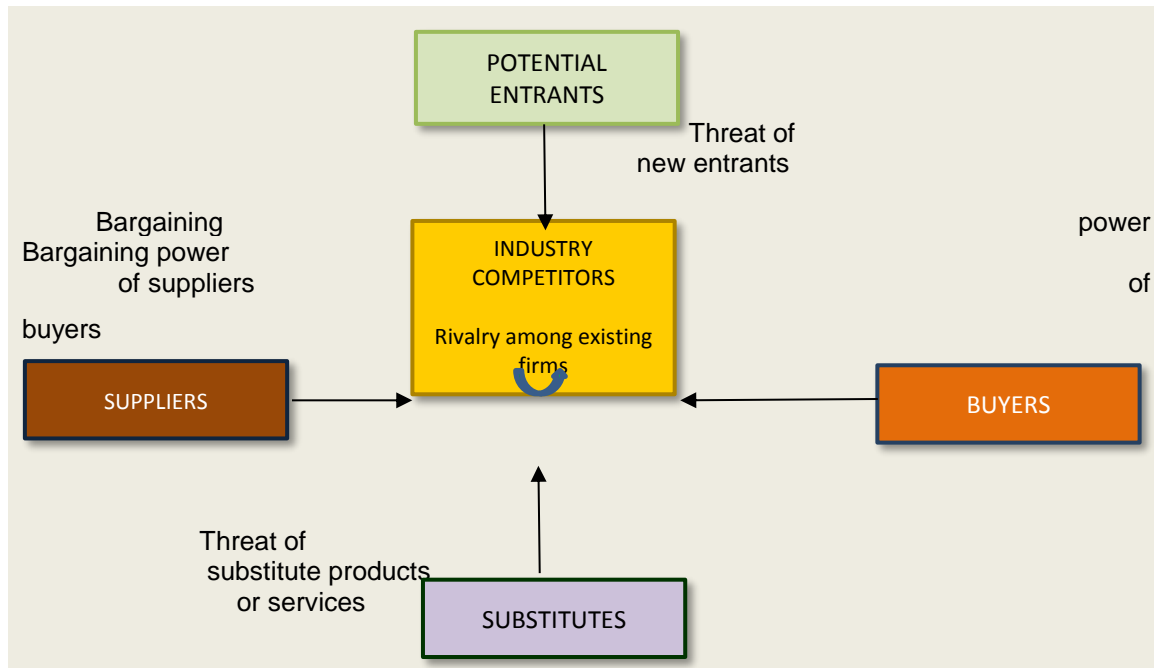


Figure 3.10: Porter's Five Forces Model of Industry Competition
Dess *et al* (2009:57)

The business environment is relentlessly competitive and remains so even in situations of uncertainty such as those posed by hyperinflation. The competitive environment is consequently made up of numerous factors that influence a strategy for a particular organisation. The Porter's Five Forces Model then attempts to articulate the various factors that affect an organisation's profitability and growth and consequently influence how the organisation could respond to these forces by leveraging certain areas of its strengths, and be on the way to entrepreneurial intensity in so doing.

In enhancing entrepreneurial performance, the model accepts the threats of new entrants first and their possibilities of reducing profitability. Buyers and suppliers are also given attention in pursuit of entrepreneurial excellence as they could influence prices, product quality and services. The model also brings to the fore the role of substitute products in reducing returns and profitability. Entrepreneurial force will therefore ensure that in the first instance, customers do not have a reason to switch their business to competitors within the industry (Dess, *et al* 2010:61); hence this model is deemed a solid foundation in examining entrepreneurial intensity

3.5.8 A model of strategic corporate entrepreneurship

There are two main aspects of strategic entrepreneurship management which speak to strategic entrepreneurship and the renewal of the organisation to facilitate entrepreneurial intensity in the context of the strategic alignment of certain variables. Figure 3.11 below shows the important aspect of corporate venturing and strategic entrepreneurship combining to give impetus to corporate entrepreneurship.

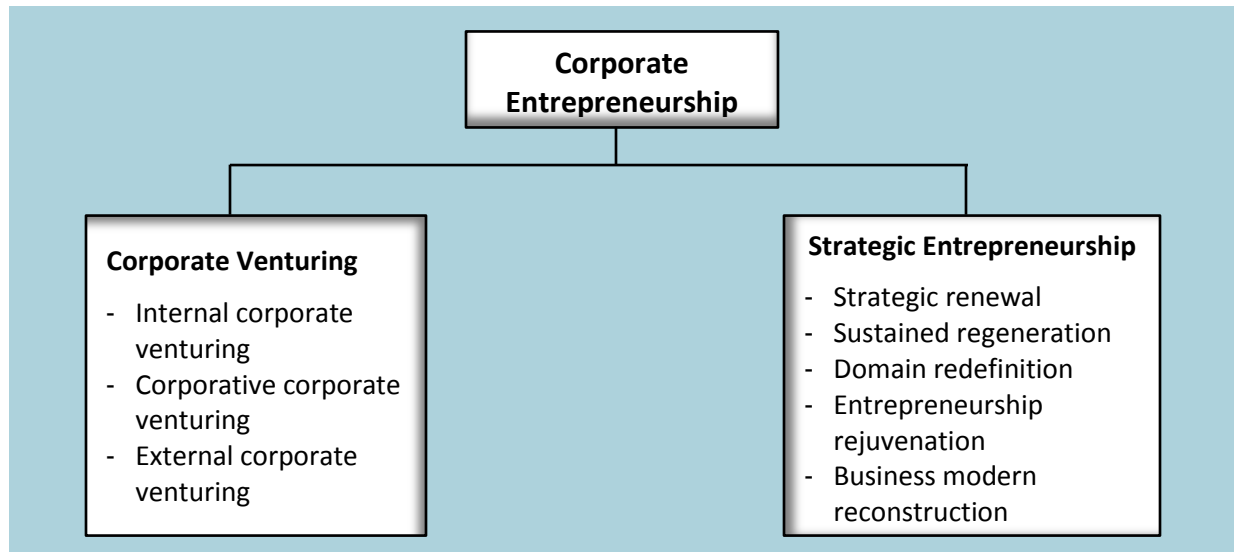


Figure 3.12 Domains of Corporate Entrepreneurship

Source: Morris *et al* (2011:88)

3.5.9 A model of corporate venturing

Guth and Ginsberg have advocated for the renewal of the enterprise to ensure survival (1990:330); hence corporate venturing is necessary. It then becomes important even in contemporary business management that the essence of entrepreneurial performance should be premised on corporate venturing and renewal. Citing (Covin, Ireland, and Kuratko 2003; McGrath *et al* 2006; Kuratko *et al* 2009), Guth *et al* (1990) write that corporate venturing is recognised as the first major category of corporate entrepreneurship and includes various methods for creating, adding to, or investing in new businesses. It incorporates two aspects;

- 1) Internal venturing which entails the creation of new businesses within the firm. These businesses typically reside within the corporate structure but, occasionally, may be located outside the firm and operate as semi-autonomous entities. Of those internal corporate ventures that reside within the firm's organisational boundaries, some may be formed and exist as part of a pre-existing internal organisational structure while others may be housed in newly-formed organisational entities within the corporate structure.
- 2) Cooperative corporate venturing (a.k.a. joint corporate venturing, collaborative corporate venturing) also refers to entrepreneurial activity in which new businesses are created and owned by the corporation together with one or more external development partners. Cooperative ventures typically exist as external entities that operate beyond the organisational boundaries of the founding partners. External corporate venturing therefore refers to entrepreneurial activity in which new businesses are created by parties outside the corporation and subsequently invested in (via the assumption of equity positions) or acquired by the corporation. These external businesses are typically very young ventures or early growth-stage firms. A firm's total venturing activity is equal to the sum of the ventures enacted through the internal, cooperative, and external modes. Creating an entirely new business is the main objective of corporate venturing (p330).

3.5.10 “The Integrative Model”: A Model of Strategic Integration of Entrepreneurship

Zahra (1993:5) noted that Covin and Slevin (1991) suggested an integrative model that explains the association between a company's entrepreneurial posture and its external environment, strategy, internal factors and organisational performance. The principle of this model is to articulate how a firm is able to create a posture that withstands the external environment and ensures not only survival but growth as well. Figure 3.12 suggests a strategic integration of entrepreneurship within the enterprise.

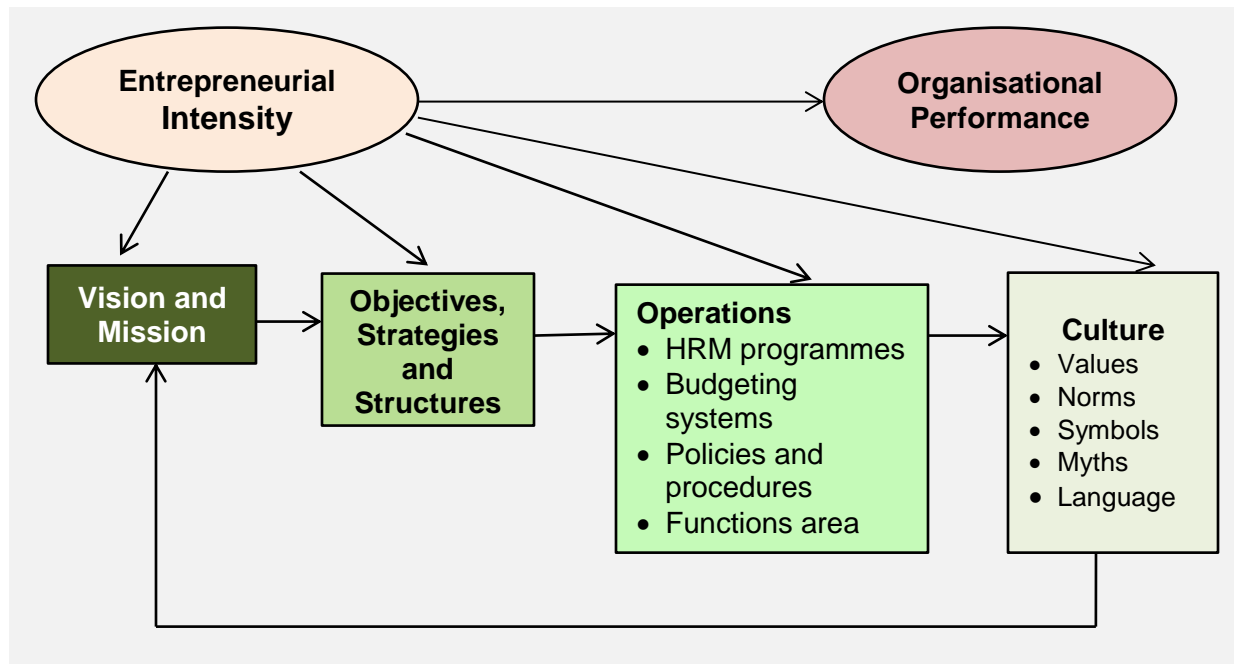


Figure 3.13 Strategic Integration of Entrepreneurship Corporate-wide

Source: Morris, *et al* (2008:50)

The integrative model of Morris *et al.* (2008:50) attempts to articulate the relationship that exists between entrepreneurship and strategic management and how strategic management can facilitate entrepreneurship in pervading the organisation. The strategic variables of vision, mission and the rationale of why the business exists in the first place – the strategic mandates and imperatives – if linked correctly, will provide the impetus for the spirit of entrepreneurship to reach the various structures of the organisation.

The framework explores how management can easily foster an entrepreneurial spirit within the organisation by adopting certain deliberate entrepreneurial strategies that are derived from the vision and mission statements and which pervade the rest of the organisation via the various departments and business units. In the process, a firm's entrepreneurial behaviour is defined, asserted and lived. The entrepreneurial intensity of

the organisation is subtly realised with the desired consequences of positive financial performance, profitability, growth and other anticipated entrepreneurial outcomes.

The synopsis of strategic management therefore becomes a crucial step in ensuring entrepreneurial strategies are crafted that will enhance the firm's profitability and growth rate, even in situations of economic distress. Dess *et al* (2010:483) suggest that in seeking to set a strategic path of a firm, certain questions invoking strategic thinking must be asked, such as:

- Is the organisation pursuing efforts at opportunity recognition?
- Do the corporate entrepreneurs presiding over new innovations, new ventures, new products and new processes have the requisite visions, determination, focus and commitment to venture success and entrepreneurial excellence?
- Have strategic principles been employed in formulating and implementing strategies in pursuit of entrepreneurial opportunities?
- Whether the company is employing transformational control systems to encourage performance?

3.5.11 Turnaround strategy model

Turnaround strategies are aimed at resuscitating the operations of a company struggling due to internal and external factors (Heggde & Panikar 2011). Franks and Sussman (2013) add that in dealing with turnaround strategies, it is imperative to establish the nature and severity of the crisis. Acharya, *et al* (2010) argue that if the crisis is severe, more dramatic changes such as asset reduction or market reorientation, are required. The hyperinflation in Zimbabwe reaching a billion percentage points was indeed cruel and severe. If the crisis had been less severe, then cost pruning would have sufficed. Boyne and Meier (2010) have presented pragmatic turnaround strategies within the context of a break-even analysis within a firm. Figure 3.13 depicts the necessities of a turnaround strategy in any given situation.

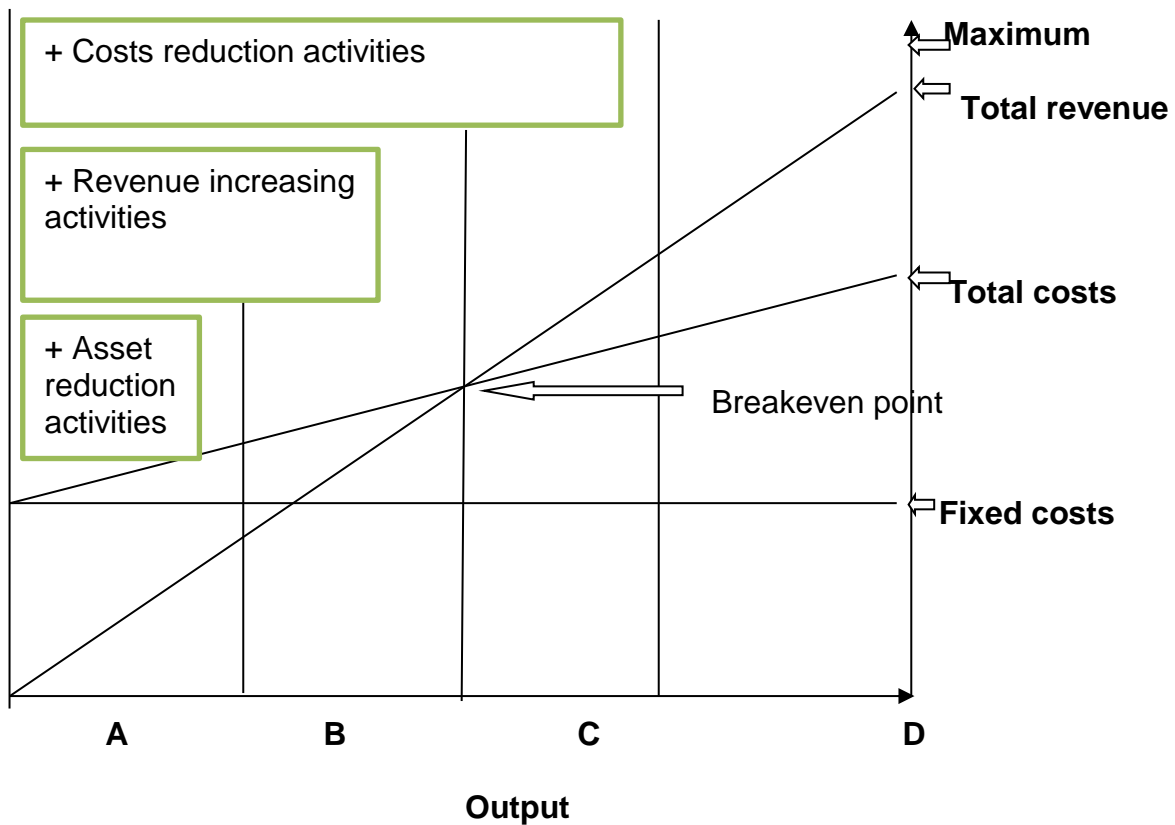


Figure 3.11: Turnaround Strategy Model

Source: Franks and Sussman (2013:13).

Franks and Sussman (2013) presented the view that if the firm is operating in any of the corridors A, B or C it is in need of a recovery strategy in order to reach corridor D where returns at least cover the opportunity cost of capital. Cost reduction activities are appropriate if the firm is operating in corridors A, B or C. If the firm is operating in corridors A or B, then new revenue streams are critical to complement cost reduction activities.

However, if the firm is operating in corridor A, asset reduction activities are required in addition efforts to revenue increase and cost reduction activities (Franks and Sussman, 2013). Berger, *et al* (2009) address a third contextual factor: the attitude of stakeholders. They argued that stakeholders can influence recovery strategies in two ways: firstly, they can stipulate which actions can be taken and, secondly, they can rule

out certain actions and modes of implementation. In most cases, corporate entrepreneurs become critical stakeholders that should influence the turnaround strategies.

3.6 The Essence of Entrepreneurial Thinking and Opportunity Exploitation

In view of the foregoing theories, concepts and models, it is evident that deciding to act entrepreneurially is not usually a forced action due to unforeseen conditions or circumstances (Nieman & Niewenhuizen, 2009 :55). It is a challenge one must deliberately tackle. It is a change for the various stakeholders in the organisation: the leadership at the apex, managerial employees, technical people and even the general employees and their various departments as well as the forums in which they meet and converse and transact business. Certain processes and stages and specific challenges must be faced and overcome in the arduous journey of entrepreneurial intensity.

It is imperative for the corporate entrepreneurs to pay attention to the entrepreneurial process. This is essential in driving the enterprise to excellence and generating wealth for the venture founders. There are three critical dimensions in the entrepreneurship process, the core being the entrepreneur her- or himself (Shokri 2012:29): opportunity identification, leadership and management of resources. This leads this study to a few more relevant models related to opportunity identification and exploitation, which firms may employ to produce the desired results:

3.6.1 A Model of Opportunity Recognition

It is not always the case that harsh economic environments are completely devoid of opportunities. In fact, there are always opportunities available on the market. They just need astute entrepreneurs to identify and exploit them. The Nieman and Niewenhuizen (2009) definition, also supported by Shane & Venkataraman (2000 :219), therefore becomes essential, especially as it propagates the importance of someone who, seeing an opportunity that can bring about value, then takes the risk of finding the necessary resources to create value for potential customers. It also becomes really vital to define

the term “opportunity”. The illustration in Figure 3.14 shows the relationship between the entrepreneur and opportunity exploitation.

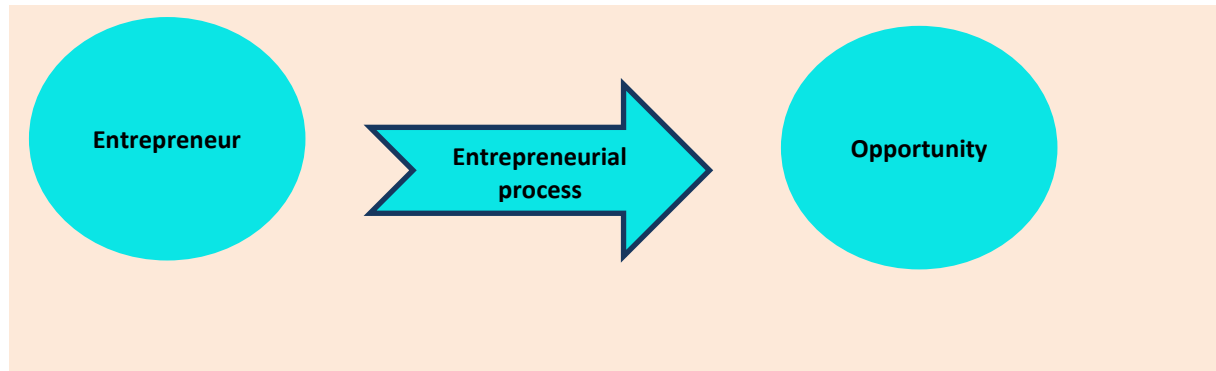


Figure 3.12: A Simplified Opportunity Exploitation Entrepreneurship Model

Source: Osiri, Mccarty, Davis & Osiri (2013 :29)

Figure 3.14 articulated by Osiri *et al* (2013 :29) depicts a simplified entrepreneurship model depicting how entrepreneurship is concerned with how the entrepreneur goes about exploiting opportunities via the entrepreneurial process.

An opportunity can be defined as a gap left in the market (Nieman & Bennet, 2002) which has the qualities of attractiveness, durability and timeliness (Timmons, *et al* 1999). An entrepreneur should accurately scrutinise his or her business landscapes to discover unused and idle capacities and if, for instance, innovations coincide with effectiveness and more benefits and are accepted by customers, then it can be said that opportunities have been identified and new "values" created (Shokri 2012:29). In essence, entrepreneurs make new businesses via new opportunities, new products, and new methods, mindful that not all ideas lead to opportunities and that ideas alone could lead to a good but useless product. For instance, flying an A380 plane from Pretoria to Johannesburg trip might make sense for hordes of workers commuting either way as they are assured of a faster trip to and from work, but how much would this cost? The idea is excellent, but the opportunity could be wrong. Consequently, for ideas to be relevant, they must be aligned to the existing opportunities. This is the stage where entrepreneurs are urged to be sagacious and assess whether an idea is merely

good or whether it is also viable, feasible and durable as well as attractive (Aviram 2010:115)

3.6.2 Aligning ideas with opportunity

Opportunity allows for ideas to be generated to address a problem. The hyperinflation era may have been a gloomy period but it still presented opportunities for those who were entrepreneurially astute enough to recognise the possibilities in such an apparently hopeless environment. The concept of opportunity centres on the notion that opportunities exist when competitive imperfections exist in factor or product markets (Alvarez & Barney, 2014:1; Shane & Venkataraman 2000 :219; Venkataraman, 1997). Identification of opportunities has long been identified and accepted as a vital step in the entrepreneurship continuum (Ozgen 2011:61) implying, therefore, that companies which seek to be successful, must of necessity embrace the notion of opportunity search and utilisation. Figure 3.15 shows the various sources of idea generation.

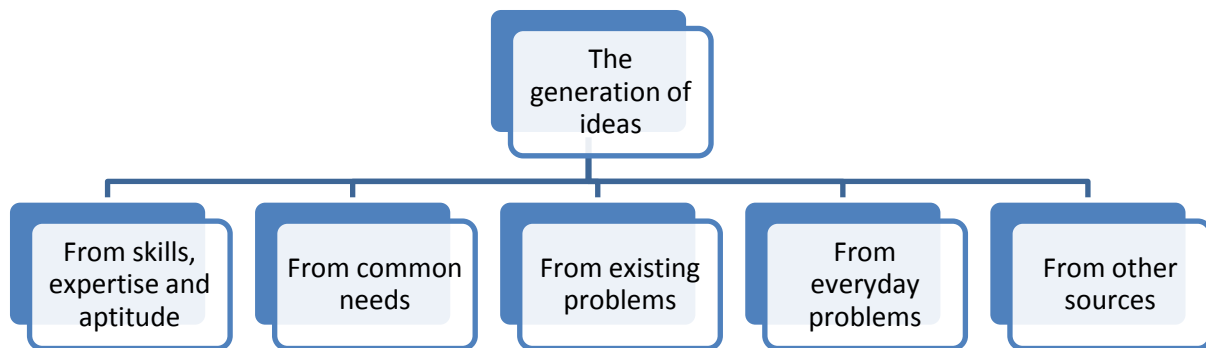


Figure 3.16 Sources of Ideas (Smith 2010)

Ideas are often generated from one’s skill, expertise and aptitude to fill the gap identified in the market. It reinforces the idea that an opportunity is not an opportunity if one has no prior skills and expertise in the area. Leon Zimmerman founded an airline company after the end of the World War II. He had flying experience, which was no longer needed as the war had ended. He recognised an opportunity in air travel and founded Comair, which even after he had retired and sold the business went on to be a billion Rand business and one of the most prominent on the Southern African routes,

especially in South Africa. It would therefore follow, for instance, that a teacher would most likely be able to identify opportunities in the academic field, possibly establishing a private school or college, and a police officer might find it easy to spot an opportunity in the field of private security provisioning whilst it would be easier for an ex-army commander to start a mercenary outfit than it would be for a marketing specialist to do that.

Opportunities are also present in common needs in the community or in the nation, spurring thinking and idea generation meant to satisfy that opportunity.

When there are challenges, they motivate those experiencing those challenges to start thinking beyond their capabilities in pursuit of solutions. They become innovative. Problems such as those presented by the hyperinflation in the Zimbabwean insurance industry encouraged company management and the leadership to start thinking about solutions beyond what they would ordinarily have done. When premiums were no longer coming in, when insurance companies could no longer pay out policy holders, this presented a major challenge that needed new ideas to be generated to solve the prevailing problems.

3.6.3 Entrepreneurial Intensity: Impetus of creativity

To be an entrepreneur or to act entrepreneurially is not a miracle, neither is it merely forced by circumstances or conditions of living, such as losing one's job. It is a challenge: if one does not encounter challenges then one is far from being an entrepreneur and should be looking for a salaried job. Entrepreneurship is about successes and failures, bearing in mind that a small start-up will have to compete with established giants that have quality products for the same marketplace.

The concept of creativity, normally discussed in the same breath as the concept of innovation, is preoccupied with how entrepreneurs succeed. The focus of this concept is one's creative behaviour. Successful entrepreneurs have often exhibited creative behaviours. They have discovered, innovated and invented at some point in their long

entrepreneurial journey. All these actions are a result of an entrepreneurial aptitude called creativity.

According to Antonites, (2009: 58) creativity is derived from the Latin word *creare* which means to produce. Creativity is the catalyst for all new innovations, from invention to the final product, and is thus an important aptitude for all entrepreneurs getting into business venturing. Cougar (1995) writes that it is the sense of solving definite problems whilst Glassman (1993) regards it as the ability to associate remote stimuli in the environment with elements in the mind and to combine them into new and unusual ideas. The underlying tenets of the concept of creativity are that the process of thinking in unconventional ways, and that the initial problem in an enterprise for instance, are often vague and undefined. One therefore needs to keep an open mind and persistently generate as many ideas as possible to respond to any given situation.

3.6.4 The Creativity Model (Cougar 1995; (Nieman & Niewenhuizen, 2009):58)

According to Nieman and Niewenhuizen (2009) creativity is largely constituted of brain driven actions as the brain is capable of transforming complex problems into opportunities. Beaty, Silvia, Nusbaum, Jauk and Benedek (2014:1086) assert the contemporary theory of creativity: the controlled-attention theory suggests that creative ideas arise from the ability to exert top-down control over attention and cognition. Whilst there are still debates around the role of creativity and its links to entrepreneurship, Nieman is of the view that Cougar's (1995) 4P Model elucidates the creative process for entrepreneurship in a simple way, implying that creativity can be improved if certain variables are given maximum attention.

The person is a central variable in the model for creativity in that because it is the entrepreneur who is tasked with setting up and running the venture, it is she or he who needs the motivation to start the venture, cognisant of the inherent successes and failures and associated rewards. As such, his/her skills and expertise are of importance in the whole system, dealing with challenges or new ideas. It is the entrepreneurs who must exude motivation, a critical dimension if one is to be successful in the venture.

Such expertise and experience may have been acquired over time but now need to be contextually applied in a situation.

Consequently, creative corporate leaders are the ones who possess the impetus to drive the venture to entrepreneurial excellence.

3.6.5 Entrepreneurial thinking and paradigms of knowledge

Entrepreneurial thinking is a critical element of creativity that allows even big firms to compete and succeed against other giants (Prosek 2012:32). Effective planning and problem solving in a rapidly changing global business environment call for entrepreneurial thinkers who can go beyond the merely logical or linear cognitive orientation of rules, reason, rational logic, and scientific cause-and-effect predictability, to also include thought patterns of intuitive and emotional assessments, creativity and lateral thinking and total systems appraisal, integrative and synergetic thinking, perceptual flexibility, imagination and visualisation (Vance, *et al.*, 2012 :1).

Entrepreneurial thinking is perceived as one's approach to using mental abilities for running an enterprise: in other words, how they see and understand issues as well as how they solve problems as dictated by the prevailing situation. Increasingly, entrepreneurial thinking is viewed as the ability to turn out new ideas beyond what one already has (Johnston & Bate 2013:193) as well as to take the ideas and turn them into reality (Gitterman & Coclanis 2011:81). Johnston & Bate (2013:104) opine that entrepreneurial thinking is therefore a quest for fresh ideas and captures the spirit of initiatives, a key element in driving venture organisations. Broadly, entrepreneurial thinking is the creative form of sophistication and intelligence expected of entrepreneurs. At the organisational level, the corporate leadership should be the one to lobby for and create an environment that encourages entrepreneurial thinking even at the lower levels, allowing low ranking employees to proffer their creative ideas (Prosek 2012: 141); such ideas should be tolerated, even if they fail. Entrepreneurial thinking has therefore been found to be a critical element to fill the gap between innovation and execution (Gitterman *et al* 2011: 80).

3.6.6 Entrepreneurial consciousness and conscientiousness

Much of the organisation's performance, regardless of the operating environment, is attributable to the executive teams' entrepreneurial consciousness which forms the bulk of their entrepreneurial prowess. As alluded to in prior models and, in particular, the Entrepreneurial Cognition model, this consciousness is an essential attribute for the entrepreneur to be able to exhibit the astuteness required. This is especially the case in a larger corporation faced with an unpredictable economic environment where intensified entrepreneurial strategies become the much sought after solution for stability and even for growth. Conscientiousness refers to the extent to which individuals are organised, persistent, and capable of hard work as well as motivated to pursue goal accomplishment and generate high levels of performance across many domains, including that of entrepreneurship (Baron & Henry, 2010:54). One's entrepreneurial consciousness and conscientiousness is therefore able to enhance an individual's willingness and ability to take on tasks, do them well, see them through to completion and harvest the associated rewards.

In economic difficulties and circumstances such as those experienced in hyperinflationary Zimbabwe, the entrepreneurial cognition, synonymous with consciousness and conscientiousness, breeds the ancillary concept of "entrepreneurial alertness" (Kirzner 1985; Mitchell, *et al.*, 2007 :13). The latter is a cunning awareness of scarce and ambiguous opportunities, a relevant and vital tool for any survivalist to surmount the associated challenges emanating from a distressed environment. Gaglio & Katz (2001:96) put it simply, saying that entrepreneurial alertness is the ability to notice hitherto overlooked opportunities. Alertness is therefore an attribute of entrepreneurial awareness that corporate leaders need to have, especially in a distressed operating environment such as the said hyperinflation.

The Shane & Venkataraman (2001 :219; Aviram 2010:113; Mitchell, *et al.*, 2002) question (why do some identify opportunities that others cannot?) is synonymous with

asking the question: why do some ventures become successful whilst others fail? The answer to this question lies in the fact that entrepreneurs differ in their entrepreneurial consciousness and cognitive capabilities. Some are more alert to minute and even hazy and ambiguous opportunities arising even out of chaotic environments. The field of entrepreneurship therefore seeks to comprehend how opportunities are created or recognised and exploited. The cognitive perspective, on the other hand, emphasises the fact that mental processes influence everything we think, say or think or do during this start-up process. These mental processes include the cognitive mechanisms through which entrepreneurs acquire, store, convert and use information on the ground. The human capital element – some kind of mental schema (Aviram 2010:114) – is therefore important for the entrepreneur to pursue and exploit these opportunities.

The cognitive perspective provides entrepreneurs with some useful lenses through which to explore entrepreneurship related phenomena and to address some meaningful issues that hitherto have remained largely unprobed. Shepherd and Krueger (2002 :177) confirm that social cognition research offers considerable direction to the understanding of entrepreneurial thinking. Mitchell *et al* (2002) define entrepreneurial cognitions to be the knowledge structures that people use to make assessments, judgements or decisions involving opportunity evaluation and venture creation and growth. The key elements of entrepreneurial cognitions therefore are knowledge structures and decision making concerning opportunity evaluation, venture creation and growth (Mitchell, *et al.*, 2007 :2; (Mitchell, *et al.*, 2002 :97).

3.6.7 Entrepreneurial Intentions

As indicated, individuals and corporates do not engage in entrepreneurship by accident; they intentionally and deliberately choose to become entrepreneurial (Obschonka, Silbereisen & Rondermund 2010:63). In order to fully comprehend how opportunity recognition occurs, it is necessary to focus on the cognitive processes that align perceptions of opportunity, ability, and control with entrepreneurial intentions (Prodan & Drnovsek 2010:333) especially with regard to understanding the relevant decision making processes for corporate managers wishing to become entrepreneurs.

However, Shook *et al* (2003) say there is no agreed theory to explain the intentions of people to become entrepreneurs (Solesvik 2013:253) and hence the below Figure 3.16, attempting to explain how intentions and thinking leads to new ventures.

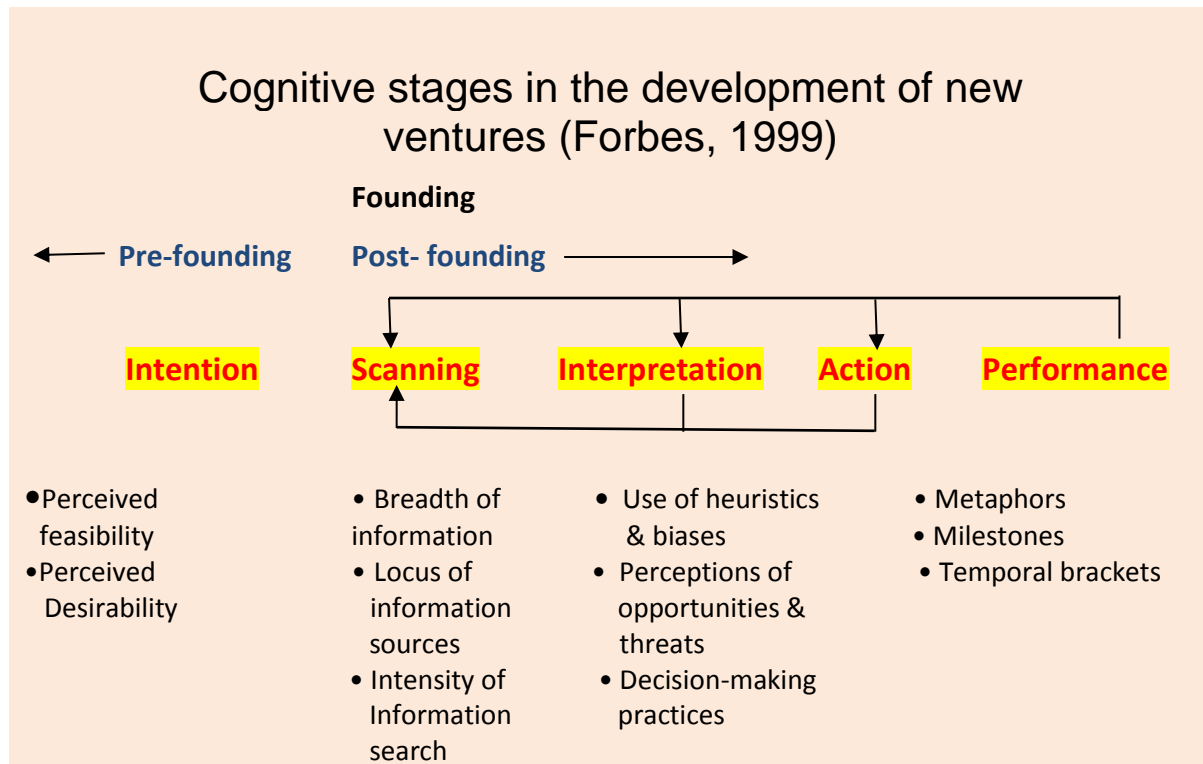


Figure 3.13: Relevant Entrepreneurial Cognitive Stages

Source: Forbes (1999)

The entrepreneurial process (Forbes, Shook, Priem & McGee 2003) depicted in the diagram Figure 3.16 articulates a situation where corporate entrepreneurs in this instance are expected to be driven by deliberate intention to engage in entrepreneurial processes and events. Where corporate leadership exhibits such intention to start an entrepreneurial activity, it will be easier for its members to start seeing things differently, deliberately seeking opportunities, making immediate, or boardroom, decisions to exploit such opportunities if they appear viable, lucrative and feasible. They may be able

to make a quick but measured evaluation of the opportunity before mobilising and committing resources in pursuit of the opportunity.

Post the founding stage, corporate entrepreneurs are expected to start scanning the environment, make meaning of the opportunity vis-à-vis the environment using their cognition and heuristic abilities, before embarking on the actions necessary to exploit the opportunity. They should eliminate any possible obstacles as well as all the pseudo opportunities and exploit the real prospects. Armed with their knowledge and assumptions of the opportunities presented, such leaders can then make a decision to exploit or not to exploit these and whether to engage in actions of mobilising and deploying resources.

A review of entrepreneurial intentions attempts to explain why some individuals decide to start their own businesses (thus engaging in entrepreneurial behaviour) whereas others simply do not. The term *Intention* defines a state of mind directing a person's attention toward a specific goal in order to achieve something. Intentions denote a conscious state of mind that directs personal attention, experience and behaviour towards planned entrepreneurial behaviour (Obschonka *et al* 2010:64). They are the first in a series of actions that one intends to follow in founding a venture (Lee, Wong, Foo & Leung 2010:126).

Entrepreneurship as a process can be argued to be a way of thinking: thinking that emphasises certain aspects over others i.e. opportunities over threats (Krueger *et al* 2000: 411). Antecedents of entrepreneurial intentions can be parsimoniously characterised by the individual's perceptions as to the desirability and feasibility of the entrepreneurial opportunity. (Fitzsimmons & Douglas 2010:431). Figure 3.17 below depicts a model of entrepreneurial intentions;

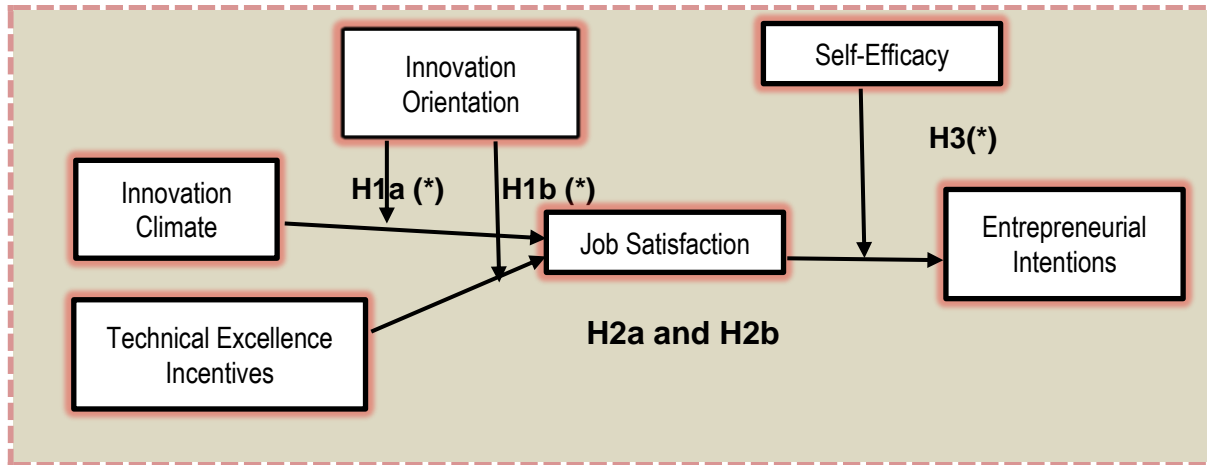


Figure 3.14: Model of Entrepreneurial Intentions

Source: Lee *et al* (2011:126)

The diagram proposed by Lee *et al* (2011:126) depicts the logical flow of the concept of entrepreneurial intentions in cultivating a rich and fertile entrepreneurship. Self-efficacy drives the deliberate choices for entrepreneurship towards achievement. This achievement must be supported by an environment conducive to innovations where these are encouraged, failure is tolerated and entrepreneurial intentions are incentivised.

Firstly, most entrepreneurial models contain elements of an internal and external locus of control; the internal one may consist of the entrepreneurs' intentions whereas the external can be anything from the market forces e.g. competition to the regulatory frameworks that govern the country (Bird & Jelinek, 1988). Secondly, the models that are available contain intuition and elements of rationality in decision making (Bird, 1988) in (Obschonka *et al* 2010:64).

3.6.8 Model for entrepreneurship development

Nieman and Niewenhuizen (2009 :10) have attempted to articulate the model for entrepreneurial development, defining it as an effort to demonstrate in their relative context the external variables that affect entrepreneurship in any given country. The model for entrepreneurship development explains them by analysing these three distinct

categories of variables. Figure 3.18 shows the various environments relevant to develop an entrepreneur.

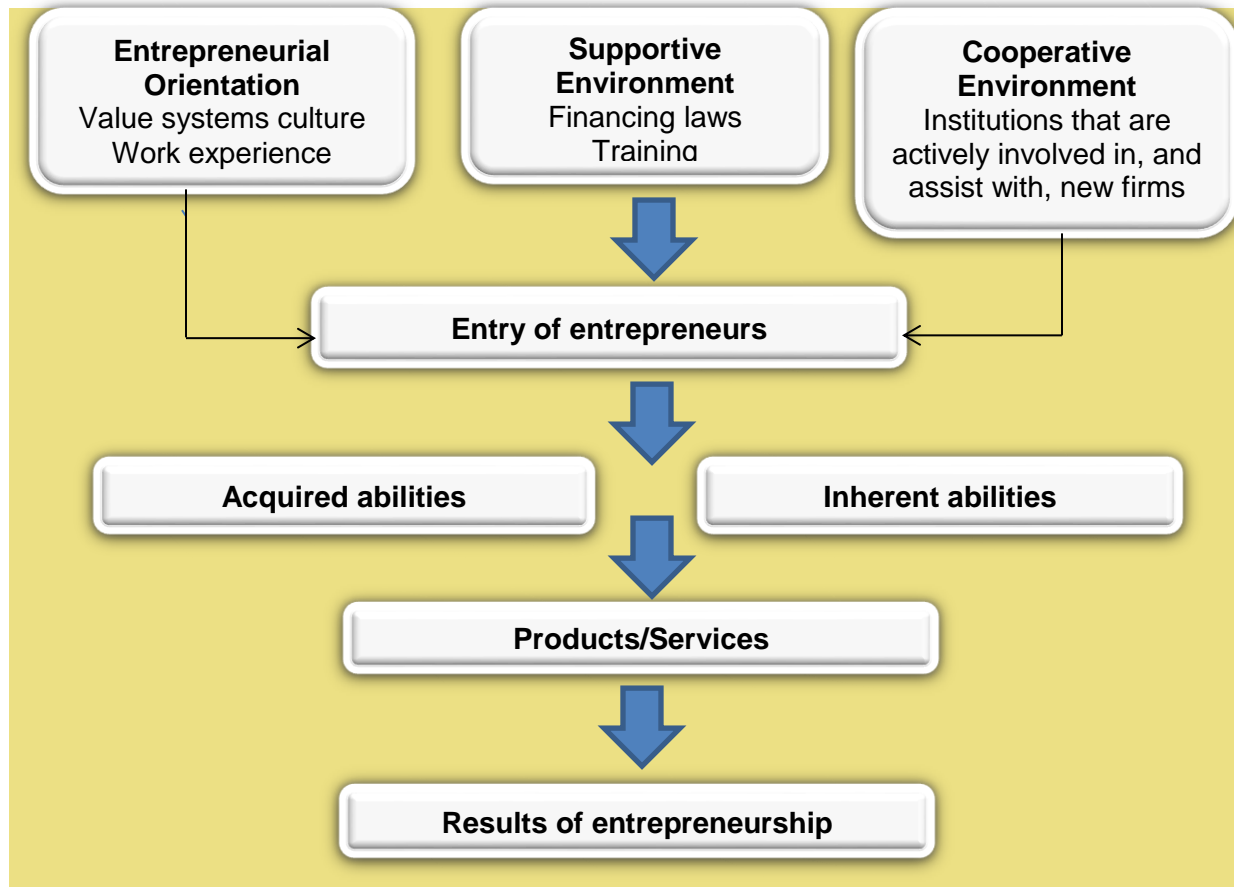


Figure 3.15: Model for Entrepreneurship Development

Source: Nieman & Niewenhuizen, 2009 :10

Nieman and Niewenhuizen (2009 :11) emphasise that the entrepreneurial orientation of any organisation is essential to the survival and growth of firms and broadly to the prosperity, at societal level, of nations. This concept articulates that entry into entrepreneurship has much to do with the orientation of entrepreneurs themselves, their value systems, models when growing up, family background and culture. Culture, for instance, plays a crucial role in the orientation of individual entrepreneurs as advocated by Kanungo (1994) with a major emphasis on the culture of sub-Saharan Africa characterised by high power distance where social bureaucracy is enhanced by social distance and family relationships exerting a potentially negative effect on the decisions

of certain members of the society, such as women and children, as regards entering entrepreneurship.

As such, certain patterns of leadership positions, even in the insurance industry, are likely to have been shaped by the personal orientations of the managers and their family backgrounds, role models who might have influenced them as they went up the corporate ladder or lack thereof with significant bearing on current entrepreneurial behaviours they exhibit. Research considers the role that family business plays in encouraging future entrepreneurial inclinations. This research aims to establish the correlation between having come from a family which runs a business and entrepreneurial behaviour in later life.

Some people lacked experience and might have been fast tracked into leadership positions in the insurance entities they worked for without being exposed to entrepreneurial strategies and decision making. When the environment becomes shaky, they are often found wanting for lack of an entrepreneurial orientation adequate for them to withstand the vagaries of such situations as hyperinflation. Yet, some do not possess adequate education to give them the conceptualisation and generalisation of challenges and solutions when faced with dire circumstances requiring out-of-the-box entrepreneurial thinking.

Further, according to Nieman and Niewenhuizen (2009 :12), modern society is fraught with external variables that have rendered it very difficult to become an entrepreneur. Government ordinarily has to create not only a favourable operating environment but must play a supportive role too. In the Zimbabwean context, infrastructure such as roads, railways, water, and air transport inherited from the colonial system in good order is now almost non-existent or at best, dilapidated and inefficient. Power and water infrastructure is also inadequate. Financing of entrepreneurial and SME activities is difficult, expensive and non-existent in certain quarters. Training and development programmes for entrepreneurs are ignored altogether by government while waiting for multilateral organisations and other non-governmental organisations such as UNDP and

ILO to assist. The laws laid down could be regulations that could be prohibitive for determined entrepreneurs.

When such laws become prohibitive for the entrepreneur, it becomes imperative for the government, local authorities, training institutions, banks and other relevant bodies such as the tax authorities to provide a supportive environment.

Government support is not enough in itself to enhance entry into entrepreneurship; the various institutions such as large corporates and non-governmental organisations should play a vital role too (Nieman & Niewenhuizen, 2009 :12). Big businesses should set up mentoring platforms via their social responsibility foundations to make it easier for small businesses to thrive. After realising the absence of local initiatives, non-governmental organisations such as UNDP and ILO have in the past helped set up and train small businesses in Zimbabwe. Organisations such as the Zimbabwe National Chamber of Commerce and the Confederations of Zimbabwe Industries have often helped SMEs to ease their entry into entrepreneurship. Within the insurance industry itself, organisations such as the Insurance Council of Zimbabwe and the Institute of Insurance of Zimbabwe are among the organisations set up in the true spirit of this model to assist member entities.

3.6.9 Entrepreneurial Performance Training Model (Van Vuuren & Nieman, 1999)

The research has also relied on the entrepreneurial performance training model designed by Van Vuuren and Nieman (1999 :6) which is not just applicable in South Africa and the rest of Africa but is also relevant to other entrepreneurial entities globally. Van Vuuren and Botha (2010:608) as well as Pretorius, Van Vuuren & Nieman, (2005 :420) define an entrepreneurship training model as a framework for an entrepreneurship training intervention, a structure that is used as a guideline for the compilation of entrepreneurship training programmes.

The three entrepreneurship development theorists conceptualised the model through a formula, thus:

$$E/P = f[aM (bE/S \times cB/S)];$$

Where:

E/P = entrepreneurial performance.

M = motivation.

E/S = entrepreneurial skills.

B/S = business skills (general management skills).

a, b and **c** = constants.

The Van Vuuren and Nieman (1999 :6) Model advances the notion that an entrepreneurial performance, which is effectively an expression of entrepreneurial intensity, is based on the starting of a business and exploring an opportunity or, in the context of a large corporation, the growth of a business idea (Ladzani & Van Vuuren 2002:156). The model argues that entrepreneurial performance is a result of one's motivation level, linking performance with an entrepreneurial need for achievement, conveyed as the realisation of strategic entrepreneurial objectives such as profitability, growth, venture creation, new products, innovations and technologies and employment created or jobs sustained. Organisations that end up with such entrepreneurial intensity related results are linked to high levels of motivation and the need for achievement. According to Antonites (2003: 53) one sure way of fostering this motivation achievement is a deliberate effort at skills acquisition and training interventions to enhance entrepreneurial performance.

The individual's motivation achievement is likely to invoke their inherent but dormant entrepreneurial skills. As intimated, one's determination and self-belief to start a business and grow it becomes central in driving the business. Entrepreneurial skills such as a risk taking propensity, creativeness and innovativeness, locus of control,

opportunity recognition and leadership are critical, according to Hisrich *et al* (2005: 21), and need to be fostered for their central role in developing the entrepreneur.

Notwithstanding the lack of business schooling amongst successful entrepreneurs such as Bill Gates and Steve Jobs, the model also emphasised the need to enhance business skills such as general management, marketing management, financial management, human resource management, legal, branding, supply chain and procurement, information systems and product development. It follows therefore that if an entrepreneur has the requisite entrepreneurial skills, they can do still better with the complement of learning certain business skills that sharpen their entrepreneurial acumen from a business school angle.

3.7 The Nature and Extent of Entrepreneurial Intensity

According to Ireland, Kuratko & Morris (2006 :22) entrepreneurial intensity is concerned with the degree and frequency of entrepreneurship occurring within a firm. This means that an organisation's performance from the perspective of entrepreneurship at a point in time, is indicated by its entrepreneurial intensity score; in order to assess a firm's degree of entrepreneurship, measures of innovativeness, risk-taking, and proactiveness are necessary. Liao *et al* (2005:31) propose that focus and commitment are the primary dimensions of entrepreneurial intensity. Hence this implies that entrepreneurial intensity articulates the degree of entrepreneurship through the focus and commitment of entrepreneurs, without which the attainment of levels of excellence in entrepreneurial performance may not be possible.

Heilbrun (2006:39) argues strongly that entrepreneurship is not an uncertain phenomenon of “either - or” but an affirmation of “how much” and “how often” entrepreneurship is evident in a firm. The emphasis falls on pragmatic application and the measurable practice of entrepreneurship.

Two essential variables of the entrepreneurial intensity construct can well be described by the metaphor of the two legs on which it stands: degree and frequency. As already

explored elsewhere in this discourse, it is a fact that there is entrepreneurial ability in every individual; however, according to Kuratko (2007 :4) the question becomes one of determining the degree and frequency of entrepreneurial events or how entrepreneurial certain individuals are. Figure 3.19 attempts to explain the relationship between the degree of entrepreneurship and entrepreneurial intensity.

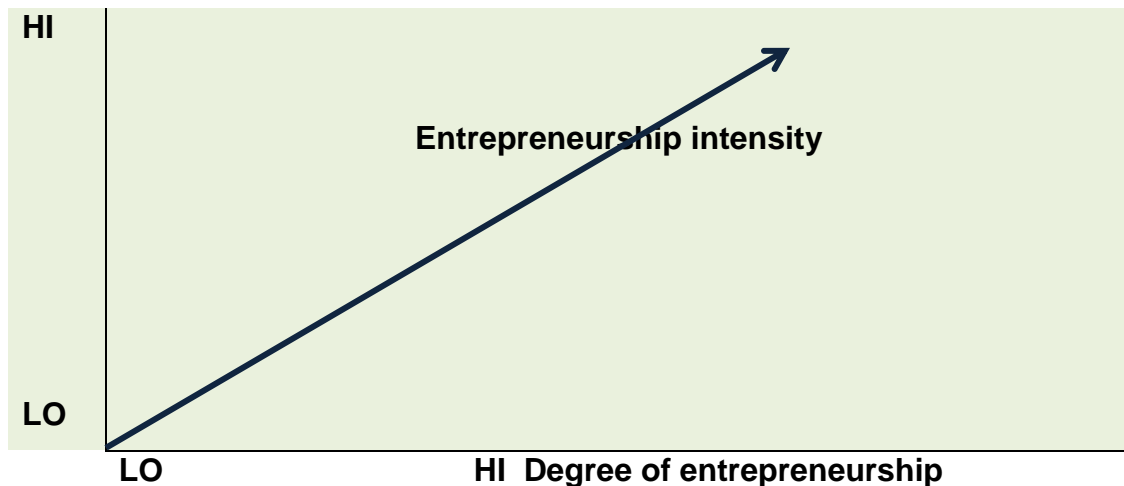


Figure 3.20. The Nature and Extent of Entrepreneurship

(Morris & Sexton, 1996 : 7)

In Figure 3:19, Morris & Sexton (1996 :8) attempt to depict by way of a simple illustration the nature and extent of entrepreneurial intensity. The state of entrepreneurship in an organisation is reflected at the point where the vertical and the horizontal intersect, signifying the level of entrepreneurship in the particular firm.

3.7.1 The frequency of entrepreneurship

It will be recalled that the study seeks to explore the nature and extent of entrepreneurial intensity for the insurance companies operating in Zimbabwe during the hyperinflationary era. The term “nature” broadly points to a state of being, the form of an entity or object. The “nature” of entrepreneurship therefore can effectively be expressed and portrayed by the term “frequency”; Heilbrun (2006:39) says this entails the number

of entrepreneurial events happening in an organisation in a given period. It may be the number of times new products are created and introduced, the number of times new market places are identified and exploited or the number of times entrepreneurial events happen in a given period.

According to Kuratko (2007 :2) it is noted that the major component of the GEM Report is to explore the frequency and quality of entrepreneurship activity in any given country. This reflects not only the preoccupation of Babson College, London Business School and the Kauffman Foundation and indeed most of the proponents of entrepreneurship driven economies who want to explore the intensity of entrepreneurship in real situations, but also reflects the need to explore the nature of such entrepreneurship in any given geographical location.

In the context of the research, the number of entrepreneurial acts such as new products introduced, new markets exploited, new distribution channels and new ventures launched by insurance companies, would determine the frequency of entrepreneurship in the insurance industry.

3.7.2 The degree of entrepreneurship

The study also sought to explore the extent of entrepreneurial intensity in the insurance industry in the described period of distress for the country. The “extent” of the entrepreneurship is usefully captured by the degree of entrepreneurial acts and events and whatever else of an entrepreneurial nature that happened in the insurance industry and firms therein. The degree of entrepreneurship reflects the number and rate of entrepreneurial incidents in the organisation in pursuit of exploitation of opportunities (Schlaegel, He & Engle 2013: 597). Heilbrun (2006:39) contends that the degree of entrepreneurship concerns the quantitative continuum: the extent to which entrepreneurial events are innovatively, riskily and proactively undertaken. It is likely that such innovative, often precarious and proactive activities would push the firm into a profit and growth trajectory.

The degree of entrepreneurship is a key variable reflecting the “organic emphasis” (Stuart & Abbeti, 1987 in Morris & Sexton, 1996 :7) which speaks to the intra-firm environment influencing and reflecting the extent of entrepreneurial activity especially as it reflects on the leadership’s entrepreneurial personality (Morris & Sexton, 1996 :7). The entrepreneurial orientation dimensions of innovativeness, risk taking and proactiveness (Scheepers & Hough 2007:3) are evidently relevant to the purpose of this study, as the next section indicates.

3.7.3 The Input – Output Symbiosis for Entrepreneurship

Heilbrunn (2008:39) explains the input-output symbiosis by noting that entrepreneurs exploit opportunities with certain outcomes in mind such as new venture creation, profitability and even employment creation. The exploitation of such opportunities entails certain inputs, such as risk taking, proactive behaviour and innovative activities to bring about new ventures, new products, profitability and growth. Figure 3.20 is an attempt by this researcher to illustrates the above thus;

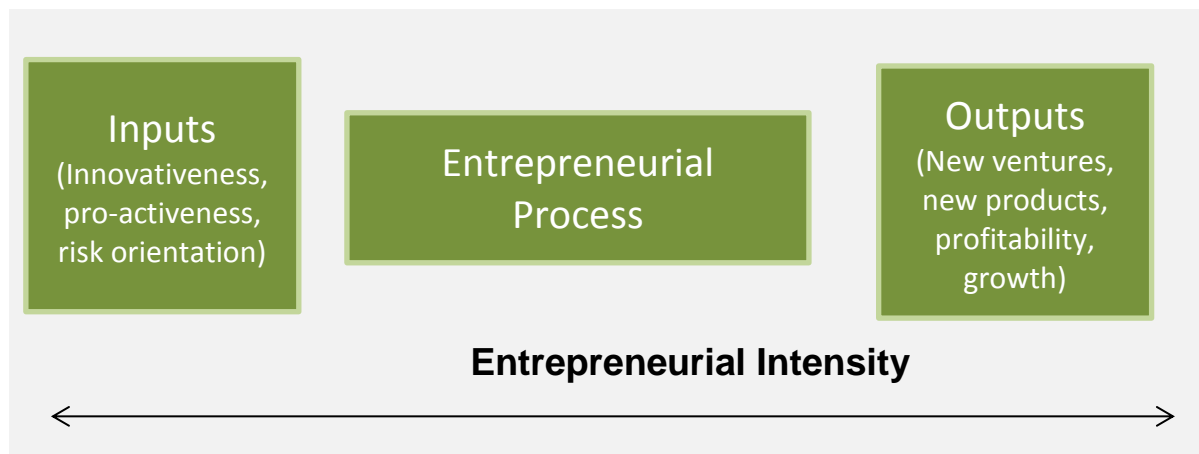


Figure 3.21: A Hypothesised Input - Output Symbiosis

It follows therefore that companies that invest in antecedents of entrepreneurship and similar inputs such as the entrepreneurial inputs just mentioned are poised for entrepreneurial intensity and the accompaniment of entrepreneurial benefits. As suggested, this becomes still more relevant if the business environment is chaotic, unstable and unpredictable. Such inputs must consequently be processed

entrepreneurially through systems and related processes to realise the expected outputs. The Figure 3.20 shows that the concept of entrepreneurial intensity pervades the whole entrepreneurial continuum with varied results, depending on the level, degree and frequency of application and practice.

3.8 Entrepreneurial Intensity for Uncertain Environments

Once a business entity has been established, it must be content with the business environment, most of which may be unpredictable, harsh and unrelenting, while the business venture must nevertheless not only survive but must grow. However, for the enterprise to survive and flourish, it must also have the ability to cope with unpredictable environments (Attahir Yusuf, 2002:85). This uncertainty could be produced by lack of information, environment unpredictability and outright complications such as those with which the entrepreneur would be faced in a hyperinflationary environment. It follows, therefore, that entrepreneurially intense companies resorting to taking measured risks, are proactive and innovative, whether small start-up ventures or large corporations – as long as they do have high degrees of such intensity (Hitt, Ireland & Lee, 2000:231) they are able to exploit growth opportunities and survive the harsh business environment.

Entrepreneurial intensity in the firm can be viewed as both an antecedent and outcome (Liao, Murphy & Welsch, 2005:31; Lechner & Leyronas 2009:1) rooted in the need for achievement (McClelland, 1961), internal locus of control, commitment, diligence and corporate strategy. Nikolov and Urban (2013:1) are of the opinion that corporate entrepreneurship is very important for firms wanting to achieve sustainable competitive advantage in a highly competitive environment and to survive in financially constrained environments, especially where prior entrepreneurial recognition is absent.

In recent works, a number of authors have attempted to reconcile corporate entrepreneurship and entrepreneurial intensity. Their efforts have gone some way in helping to clear the imprecise line that divides corporate entrepreneurship and entrepreneurial intensity while in the same vein trying to explore the symbiotic nature of their constructs. As Kuratko *et al* (2005 :700) pointed out earlier, there is no priori

reason to predict that firms facing challenging environments will decide to pursue corporate entrepreneurship some firms tend to be more entrepreneurially intense.

In essence therefore, entrepreneurial intensity puts into perspective the commitment of corporate entrepreneurs to create new ventures and improve the fortunes and economy of their enterprise. Entrepreneurship literature points to the assertion that firms which carry out innovative activities that are proactive and which pursue competitive strategies as well as take calculated risks are likely to achieve better financial performance and growth (Pearce & Carland 1996: Anonymous 2010:818).

Liao *et al* (2005:31) further describe Entrepreneurial Intensity as measuring the focus and commitment of entrepreneurs regarding their business ventures.

Entrepreneurial intensity involves two dimensions, as mentioned (Vyakarnam 2003:3); frequency and degree of entrepreneurship (Morris & Sexton, 1996 ; Kuratko, *et al.*, 2007 :57). Further, as Liao *et al* (2010:32) posits, entrepreneurial intensity captures the degree of entrepreneurship and contextually in an enterprise. Corporate entrepreneurs are depicted as those managers or employees who do not follow the status quo and increase the entrepreneurial intensity of a firm (Kuratko, *et al.*, 2007 :56). In light of the foregoing, entrepreneurial orientation of the business leadership becomes critical in driving entrepreneurial intensity. Lumpkin and Dess (1996); Dess, Lumpkin and Eisner (2010:447-448); Finkelstein, Donald, Albert and Cannella Jr. (2009:105); Thorp & Goldstein, 2010 :56) then speak of entrepreneurial orientation as processes and practices and decision making activities that would result in new venture creation. Figure 3.21 below is a scholarly attempt to explain the relationship between the frequency and the degree of entrepreneurship and the resultant effect to the activities of the firm.

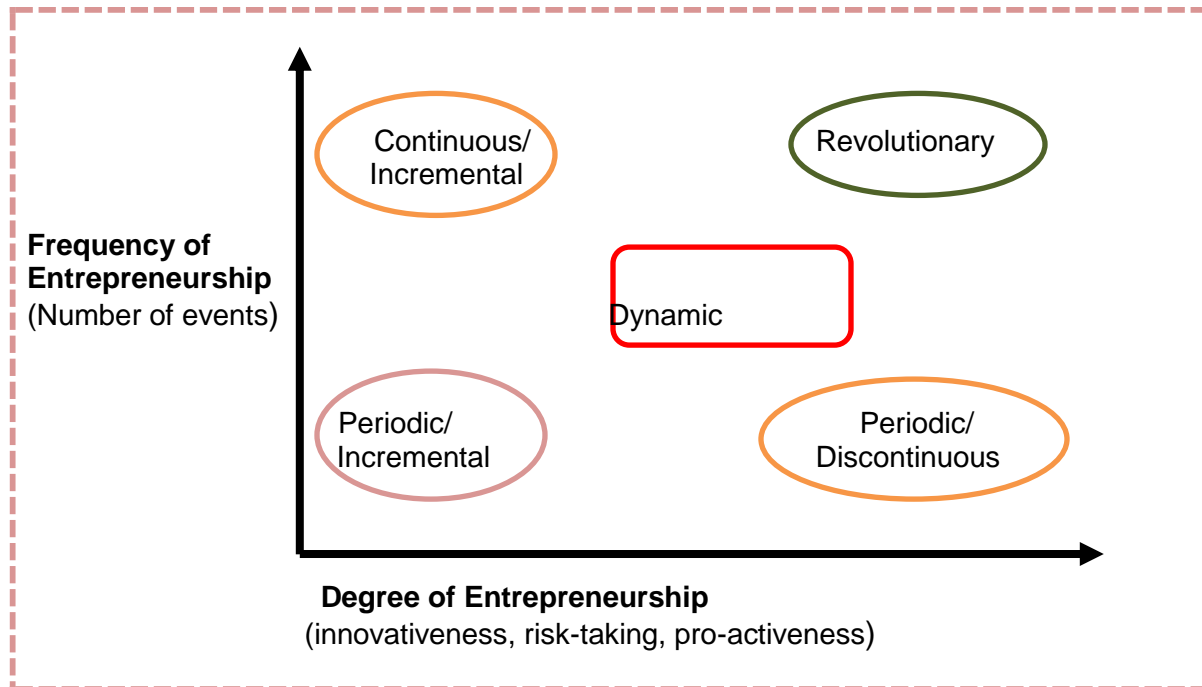


Figure 3.22: The Entrepreneurial Grid

Source: Morris & Sexton (1996 :8); Van Vuuren, (2013)

The Entrepreneurial Grid attempts to articulate the relationship between the number of entrepreneurial events and the degree with which those events manifest in the firm and the impact on the firm by analysing the degree of entrepreneurship and its frequency.

3.8.1 The Entrepreneurial Orientation – Entrepreneurship Intensity Nexus

The researcher pursued the subject of entrepreneurial intensity as it manifests in the entrepreneurial orientation of the corporate leaders and the extent to which the corporate entrepreneur responds to entrepreneurial needs. This had to be explored within the context of the corporate entrepreneur-entrepreneurship intensity continuum. This is especially true in that it is the corporate entrepreneur which inevitably influences the rate and degree of entrepreneurship by making the most of the environment and resources available in exploiting certain opportunities; hence the “EO/EI nexus” – a theory propagated by this researcher to underline the relationship between the

entrepreneur and his entrepreneurial activities within the firm as shown in Figure 3.22 below.

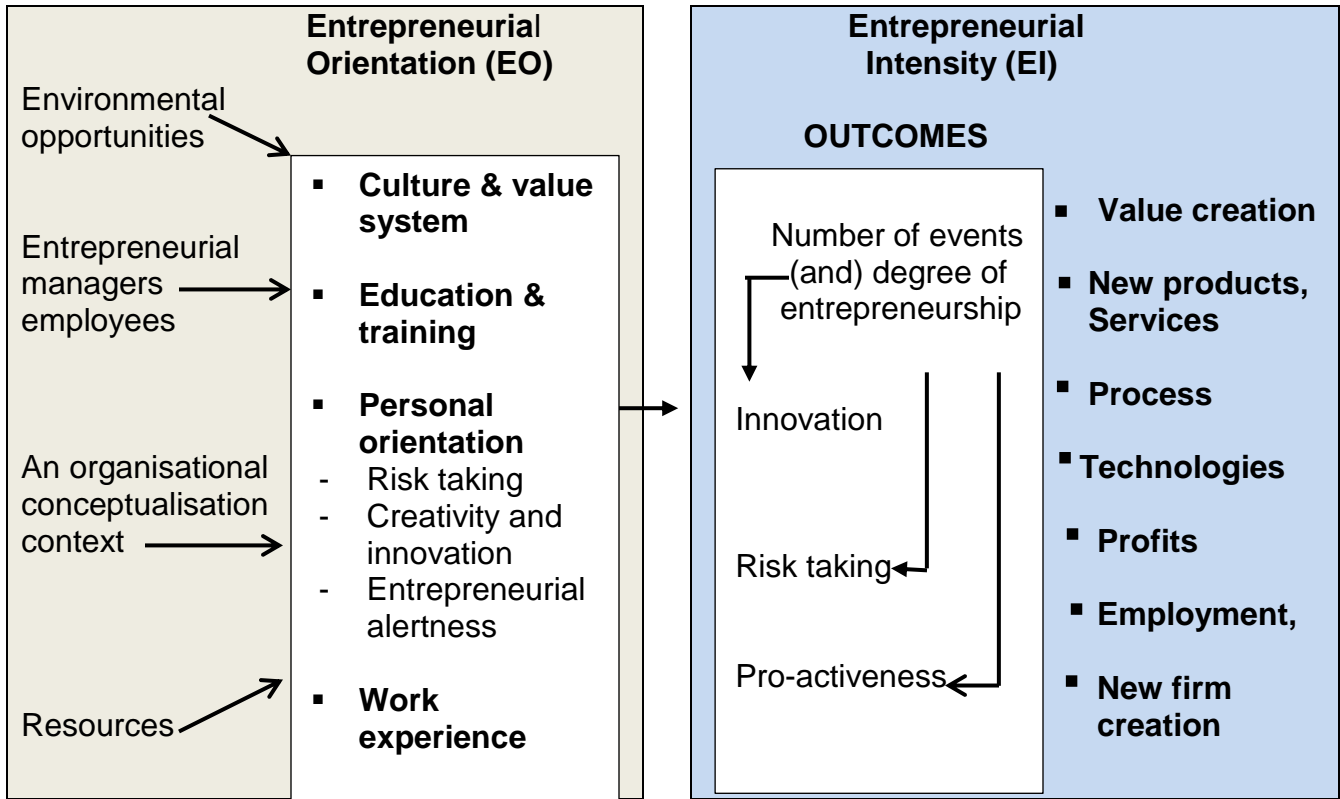


Figure 3.23. Hypothesised EO / EI Nexus Model
 Adapted from Morris *et al* (1994:21) and van Vuuren (2013:14)

This illustrative analysis is influenced by van Vuuren’s presentation (2013), slide (14), and adapted by the researcher to reflect the EO of the individual and the resultant EI. Morris (1998 :75) observes that “entrepreneurship does not happen without entrepreneurs. This underlines the importance of the individuals in driving the enterprise”. He adds [that] “...of all the elements necessary for successful entrepreneurship, the individual entrepreneur is the most critical” (p75). It therefore becomes equally necessary to focus on the individual in locating venture success or failure thereof. As proffered by Nieman and Niewenhuizen (2009 :12) and complemented by Osiri *et al* (2013 :1), an EO that speaks to individuals’ culture, value systems, work experiences, risk taking orientation, pro-activeness, creativity and

propensity for innovativeness as well as conceptualisation, sagaciousness and mental alertness to opportunities are critical to the survival and growth of the firm.

Concerning the question of people: an entrepreneurial corporate team with strong complementarity of skills is required to drive the business (Gartner, 1999:230; Clover & Darroch, 2005:243; Lumpkin, Cogliser, Claudia, Schneider & Dawn 2009:47). The entrepreneur's role thus, is to "...encompass the ability to devise and implement monitoring and control mechanisms to achieve optimum efficiency in production" (Keith & McQuaid, 2000 :102). In some cases, in pursuit of increased entrepreneurship levels, mergers and acquisitions have become a deliberate entrepreneurial success strategy arising out of such entrepreneurial efforts where entrepreneurial team members leverage on each other's strengths to close the gap on their weaknesses. This, scholars add, in conformity with the supply side (labour) determinant, requires the acquisition and incrementally combining new knowledge assets and capabilities (Sirmon, Hitt, & Ireland, 2004; (Fitz-Enz, 2010 :89) among the entrepreneurial firms within the entrepreneurial collective activity.

When Shane and Venkataraman (2001) were defining entrepreneurship, they made emphasis on the search opportunities to create new products or services, new markets, new production processes or raw materials or new ways of organising existing technologies arise and are discovered or created by particular individuals within the enterprise, who then use various means to exploit and develop them to the end of ultimately benefiting the firm (Baron & Shane, 2008 :5). Thus, according to Shane and Venkataraman, entrepreneurship intensity is displayed by specific individuals who would employ their unique attributes, skills and knowledge to identify opportunities and exploit them in their various and unique ways to benefit the firm, as noted above. Shane and Venkataraman (2000 : 219) and Smith, *et al's* (2011:497) definition of entrepreneurship focuses on the individual entrepreneurs' role in the exploitation of opportunities rather than on environmental antecedents and consequences.

When Nieman and Niewenhuizen (2009 :9) defines an entrepreneur as a person who recognises an opportunity in the market, mobilises the resources required and goes ahead to create and grow the business with the intention of satisfying the market, the author captures the strategic significance of the individual and lucrative business exploration or failure thereof. It is the individual entrepreneurs – the venture founder, the Chief Executive Officer, Managing Director, the Divisional Manager for example – who take the risks as well as the rewards associated with the venture should it fail or succeed respectively to unravel the individual-sustainable venture nexus. Human capital variability is very important, especially as one then seeks to explain various processes and dynamic cognitive and action patterns within the individual entrepreneur (Uy, *et al.*, 2010 :32) to drive entrepreneurial intensity within the firm.

The reason why some but not all people in the firm engage in entrepreneurial behaviour (Shane & Venkataraman, 2000 : 219) is that people respond differently to entrepreneurial opportunities. This is fully explored in the case of such Zimbabwean insurance luminaries as First Mutual Life Holdings, formerly Afre Corporation and its subsidiary companies TristarInsurance, First Mutual Life, FMRE, and African Actuarial Consultants (AAC) and other insurance industry players: Old Mutual, Nicos Diamond and Champions Insurance among others. Since corporate ventures are created for the principal objective of making profits and realising growth (Nieman & Niewenhuizen, 2009 :10), entrepreneurial activity (Liao & Sohmen 2001:27) in the firm should be driven with the purpose of making the company competitive. The subsequent effect of entrepreneurial intensity is venture prosperity and vibrancy of firm level entrepreneurship resulting in a huge snowballing determinant of economic vitality.

3.9 Comprehending and Leveraging the Internal Environment

Some organisations would be obliged to analyse their strengths and weaknesses and understand how competitive they currently are and how they are positioned to overcome the effects of the environment if they intend pursuing entrepreneurial intensity to rise above the entanglements of a difficult economy. In doing so and deliberately taking a stance against the prevailing environmental restrictions, the firm is deliberately

metamorphosing into a certain appropriate entrepreneurial behaviour that places it in the ideal position to adequately respond to the dynamic external environmental factors of heterogeneity, ambiguity and hostile elements and start operating entrepreneurially. Behaving and responding in this way situates the firm in Zahra's (1991:263) model of predictors and financial performance, arising from its deliberate and redemptive entrepreneurial activities.

Of the internal environment, Dess *et al* (2010:480) say that a firm's internal environment consists of its resources and other value adding proficiencies, which can be explored by posing questions such as: a) does the company know how the various components of its value chain are adding value to the firm?; b) has the company accurately analysed the source and vitality of resources and whether it is deploying those resources in a manner that constitutes to competitive advantage; c) is the financial performance of the company as good as or better than that of its competitors? Understanding the internal environment therefore means that the firm is able to self-introspect and put remedial strategies in place that will ensure that it utilises all its strengths and remedies its weaknesses in pursuit of entrepreneurial excellence.

3.10 Firm-Level Responsiveness to the External Environment

The external environment is a variable that has the capacity to sway the organisation in a certain direction; indeed, it will be directionless unless the firm leadership steps in, in response. At the level of the organisation, the way in which management responds to the demands of the external environment is consequently vital.

3.10.1 General Environment

Since the primary source of firm level entrepreneurship is people, especially those in top leadership positions in organisations, it can be assumed that the onus is on them to create an ideal environment where entrepreneurial activities can be newly introduced within the context of the existing firms over which they preside (Kang 2013:25). Hisrich *et al* (2010:480) contend that strategic venture managers must pay particular attention to the external environment – both the general and the competitive environmental

factors. These factors are often not within their control, but still must still be assessed and responded to (p212) in their pursuit of opportunities and monitoring of threats to the performance of the company. Corporate managers must be able to monitor and respond to marketplace trends. Certain environments of extreme difficulty require that entrepreneurs adopt a responsive mindset to allow for different approaches (Chikweche & Fletcher 2013:47) to enhance the organisation's chances of survival under such acute conditions.

3.10.2 Demographics

Entrepreneurship must pay attention to the socio-demographics, a crucial aspect of the general environment in which entrepreneurship is practiced. The changing demographics usually have an impact on entrepreneurship, allowing for analysis of the trends over the past decades and influencing future projections (Singh 2009:45) in terms of consumers of products and services. Understanding demographics will therefore allow the enterprise to forecast the levels of diffusion for its product.

3.10.3 Socio – political disposition

The culture of a people exercises a major influence on the being and packaging of entrepreneurship and how the organisation should be responding. Ignoring culture may have detrimental consequences for the organisation bearing in mind that it does not operate in a vacuum but amongst people with certain cultural norms and values, as previously mentioned. Therefore, an entrepreneurial culture will expose more people to entrepreneurial experiences, all fuelling higher incidence rates of entrepreneurship than non-supportive cultures or organisations (Kuehn 2009:104). Luczack, Mohan and Hills (2010:1), advocating the Hofstede Model, noted that culture fosters entrepreneurial commitment to bring about a competitive advantage in one's sector of operating. Therefore, being able to respond to the same means that the firm is able to position itself with regard to the socio-cultural influences in the industry.

Political factors, along with other factors such as cultural and economic displacement, nurture the ideas and actions of entrepreneurs and entrepreneurship (Liang & Dunn

2007:81). Brockman, Becherer, and Finch (2006:109) write that a harsher, more uncertain political and business environment could be expected to increase an entrepreneur's concerns that a venture will not reach its expected level of return, buttressing the need for the entrepreneurs to take note and mitigate against such political adversities. The Zimbabwean scenario, replete with political grandstanding and patronage, meant that entrepreneurs had to be wary of such negative effects. Political networks came in handy when resources were scarce and inadequate, when money was in short supply and only a few were benefiting from the minimal resources left. Entrepreneurs were forced to plan in the face of numerous unfavourable political determinations and developments and sometimes reckless political pronouncements which had a bearing on doing business in the country.

3.10.4 Legal imperatives

The entrepreneur should be well prepared for sudden changes in legal issues that may affect the way of conducting business: product developments, process restructuring, service rendering and channels of distribution, price regulations, and trade restrictions (Hisrich *et al* 2010:212). Owing to the erratic political behaviour of the ruling party, Zimbabwe became prone to policy inconsistencies which frightened investors away and caused confusion among entrepreneurs, corporate or otherwise. Legal restrictions were imposed on a regular basis, which meant entrepreneurs had to be prepared and plan for such legal minefields.

3.10.5 Technological innovations

The influence of technological environment on the entrepreneurial performance of an organisation cannot be underplayed. A surge in technological developments has accordingly required entrepreneurial ventures and, without exception, corporate entrepreneurs to be responsive to such a technologically saturated environment. Entrepreneurs become motivated to create new businesses in response to newly developed technological advancements (Osiri, *et al.*, 2013 : 31). These authors add that technological advancements are innovations which have transformed the global economy and therefore, any offerings that possess entirely unique qualities and

characteristics, such as technology-based products, services, and processes, will inspire new and continued research (p32) to the good of the field of entrepreneurship.

It follows therefore, that an organisation faced with a distressed economic environment may still call upon current technological innovations such as the social media *Facebook*, *Twitter*, and *WhatsApp* to respond to the present nagging challenges – even inflationary related ones – and survive. Whilst technological uptake in Zimbabwe had been slow owing to the prohibitive costs of hardware and absence of investment in technological innovations, the effect of technology on entrepreneurship has been unmistakably felt.

3.10.6 Economic conditions

Economic conditions in any given country at any given time are often changing and in some jurisdictions, such as Zimbabwe, for the worse, especially during the period under review. The entrepreneurial firm should take cognisance of the trends in the GDP, unemployment levels, disposable income (Hisrich, *et al.*, 2008 : 212). There is a need for entrepreneurs to be flexible as they respond to the economic environment (Ha & Kim, 2013:47). Other factors such as liquidity crunch and money supply, external and local debts, or the collapse of other industries would affect how the entrepreneur operates and eventually responds to these.

3.10.7 Global Markets

The impact of globalisation on the level of entrepreneurship is not straightforward: it may be both negative and positive as it involves the integration of world markets, removing trade barriers and offering opportunities for exploiting economies of scale to all firms (Audretsch 2002:24). Therefore, “in the global markets of the 21st century, businesses in pursuit of sustained competitive advantage are finding that lower costs, higher quality, and improved customer service are not enough to maintain their competitive edge. As the pace of product, service, and process innovation increases, companies must be better tuned to compete in their own fiercely competitive industry. They must be faster and more flexible, aggressive and more innovative in order to maintain their competitive edge ... they must be more entrepreneurial” (Peterson &

Johnson 2005:89). Such observation and self-introspection will bring about distinctive insights and motivation for intensified entrepreneurship.

“Going international” has always been one of the strategies of organisations faced with economic challenges such as production and marketing difficulties at home. Globalisation and acceleration of technology diffusion has impelled even the traditional family and local firms to undertake international expansionism as more and more emerging economies participate in the global marketplace (Deng, Huang, Carraher & Duan 2009:25). However, global outreach and forays by firms facing difficult times in home markets have encountered the volatility of such global markets, which has resulted in the shifting of the demand and production prospects (Yang 2011:1; Orgen 2009:112): entrepreneurs must be wary of these. The corporate entrepreneur therefore needs to ready herself to pursue and exploit opportunities in the global markets regardless of the strain and other entry related challenges. The successful entrepreneur must fully understand how global markets affect his local enterprises and be able to respond accordingly (Hisrich, *et al.*, 2008 :89).

3.10.8 Competitive environment

The external competitive environment dictates how the business is able to respond and act entrepreneurially. Porter’s theory of competitive strategy, discussed earlier in this study, provides valuable insights into the drivers of competitiveness in a volatile environment with many competitors, demanding customers and top-quality suppliers; indicating that a company must become extremely competitive and entrepreneurial just to survive (Birkinshaw, Hood, & Young 2005:229). When faced with a competitive environment, entrepreneurs should have the ability to differentiate and integrate information better than others, gather and process information more ably, be more flexible in their thinking and able to change their attitude very quickly in response to the changes in the environment (Kumar 2007:62) in order to stay ahead of the competition. Zimbabwean insurance companies operating in an intensified competitive environment during the hyperinflation era had to depend on such entrepreneurs or were faced with extinction.

3.11 Creating an Entrepreneurial Firm

As mentioned elsewhere in this treatise, and as referenced from Zimmerman (2010:1), firms are started by entrepreneurs. Whilst entrepreneurs are highly involved while their ventures are growing, there comes a time when the founding entrepreneur becomes emotionally attached to their businesses and becomes a “control freak” (Burns 2001:243). This is problematic when the business evolves from a micro enterprise into a fully-fledged entrepreneurial venture and a legal persona. The structure is expected to become more formal whilst doing its best to eliminate bureaucratic tendencies, a routine feature for big businesses.

Whilst there is no prescribed entrepreneurial structure, an appropriate structure becomes one which is influenced by the complexity of the task and the degree of change in the environment (Burns 2001:244) to allow for an entrepreneurial and innovative structure to take precedence as in Figure 3.23 below;

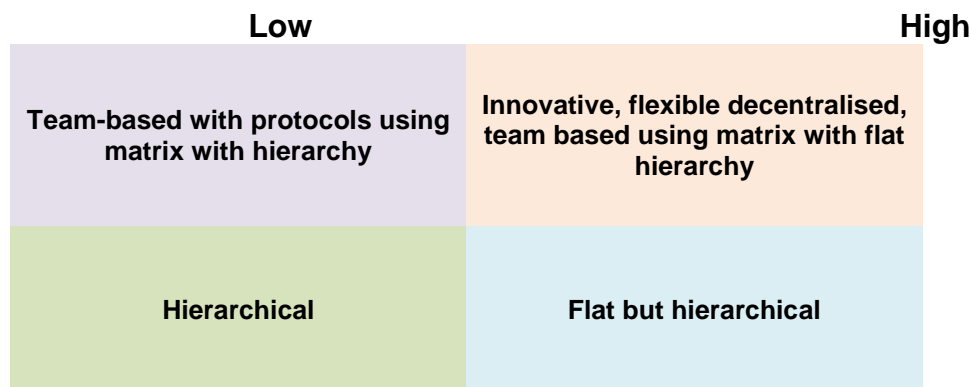


Figure 3.24: Proposed Entrepreneurial Structure

Adapted: Burns (2001:244)

3.11.1 Significance of Entrepreneurial Culture

Articulating the firm behaviour and culture necessary to build an entrepreneurial firm, Zahra (2005, in Dimitratos, Voudouris, Plakoyiannaki & Nakos 2012:709) asserts that

the culture of the organisation should facilitate and accommodate the entrepreneurial activities of the firm. Armstrong (2003:263) defines this organisational culture as the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated, but that shape the ways in which people behave and get things done. The Sergay Group Ltd (2011) defines culture as the way things are done in a given place, and often plays a huge role in creating a work environment that will attract or repel individuals. Within the Sergay Group and indeed in other successful firms such as Google, Apple, Microsoft, 3M, and closer to home, MTN, Liberty Life, Discovery Health, ABSA, and many more around the globe, innovativeness, risk taking posture and pro-activeness directly affect their capacity to be creative and entrepreneurial as these are the firm's behaviours that foster change and produce new opportunities, especially given that corporate entrepreneurship is not determined by desire, but by organisational culture and action (Peterson & Johnson 2005:96).

Table 3.2 provides a list of cultural dimensions that affect entrepreneurship.

Table 3.1: Identification and Definition of Cultural Dimensions (Based on Hofstede (1980) and Trompenaars (1994))

Power Distance	degree of tolerance for hierarchical or unequal relationships <i>High</i> —large degree of tolerance for unequal relationships <i>Low</i> —small degree of tolerance for unequal relationships
Uncertainty Avoidance	degree of acceptance for uncertainty or willingness to take risk <i>Strong</i> —little acceptance for uncertainty or risk <i>Weak</i> —generally accepting of uncertainty and risk
Individualism	degree of emphasis placed on individual accomplishment <i>Individualism</i> —large degree of emphasis on individual accomplishment <i>Collectivism</i> —large degree of emphasis on group accomplishment
Masculinity	degree of stress placed on materialism <i>Masculinity</i> —large degree of stress on materialism and wealth <i>Femininity</i> —large degree of stress on harmony and relationships —describes how power and status are determined
Achievement	<i>Achievement</i> —power and status are achieved or earned through competition and hard work <i>Ascription</i> —power and status are ascribed by birth right, age, or gender
Universalism	describes norms for regulating behaviour <i>Universalism</i> —code of laws exists that apply equally to all <i>Particularism</i> —individuals enjoy special rights or privileges because of their status

(Lee & Peterson 2000:404)

Such cultural traits tend to influence entrepreneurship and its effects in an organisation.

According to Pfeffer (1994:16; Horobet, Ilie, & Joldes 2008:125) the success of any firm is achieved through people; achieving a competitive success through them fundamentally involves altering how we think about our corporate entrepreneurs and the employment relationships. It means achieving success by working with people, rather than by limiting the scope of their innovative activities. It entails seeing the people,

individually and as a collective, as a source for strategic entrepreneurship. The firms that adopt this perspective are often able to successfully outmanoeuvre and outperform their rivals. Pfeffer (1994:109) also asserts that language is a powerful element of culture and the most powerful method of social influence. Contextually, the language of entrepreneurship and corporate leadership is imperative in encouraging teamwork and entrepreneurial growth of the organisation.

Corporate culture is a social glue that bonds people together and makes them feel part of the organisational experience. This is increasingly important as a way to attract new staff and retain top performers. Corporate culture helps employees understand organisational events, while staff members can communicate more efficiently and effectively, achieving higher levels of cooperation with each other, because they share common models of realities. Further, according to Ojo (2010:4) the powerful, pervasive role which culture plays in shaping organisational life lends plausibility to speculations that cultural factors may be linked with exceptional levels of organisational performance. It is generally posited that a strong organisational culture will produce superior performance.

3.11.2 Cultivating and sustaining entrepreneurial culture

Culture is created through the systems, processes, technology, structure, leadership, and behaviours of people and teams in the organisation to make room for those that are aspirational. Individual in the organisation therefore, would appreciate opportunities to live up to these aspirations that would have been internalised through socialisation (Kumar 2013: 63). For instance, starting a venture, a project, or a new product, becomes one such aspiration. However, Hofstede (1991:5, in Audretsch 2002:60) is of the opinion that culture is a collective programming of the mind which distinguishes members of one group from another. Culture becomes intangible and a highly complex phenomenon and values become the most notable manifestation of a culture. These values that guide decision making and practice in organisations (Zahra, Korri & Yu 2005: 134), are reinforced slowly and over time by the institutions where individuals belong,

which institutions themselves are products of other dominant value systems (Hofstede 1980:16; 1993).

North (2005:51) articulates Hayek's theory of cultural evolution which largely involves a spontaneous process since he believed that the ability of human beings to comprehend the ever more complex structure of human interaction was limited. Critics have, however, argued that human beings are not that spontaneous but, instead, deliberate and structured in their activities and interactions. The theory advances the interaction of beliefs, institutions and organisations in coming up with a structure that becomes a fundamental factor in the continuity of societies and reflects the nature and function of human reasoning, and overall role of human beings in the affairs of their organisations (Deutsch & Fishman 2010:153).

This theory advocates for organisations that depend on human reasoning and spontaneity in running the activities of the organisation. Spontaneity is an essential characteristic of successful entrepreneurs especially as they handle risk regardless of consequences.

According to Barney (1986, cited in Ojo 2010:5) in order for a firm's culture to provide sustained competitive advantages and thus, by implication, be a source of superior financial performance, three conditions must be met. Firstly, the culture must be valuable; it must enable a firm to do things and behave in ways that add financial value to it. Since superior financial performance is an economic concept, the culture which generates such performance must have positive economic consequences. Secondly, the culture must be rare; it must possess attributes and characteristics that are not common to cultures of a large number of other firms. Finally, such a culture must be imperfectly imitable; firms without these cultures cannot engage in activities that will change their cultures to include other characteristics, while if they try to imitate others' cultures they will be at some disadvantage (reputational, experience etc.) compared to the firm they are trying to imitate.

Ojo (2010:5) concludes that one could deduce from all the explanations above that firms with sustained superior financial performance are typically characterised by a strong set of core managerial values that define the ways they conduct business. It is these core values (how to treat employees, customers, suppliers and others) that foster innovativeness and flexibility in firms; when such values are linked with management control, they are thought to lead to sustained superior financial performance.

Culture in the context of entrepreneurship is evident in the entrepreneurial spirit present in corporate entrepreneurs. According to Thornberry (2006) as well as Smith, Smith and Bliss (2011:686), corporate entrepreneurship, itself a culture, fosters innovation and entrepreneurial leadership qualities in order to turn ideas into economic value by enhancing effective competition. It embodies the entrepreneurial spirit, allowing for the search for new venture opportunities to permeate the whole organisation (Dess *et al* 2010:440-441).

As such, entrepreneurial intensity is a function of such entrepreneurial leadership and their environment whether internal or external. Entrepreneurship endeavours should be “accompanied by growth and increased output (Hisrich, *et al.*, 2008 :14) which allows more wealth creation either for the company or the citizens. It becomes imperative that the guardians of the company’s strategies be responsible for creating a favourable climate (Nieman & Niewenhuizen, 2009 :12) to warrant unfettered high levels of entrepreneurial intensity. This is more important given the assumption that acting entrepreneurially within the organisation is something that people choose to do and that top corporate leadership can influence that desire by the corporate environment they create (Hisrich, *et al.*, 2008 :68), reflecting on their entrepreneurial intentions for the firm. Sufficient stimulators must therefore exist to allow for the practice of enterprise entrepreneurship. In the case of Zimbabwe, as already noted, the environment has become more hostile, demanding high levels of entrepreneurial intensity to survive and maintain a competitive advantage (Covin & Slevin 1989; Garret 2010:2; Philips *et al* 2013:1). This includes the efficient allocation of resources by guardians of the firms to ensure higher rates of entrepreneurial activity.

To stimulate competitiveness and reduce the levels of venture failures (Evans & Leighton, 1990; Hage 2011:217) enterprise leaders may be expected to exhibit entrepreneurial prowess leading to sufficient entrepreneurial intensity to enable the companies to compete favourably on the insurance market. Figure 3.24 below reflects a generic business model that can be replicated in any firm.

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
-Who are our key partners? -Who are our key suppliers? -Which key resources are we acquiring from our partners? -Which key activities do partners perform?	-What key activities do our value propositions require? -Our distribution channels? -Customer relationships? -Revenue streams? KEY RESOURCES -What key resources do our value propositions require? -Our distribution channels? -Customer relationships? Revenue streams?	-What value do we deliver to the customer? -Which one of our customers' problems are we helping to solve? -What bundles of products and services are we offering to each segment? -Which customer needs are we satisfying? -What is the minimum viable product?	-How do we get, keep, and grow customers? -Which customer relationships have we established? -How are they integrated with the rest of our business model? -How costly are they? CHANNELS -Through which channels do our customer segments want to be reached? -How do other companies reach them now? -Which ones work best? -Which ones are most cost-efficient? -How are we integrating them with customer routines?	-For whom are we creating value? -Who are our most important customers? -What are the customer archetypes?
COST STRUCTURE		REVENUE STREAMS		
-What are the most important costs inherent to our business model? -Which key resources are most expensive? -Which key activities are most expensive?		-For what value are our customers really willing to pay? -For what do they currently pay? -What is the revenue model? -What are the pricing tactics?		

Figure 3.16: An Entrepreneurial Corporate Business Model: A Canvas Concept by Alexander Osterwalder & Yves Pigneur (Blank, 2013:66, HBR)

The researcher draws on a theoretical model from Alexander Osterwalder & Yves Pigneur's Business Model Canvas as regards lean start-ups. The model seeks to

respond to certain hypothetical questions that need testing. In building an entrepreneurial culture, new ventures need to respond to nine key block questions to enhance its chances of survival and realise the requisite payoffs. That way, the start-up venture has a good chance of metamorphosing into an entrepreneurial entity. Therefore, under this model, the following questions will suffice:

- i) Who are key partners for the business?
- ii) Which are the key activities of the venture?
- iii) What is the value proposition – what value is the business delivering to the clients?
- iv) Customer relations – how is the customer base acquired, maintained and grown?
- v) Customer segments – for whom is value created?
- vi) Key resources – what key resources are required for unlocking value?
- vii) Channels – through which customer segments do the customers get reached?
- viii) Cost structure – what are the inherent cost implications for the business model chosen?
- ix) Revenue streams – what is the revenue generating and pricing model?

(Blank 2013:66)

3.11.3 The pivotal role of entrepreneurial education and skills acquisition

Since, as indicated, one should be conscious of the fact that inherent entrepreneurial skills are not adequate by themselves in growing an enterprise, the acquisition of business skills becomes important. It is in terms of this assumption that enterprise education is an important aspect in the development of entrepreneurship. Recent empirical research conducted in the Ukraine and Russia revealed that the level of entrepreneurial knowledge and competencies of those businessmen who have not received enterprise education is still low (Solesvik 2013:254), concluding that entrepreneurial education becomes important in raising entrepreneurial intentions. Consequently, high quality education and training are needed if one is to be successful

in the market (Frank, Korunka, Lueger, Mugler 2005:260). Entrepreneurship education could therefore raise entrepreneurial intentions and might stimulate skill accumulation and knowledge, which should be leveraged to address various subjective norms and resource barriers which hinder engaging in an enterprise (Davey *et al* 2011; Jones *et al* (2011; Packham *et al* 2010) in Solesvik (2013: 253). Several entrepreneurial scholars such as Drucker (1985) and Kuratko, *et al.* (2005) have underscored that entrepreneurship can indeed be taught (Almor & Heilbrunn 2013:19) through academic programmes and in business schools. This is more evident in an environment where autonomy is fostered and becomes increasingly strategic, allowing for an increase in the sharing and facilitating of knowledge that fosters entrepreneurial outcomes (Lumpkin, Cogliser, & Schneider 2009:47). Figure 3.25 explores how when a set of skills become catalysed by the factor of motivation to encourage performance.

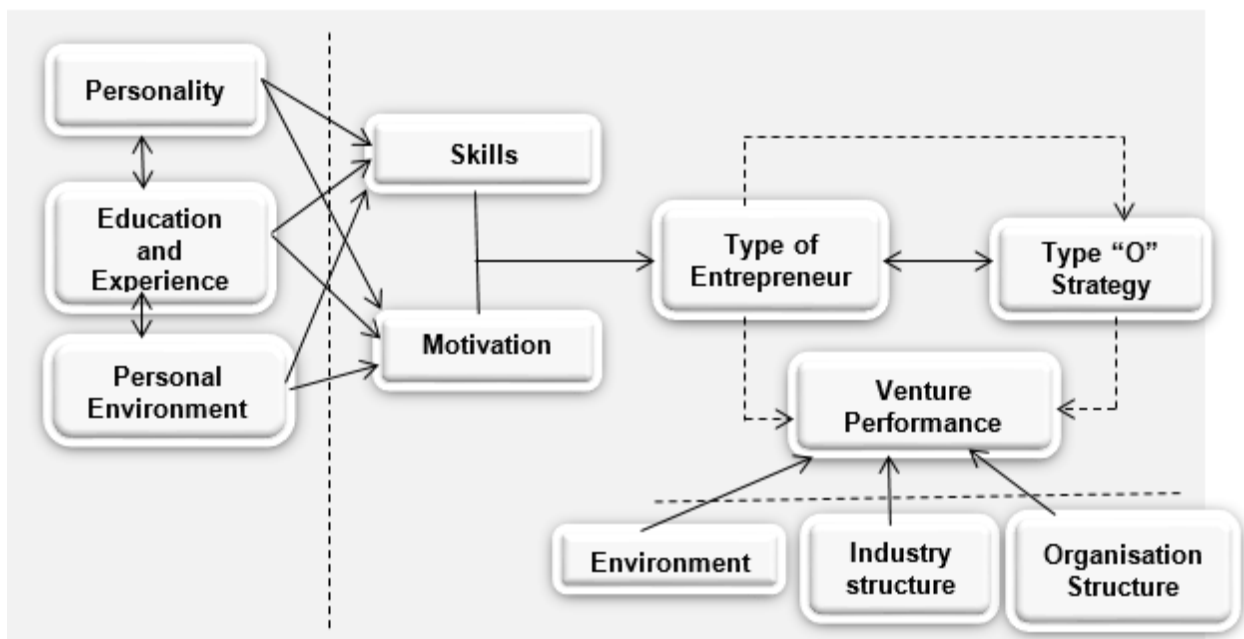


Figure 3.26: Skills and Motivation Induced Enterprise Performance

Source: (Agarwal & Chatterjee, 2007 : 11)

Agarwal and Chatterjee’s (2007:11) diagram argues that acquired entrepreneurial skills when combined with one’s motivation result in a different type of entrepreneur, one with significant drive and attachment to live the entrepreneurial strategy and drive enterprise performance. Such skilled and motivated entrepreneurs are likely to bring about a

competitive strategy that will make a major difference to the performance outcomes of the organisation.

Smith (2013:3) asserts that management development is the structured process by which managers enhance their skills, competencies and/or knowledge to the benefit of both individual and organisational performance. Hence, the development of managers to help sustain their performance at the highest levels possible is a particularly crucial element of wider organisational learning strategies. Training and development gives people greater control and ownership over their jobs, making them capable of taking care of customers and creating better management-employee relationships. According to Pfeffer (1994:16) if competitive success is achieved through people, then the skills of those people are vital. Consequently, one of the most obvious implications of the changing basis of competitive success is the growing importance of having a workforce with adequate skills. As a result, the organisation's ability to maintain appropriate training can produce real competitive advantage.

Strategic Human Resource Development (SHRD) is concerned with the development of strategies for the provision of learning, development and training opportunities in order to improve individual, team and organisational performance. It is concerned with enhancing resource capability in accordance with the belief that the firm's human resources are a major source of competitive advantage. It is therefore about developing the intellectual capital required by the organisation, as well as ensuring that the right quality of people is available to meet present and future needs (Armstrong, 2003:525).

Armstrong and Baron (2005:5) insist that managers are a diverse population: some are highly qualified with MBAs, huge industry experience and proven management ability, while others operate at middle or junior levels or in operational roles. Yet whatever the level of managers, development is a constant need. Properly planned, structured and evaluated management development constructed around the needs of the organisation can make a critical difference as it builds the capability of the individual in a way that contributes to sustained organisation performance.

3.12 Conclusion

This Chapter sought to project entrepreneurial intensity as complemented, collaborated and corroborated by other key concepts such as corporate entrepreneurship, entrepreneurial orientation and entrepreneurial strategic management, which have been extensively advanced by other scholars in the field of entrepreneurship in recent years.

Regrettably, it seems that apart from a small group of scholars spearheaded by the likes of Morris and Sexton (1996), Kuratko and Hodgetts (2007), Ireland, Hitt, Camp and Sexton (2001), Ireland, Kuratko and Covin (2003) and Van Vuuren *et al* (2010), few others have been keen to broadly, deeply and meticulously explore the content and contexts of entrepreneurial intensity, its application to scenarios, its presence in organisations and benefits. The researcher has mentioned various definitions of entrepreneurial intensity in Table 3.1, albeit from the few sources currently available in this domain. Some of those definitions are vague and just as with entrepreneurship, they are varying. However, the emphasis imparted by the definitions is common; underpinned and bound by the common thread concerning the degree and frequency of entrepreneurship in the organisation. This common denominator is most strongly emphasised in the numerous articles on the same subject by Morris and Kuratko.

However, also dominant and unmistakable in most of the definitions by renowned researchers on entrepreneurial intensity is the synonymy of the concept with entrepreneurial or organisational performance.

The rationale for entrepreneurial intensity and justification thereof has been adequately addressed by the literature consulted. It is absolutely necessary for businesses to “change into a higher gear”, invoke the entrepreneurial spirit, inculcate a new culture of entrepreneurship throughout the firm and adopt an entrepreneurial behaviour geared to the pursuit of entrepreneurial intensity if they entertain ideas of success and excellence such as those mentioned earlier, especially when faced with adverse environments and competitive markets. Some of the benefits of such an entrepreneurial posture are the ability to recognise and exploit opportunities in difficult environments, crafting relevant

entrepreneurial strategies, revitalisation of business processes, remodelling business processes, maintaining a competitive advantage sustainable over time, creating new markets, products, revenue streams and ventures.

Critical drivers for entrepreneurial intensity were analysed and located in enabling one to determine the degree and extent of entrepreneurial intensity in the organisation. Their nature and effect on organisational performance were extensively explored, complemented by relevant diagrams. Essential determinants and antecedents of entrepreneurship were also accorded space and importance.

Various conceptual frameworks were also articulated to buttress the emerging arguments in the complex field of entrepreneurship and entrepreneurial intensity. The models advanced have served as a beacon in navigating the complex phenomenon of entrepreneurial intensity.

The crucial aspects of both the internal and the external environment, whether enabling or inhibiting, were dealt with adequately. Responsive strategies to the same were justified. Strategies to foster entrepreneurial intensity were therefore articulated with the help of various frameworks, some adopted from other fields, to explain the intensity phenomenon in entrepreneurship. Mobilisation of resources and other relevant resourcing strategies, leadership and entrepreneurial education too were discussed and advanced as critical forerunners in enhancing intensified entrepreneurship.

CHAPTER 4

MEASURING ENTREPRENEURIAL EXCELLENCE

“The problem then is how to build a mechanism into a development plan for evaluating entrepreneurial performance”. McClelland (1964:434)

4.1 Explaining Entrepreneurial Performance

Explaining entrepreneurial success has long remained a contentious issue as efforts to arrive at an explanation and theory of what determines its threshold have not been able to produce desired and unanimously accepted results (Phan, 2004; Wortman, 1987; Shane and Venkataraman, (2000) in Kumar (2007:55). In essence, the scholars recognise that whilst entrepreneurial intensity is a “must practice” for organisations wishing to do better, determining the extent of its success may not be easy and cannot be generalised across industries.

Entrepreneurial performance usually occurs on both the individual and organisational levels. It is essential that through the available measurement instruments, the organisation be able to gauge the performance levels of both its people and ultimately, itself. The measurement of entrepreneurial performances should be against the costs sunk into the enterprise to realise not only increased revenues, but profitability and growth. Consequences of entrepreneurial behaviour should ultimately be rewarded if the entrepreneurial performance culture is to be upheld and sustained. Such rewards for such intensity are oftentimes expressed through profitability and growth (Nieman & Niewenhuizen, 2009 :9).

Figure 4.1 below depicts critical variables for entrepreneurial performance.

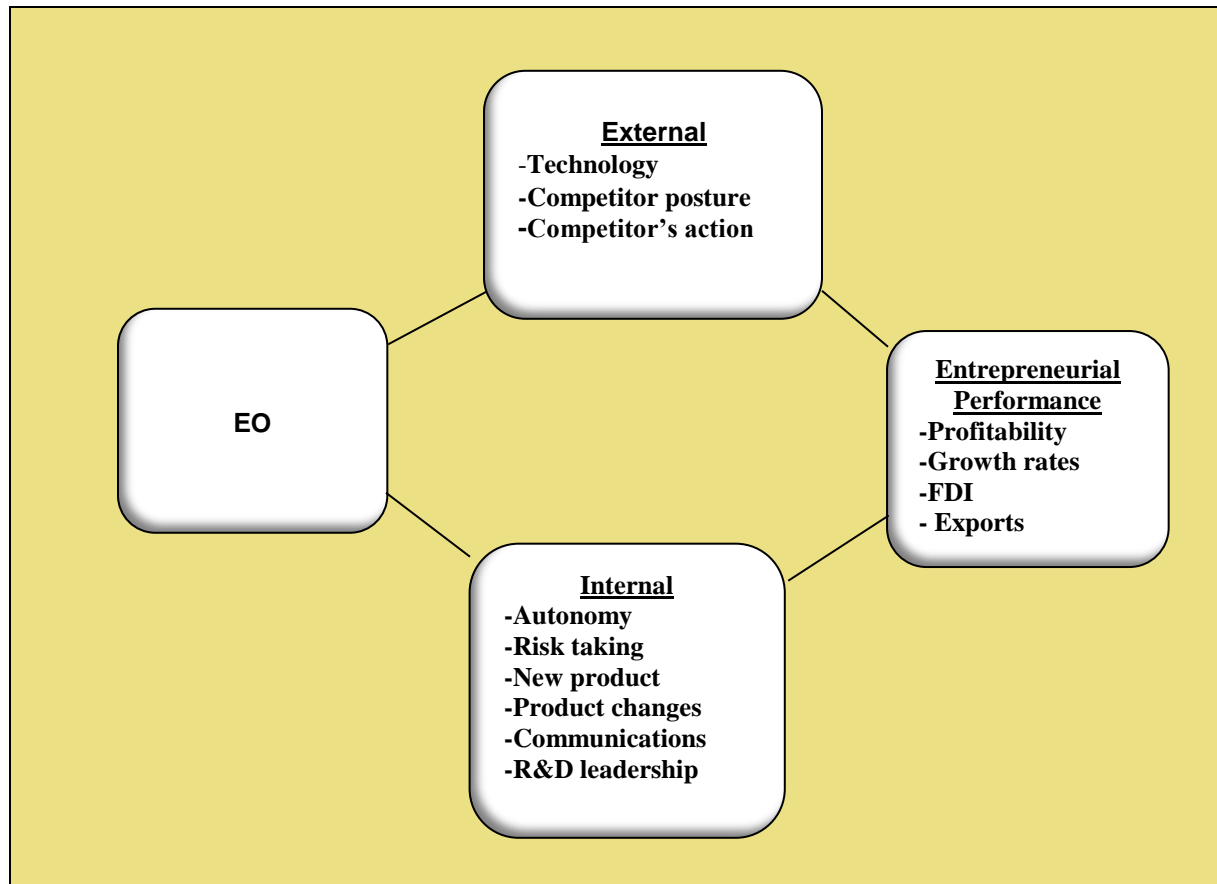


Figure 4.1: Entrepreneurial Performance

Source: Gowrishankar (2008:98)

Entrepreneurial Orientation of organisational leaders remains fundamental to catalysing intensified entrepreneurship. Both internal and external variables are leveraged to realise the expected outcomes and consequences, such as improved export receipts, profitability and growth.

4.2 Key Dimensions for Firm Performance

Relating to from dimensions of EO essential to how the organisation eventually performs, Morris *et al* (1996:6) discuss three key dimensions of EI underlying behaviours and attitudes of entrepreneurs, founding or managing ventures such as: innovativeness, proactive behaviour and risk taking propensity. These key dimensions

are expected to dictate how entrepreneurial the organisations can perform depending on the nature of their undertakings and the extent thereof.

4.2.1 Innovativeness and firm performance

The term “innovation” is derived from the Latin word “*Nova*”. An innovation suggests something that is new. However, being merely “new” does not adequately catch the essence of innovation. The innovated must be novel, unique and different in some way. Innovation becomes the successful exploitation of ideas (SA’s Department of Trade and Industry, 2004:5). Morris *et al* (1996:6) define innovativeness as being about seeking creative, unusual and novel solutions to problems. An innovation therefore is an idea, practice or object that is perceived as new whether by an individual or an institution (Rogers, 1995) whilst Dess *et al* (2010:449) regard innovativeness as the efforts of the organisation to discover new opportunities as well as unique solutions involving creativity and experimentation that often lead to new products, processes and services.

Other scholars define innovation as an idea, sketch, or model for a new or improved device, product, process or system (Freeman, 1981) whilst Ijuri and Kuhn (1988) say innovation occurs as is a result of a shock or sudden change to the system, the ensuing problematic search, and random variability in experimentation. Therefore, broadly, innovation is a lengthy, orderly process that involves a series of coordinated activities, within the firm such as idea generation, acceptance, diffusion and commercialisation (Alsaaty, 2011 :1) of the product or service on the market place.

Drucker (1995) writes of innovation in terms of change that creates a new dimension of performance. Davila, Epstein & Shelton (2006) point out that innovations are most frequently driven by improved quality and creation of new markets. It therefore follows that innovation is mostly about the exploitation of new ideas for business and commerce; in other words, commercial exploitation of ideas for trade in the market place. Innovation also embraces technological and creative dimensions, also known as invention and the commercialisation dimension (which is about taking a model to the market as a product). For innovations to be nudged up a downward-sloping

performance frontier such as is caused by hyperinflation environments, the former must be major and significant, especially in products, processes and business models that should shift the slope into an ascending one (HBR, May 2013:53); this source adds that such innovations are usually “high risk involving large-scale investments and long payback periods”.

Within the 21st century, a number of highly technologically innovative products have come into the market, such as:

- Apple iPod: an MP3 technology that can store music in large quantities
- Sony Walkman which was the world’s first portable audio player

Schumpeter (1934) in defining entrepreneurship, emphasised innovation to underscore inseparability of the terms and the close relations of the concepts of entrepreneurship and innovation. He advanced five innovative events such as (a) introduction of new goods; (b) introduction of new methods of production; (c) exploiting new markets; (d) utilisation of new supply sources and (e) pursuing organisational reforms (Gartner 1985; Vasper 1990) in Morris *et al* (1996:6). Although exploring only a single one of these dimensions of innovation may not be good enough to make a true entrepreneur, exploitation of multiple ones and contexts should define an innovative entrepreneur and buttress the innovativeness facet of EI. Blank (2013:69) concludes that ‘the creation of an innovation economy that is driven by the rapid expansion of start- ups has never been more imperative’. Figure 4.2 below illustrates the relationship between innovation and ultimate performances of a business unit for firm.

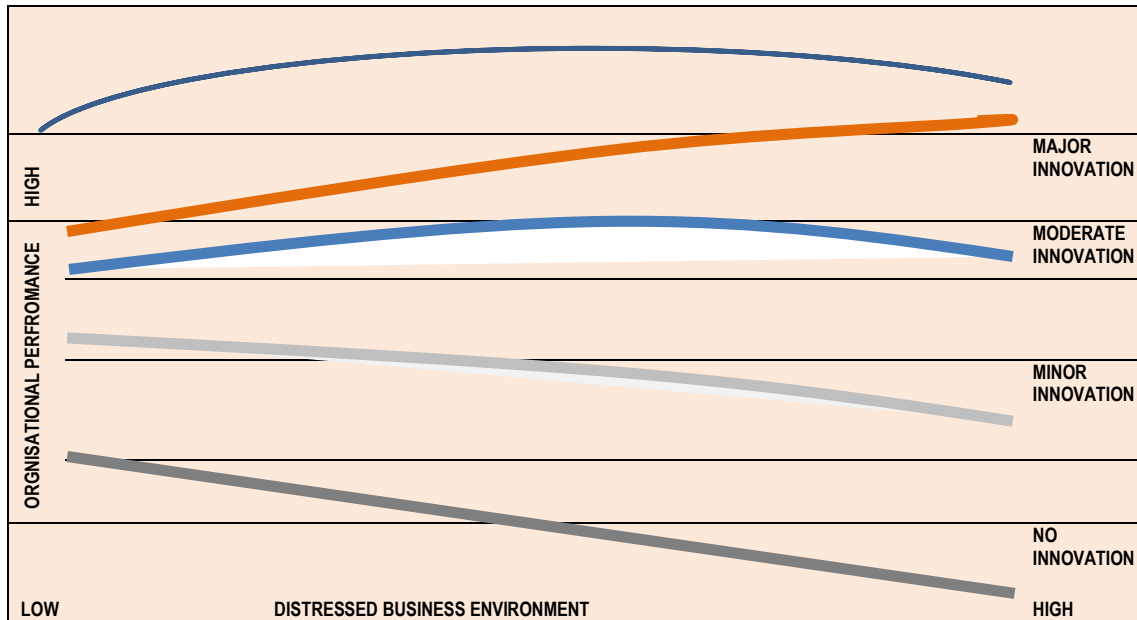


Figure 4.2: A proposed Innovation - Performance Symbiosis (Over a year)

Adapted from: Eccles & Serafeim (2013:52)

The diagram shows that when innovations are few or minor in a challenging environment, it follows that the performance of the organisation, financial or otherwise, becomes impaired. The growth of the company is stymied. It is only when innovations are moderate to major that they are able to mitigate the vagaries of a distressed environment. Resultantly, according to Figure 4.2 the organisation performance starts to be significant and encouraging, while the slope of innovation also starts ascending owing to major and sometimes risky innovations. Profitability is assured, growth is inevitable and jobs are maintained and created. Market segments are colonised.

Amabile (1996:36) refers to creativity as the generation of ideas involving the adjustment of existing procedures or products (Nieman & Niewenhuizen, 2009 :14). It also results in the identification of opportunities and solutions to challenges facing the firm. Glassman (1993) defines it as the ability to associate remote stimuli in the environment with elements in the mind and to combine them into new and unusual ideas, inferring that creativity encompasses a thinking process that occurs in unconventional ways and that the initial problem is usual vague and undefined.

However, creativity tends to decline with old age, lack of education, lack of use and bureaucracy. Creativity can still be stifled by cultural, emotional or organisational factors.

Dess *et al* (1999; 2010:449-450) proclaim that the key to venture growth in the portfolio of income generating initiatives is entrepreneurial innovation. Graham and Woo (2009:162) define innovation in economic terms, saying it refers to the marketing of new or improved products and the successful application of new or improved techniques or the introduction of new ways of working that improve the efficiency of an individual or organisation. Much of firm or venture growth is dependent on innovation, the development of products and techniques which are outputs of EI in the firm context. Venkataraman (1997) asserts that entrepreneurship provides great insights into innovation. EI will also result in a whole range of technological advances and breakthroughs which lead to innovations necessary to enhance a firm's competitiveness in the marketplace (Eisdorfer, Assaf, Hsu & Po-Hsuan 2011:1087; Alderete 2010:17).

4.2.2 Risk taking propensity and firm performance

One of the critical dimensions of a deliberate pursuit of EI is the leadership's readiness to take risks in pursuit of opportunities which may not have existed previously. The propensity for risk has constantly been associated with entrepreneurs.

Cox and Jennings (1995:7) consider that successful entrepreneurs usually take calculated risks. McClelland (1961) anticipated this point in advancing the concept of the need for achievement among entrepreneurs. According to Josien (2012 : 21) risk taking as a concept was relevant even in the time of Cantillon (1734) who used the construct to differentiate a hired employee of a firm from the founder and owner, with the latter bearing the consequences of risks and uncertainty involved in a venture.

Risk taking is defined as the willingness by the entrepreneur to deploy significant resources in a venture which has reasonable chances of failing (Morris *et al* 1996:6; Dess *et al* 2010:455; Ali & Wajid 2012:1). Dess *et al* (2010:456) add that risks involve

certain executive decisions in favour of a specific strategic course of action, thereby steering the company in a particular direction with significant implications for executives' careers. Hence the entrepreneur attempts to ensure the risks are calculated and manageable. Usually risk is taken without due consideration of probable consequences. This may include deploying certain levels of resources without the applicable knowledge of, for instance, whether the results of the actions will be favourable or not. Generally, it is a strategy to resort to risk taking in chaotic situations in order to get by and mitigate the effects of such situations.

Mobilisation and deployment of resources into areas of uncertainty, such as for instance, exploration of new markets, launching new products or undertaking a new venture, are all endeavours strewn with risks that corporate entrepreneurs must concern themselves with, either to reduce or eliminate them, but with potentially high rewards. Only when corporate leadership is keen on EI would their firm enter such risky business areas. In so doing, profit remains the reward for an entrepreneur taking risks and dealing with uncertainty (Knight, 1921).

Most companies that have survived similar situations might have been able to do so by deliberately taking a measured risk and balancing that with the potential benefits to be accrued in the process. Figure 4.3 the study illustrates a proposed relationship between risk taking and performance of the firm.

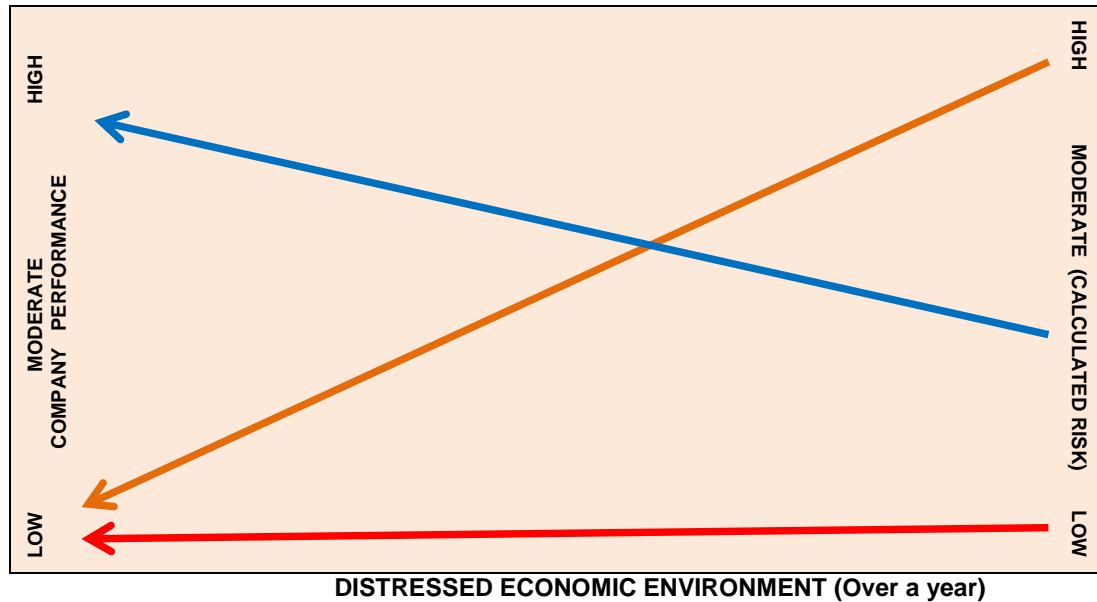


Figure 4.3: A Proposed Risk- Performance symbiosis

Source: Eccles & Serafeim (2013)

The diagram in Figure 4.3 illustrates that as the corporate entrepreneurs take risks, the chances of the company with respect to mitigating the environmental challenges and grow the performance of the company correspondingly alter. However, the risks need to be prudently applied, mitigated, measured and calculated so that they are not carelessly and randomly taken without proper analysis of the possible implications. As depicted in the diagram, as the risk becomes too high, the performance of the company starts deteriorating. Some losses become inevitable, especially in a distressed economy.

4.2.3 Proactiveness and firm performance

The marketplace has become so competitive as to demand aggression and boldness for a firm to remain relevant. Company leadership is expected to take critical initiatives and calculated risks as key attributes of entrepreneurial leadership in pursuit of opportunities. Hisrich *et al* (2008 : 70) write of top management: “...they tend to lead than follow competition” as they drive the firm.

Morris (1996:6) defines proactiveness as the implementation of strategies meant to ensure that the entrepreneurial undertaking is successful. Prieto (2010:108) remarks, though, that it relates more to implementing certain activities so that certain events happen through appropriately designed means, whilst Dess *et al* (2010:452) define proactiveness as the firm's utmost desire and efforts to exploit new opportunities, usually by observing trends and market behaviours and anticipating customer expectations. Ali and Wajid (2012:1) portray proactive entrepreneurs as being ever ready to pounce on new opportunities without procrastinating and always relying on first mover advantage over their competitors. "Proactiveness is concerned with implementation and taking determined action to bring an entrepreneurial opportunity to realization... a proactive culture creates an internal strategy, drafts resources, and outlines milestones while others are still at the drawing board" (Johnson & Peterson 2005:91). For Van Vuuren (2013) proactiveness is a critical element for management to realise EI and achieve entrepreneurial success within existing organisations.

Entrepreneurially oriented firms may be more inclined to implement anticipatory and responsive strategies (Weerawardena & O'Cass 2004:421), hence being proactive. As a result, large brands have become so by looking ahead and planning for the future. Dess *et al* (2010:452) emphasise that proactiveness is a forward looking characteristic of an entrepreneur who desires to become a marketplace leader seeking to exploit the opportunities available. Proactiveness is therefore driven by determination, adaptability and a willingness to take the initiative. Thus, proactive individuals are deemed more successful in entrepreneurial leadership, exhibiting a tendency to initiative and to take decisive action in their given environment (Prieto 2010:107).

Consequently, virtually all organisations, whether start-ups and large corporations, rely on proactivity to exploit opportunities existing in the marketplace. Rauch, Wiklund, Lumpkin and Frese (2009) posit that proactiveness is a critical dimension in contributing to a strong performance, adding that it is a dimension that many leading brands have been able to fully implement, achieving good results. Proactive behaviour is viewed as a critical aspect of corporate entrepreneurship (Kuratko, *et al.*, 2005 :699) resulting in an

organisation being able to be innovative, plan ahead of the competition and realise profitability positions and growth. According to Kollmann and Stockmann (2014:1007) proactiveness increases the company's awareness of customers' needs and its receptiveness to market signals; a proactive company is more likely to be attuned to changes and progression in the competitive environment, enabling it to meet the need for adjustment ahead of the competition. Figure 4.4 graphically illustrates the study's portrayal of the relationship between proactive behaviour and firm performance.

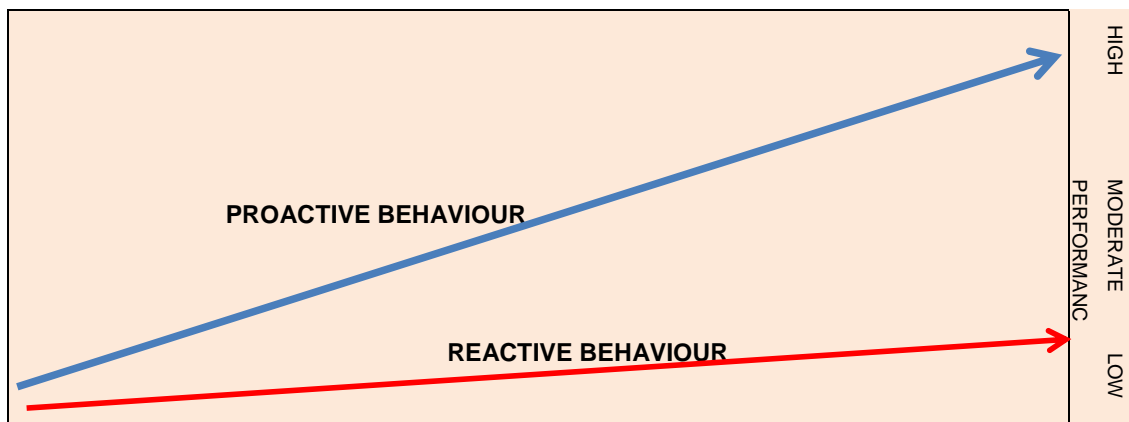


Figure 4.4: A Proposed Proactive Behaviour – Performance Frontier (illustrating performance in distressed environments)

More often than not, entrepreneurs who rely on a passive strategy of responding to the dictates of the operating environment can only achieve moderate to low performance. Expectations of them are low in terms of growth and profitability and the development of new products. Their safest course under such circumstances as hyperinflation would be to stabilise the organisation by keeping their expectations and objectives as modest as possible; otherwise it is at risk of being overwhelmed by the vagaries of an environment in distress and then folding altogether.

However, if entrepreneurs decide to craft and implement proactive strategies arising out of their pre-emptive behaviour, they should be able to create a proactive organisation that is always planning ahead of time and the competition.

4.2.4 Competitive aggressiveness

The researcher proposes to add the dimension of competitive aggressiveness to the traditional variables for the degree of entrepreneurship in analysing the nature and extent of EI in the insurance industry in Zimbabwe. Dess *et al* (2010:453) refer to the competitive aggressiveness of a company as its efforts to want to outperform rival players in the same industry. Such an orientation often leads to a firm acquiring a huge market share, yet at times at the expense of profitability and by incurring temporary revenue setbacks.

The firm may need to exploit other entrepreneurial accomplishments, such as innovations and new technologies, as it seeks to assert its presence in the market. This is truer at certain times, such as in the case of price wars between large chain stores such as Spar and Pick and Pay, between airlines trying to assert their presence in certain routes or between banks such as Nedbank, Standard Bank, FNB and ABSA. In the insurance markets, it is not entirely unknown to witness premium undercutting as rivals try to elbow each other out of the market.

4.3 Determinants of Entrepreneurial Intensity

Entrepreneurship does not just happen, nor does Entrepreneurial intensity. Most often, the latter is a deliberate response to rising concerns about a downturn of the economy – rising unemployment, job losses and international competition in the global marketplace. In the Zimbabwean scenario and in the context of this research, intensified entrepreneurial performance in the insurance industry should have responded to the economic turbulence and the hyperinflation existing then. It therefore poses the question: what determines entrepreneurship, let alone successful entrepreneurship? Figure 4.5 shows the researcher's perception of a model for entrepreneurial intensity continuum.

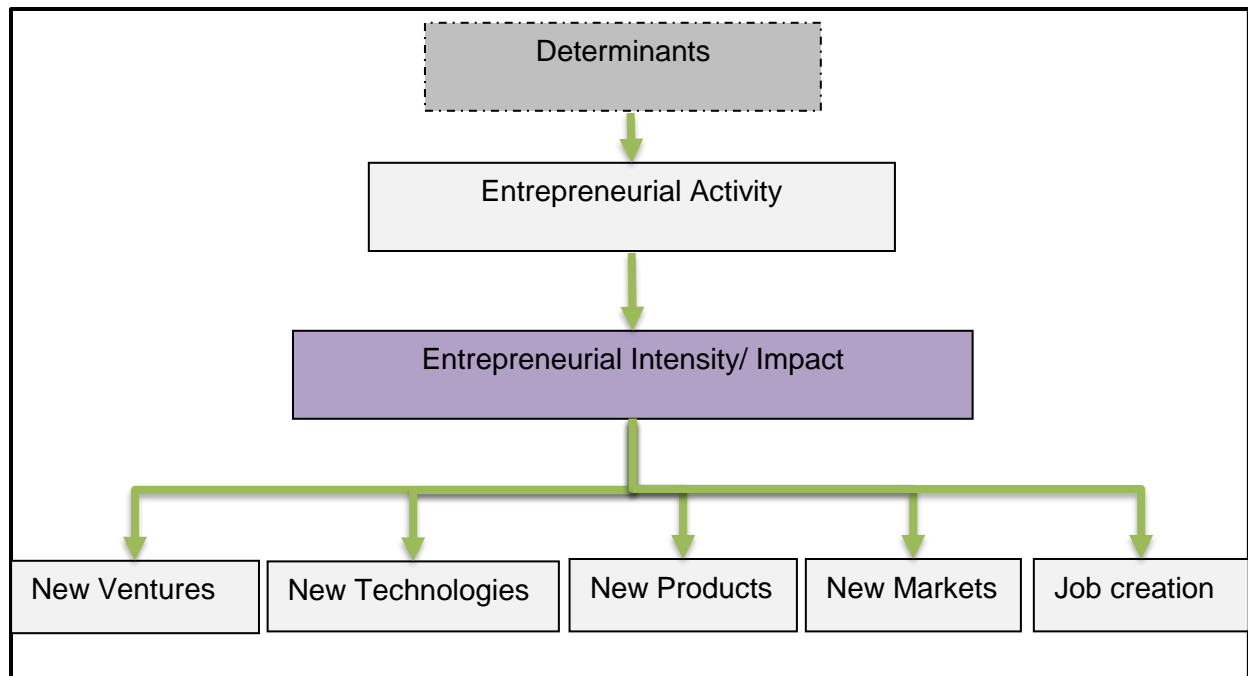


Figure 4.5: A Proposed Model for Entrepreneurial Intensity Continuum

The diagram illustrated in Figure 4.5 is proposed by the study and attempts to relate determining factors that lead to enhanced entrepreneurial activity which in turn lead to EI and related outcomes in particular in the organisation.

Audretsch *et al* (2002:17) and Abhay (2012:119) declare that there are several factors including the social and economic that determine and homogenise the level of entrepreneurship. In the case of the insurance industry, these factors may include competitive market determinants and low incomes. In the said Zimbabwean context, the inflationary environment could have become a major variable in motivating managers to behave entrepreneurially, resulting in a proliferation of entrepreneurial activity as advanced by Ahmad and Hoffman (2003), or to face extinction as a business. Generally, the end result of such efforts is identifiable with the EI in the firm such as new venture creation, new technologies and innovations and new products and services. However, to be able to thoroughly track and analyse the flow of activities and the subsequent entrepreneurial outcomes, such as new venture creation and firm growth,

competitiveness and much more, the researcher has borrowed and adapted a framework complementary to the one articulated by Ahmad *et al* (2003) above.

4.4 Evaluating Entrepreneurial Intensity

The state of any economy and the subsequent prevailing business environment determines what entrepreneurial activities the firm carries out (Craft & Forlong, 2004:14, 183) and which activities come with measurable outcomes in taking stock of their effectiveness to turn the fortunes of the company. Gao and Shi (2004:2) for instance mention the ecological approach as standardising the number of new ventures relative to the number of firms already existing. This consequently influences the evaluation of EI in organisations. Lumpkin and Dess (1997) opine that the best way EI can be measured is in terms of the ability to innovate, take risks and proactiveness as well as the independence of team members in the firm. This opinion is sustained by Kuo-Ting, Chanchai, Jin, & Yue (2012:78).

Morris (1998) in Slighter (2000) suggests that entrepreneurship is a concrete, measurable and essential phenomenon for the success of individuals and organisations. Entrepreneurial intensity is one definite method of demonstrating that entrepreneurship is a measurable phenomenon; hence there should be strategies within the firm to manage the role of entrepreneurship and to continually enhance the desired levels of EI in the context of the individual, the organisational and even the societal or national level (Morris 1998: xvi). Despite the growing recognition that entrepreneurship is a vital driver of sustainable growth, acceptable ways of measuring it are still not widely available as analysts and scholars currently lack effective measures of both the breadth and depth of entrepreneurship (Low, Henderson & Weiler 2005:61-62). McClelland (1964:434) earlier noted that “the problem then is how to build a mechanism into a development plan for evaluating entrepreneurial performance”.

4.4.1 The Valence Model of the Expectancy Theory

Deriving from and building on the theories explaining entrepreneurial intentions as discussed in Chapter 3, the Valence Model is used here to explain the motivation for entrepreneurs to be able to exhibit something for their entrepreneurial efforts. This resonates well with the spirit and concept of the “Need for Achievement” as propounded by McClelland (1961). The aforesaid model consists of two variables, Instrumentality and Valence. Instrumentality (I) concerns the belief that the attainment of work-related goals will lead to rewards; while Valence (V) refers to the value of those rewards to the individual (Brice & Nelson 2008:13). Therefore, the Valence Model is a multiplicative function of the valence of possible entrepreneurial outcomes and the instrumentality that the occupational choice (entrepreneurship) will lead to these valuable outcomes (Brice *et al* 2008:15).

Furthermore, Brice *et al* (2008:16; Brice 2006:9; Segal & Schoenfeld 2007:82) define valence as the value of the outcomes to the individual as articulated by Vroom’s (1964) valence model. Broadly, this suggests that the value of such an outcome is a function of the numerical sum of the products of valences of all other outcomes. Correspondingly, instrumentality was defined by Vroom (1964) as the degree to which an individual perceives a specific outcome as leading to the attainment of other and ancillary outcomes. Instrumentality varies from a negative value to a positive one. A negative instrumentality indicates that the individual believes that the outcome in question never leads to other outcomes, while a positive instrumentality denotes the opposite.

4.4.2 The Causal Model

Central to this model is the question: does the company know what it will take to succeed? An understanding of the critical success factors and economic conditions is necessary for a successful outcome using strong causal models (Courtney, Lavallo & Clarke 2013: 64). It is important to be able to predict the range of possible entrepreneurial outcomes stemming from some deliberate entrepreneurial efforts with

confidence and certainty, especially when relying on precedent decisions and activities. Equally imperative are the following questions posed by Courtney *et al* (2013: 65):

- Do you understand what combination of critical success factors will determine whether your entrepreneurial decisions lead to successful outcomes?
- Do you know what metrics need to be met to ensure entrepreneurial excellence?
- Did you have an entrepreneurial recipe for achieving the expected entrepreneurial outcomes?
- Were you able to define the range of outcomes that your entrepreneurial efforts and decisions produced, both in the aggregate and for each of the determinants and antecedents?
- Were you able to gauge the probability of each entrepreneurial outcome?

Before the organisation ventured into an entrepreneurial set of activities, it would have put in place certain entrepreneurial strategies geared to achieve certain entrepreneurial outcomes. All the necessary information would be made available by the executives to resonate with the chosen course of action so as to achieve the predicted outcomes. Variables and other critical success factors are gauged as well, providing a rich data source to enable the executives to gain confidence that they are on their way to arriving at a pre-determined level of entrepreneurial success.

4.4.3 Measuring intra firm entrepreneurship

Similar to that of the broader economy, measuring firm level entrepreneurship is not a straightforward exercise; therefore, researchers have used various proxies for entrepreneurial activity, such as the number of small firms or patents (Loveridge, Miller, Komarek, & Satimanon, 2012:210) or new innovations and technologies launched, commercialised and diffused.

According to Eccles and Serafeim (2013:53), there are invariably challenges to and limitations on measurement of performance issues owing to a myriad of confounding variables; however, if companies innovate, inevitably they achieve a satisfactory financial performance and a desired growth trajectory. Johnson & Petron (2005:90) suggest that it may be in vain “to attempt to distil a firm's entrepreneurial assessment into a quotient and using a questionnaire, or a few metrics already gathered as a matter of business practice, may not be truly taking the pulse of a firm's ability or inability to change itself and respond to market shifts and opportunities”. More is needed than a simple questionnaire. Liao, Murphy & Welsch (2005:31) opine that there is no widely accepted empirical or operational measure of EI, indicating that a previous study by Cooper and Dunkelberg (1986) suggests the EI construct may not be directly measurable or observable. This in turn implies that it may be inferred through reflection on a set of characteristics identified in later research contained in Keats and Bracker (1988: 62). These characteristics may include family background, attitudes and the complex set of factors alluded to in Chapter One.

Whilst, as indicated, there is no consensus on how to measure entrepreneurial activity (Gartner 1990; Praag 1999; Davidsson 2004, this study borrows from and blends an array of earlier research works, including employing aspects of the GEM's measurement criteria and applying them in the firm level context to measure EI. This is especially the case in Total Entrepreneurial Activity (TEA)'s ability to link entrepreneurial activities and economic development (Castro, Maydeu & Justo 2005:1) to assess the impact and extent of EI.

Also, a look at OCED's Entrepreneurship Indicators Programme which according to Ahmad and Hoffman (2007:3) seek to improve the measurement of entrepreneurship shall seek influence and improve the measuring of EI in this instance.

4.5 Measurement Instruments

Measuring any construct requires a reliable instrument that guarantees validity, the consistency of the instruments and that they are free from error. It must be noted that a

reliable and valid instrument must measure the identified concept with a high degree of certainty and accuracy (Knight 1997:216). As has been pointed out, “Measurement issues are acute in entrepreneurship studies because the field embraces extremely diverse disciplines and divergent definitions of the primary object of study, not to mention the wide range of deductive and inductive approaches to explaining variation in the object of study” (Kickul & Norris 2005:1). For the most part, the instruments used in measuring entrepreneurship have been based on personality models in psychology, which purport to measure personality characteristics that are stable across time and situations and have a broad range of effects (Robinson, Huefner & Hunt 1991:42). This research sought to depart from that approach and proposes a framework to evaluate EI of the insurance companies in Zimbabwe at the height of inflation and during the period it was subsiding. Any array of internationally proven and valid measurement instruments will be used that could see the evaluation strategy being replicated in similar situations in spite of geographical locations and across industries.

While, according to Hornsby, Kuratko and Zahra (2002) as well as Morris and Sexton (1996), there are quantitative instruments available to access entrepreneurial posture or intensity, some executives may find it ineffectual to endeavour to sanitise a firm's entrepreneurial evaluation efforts into an acceptable measure. In fact, as aforesaid, it is reemphasised that a loosely worded questionnaire may not be enough to measure the heartbeat of the firm's behaviour and readiness to respond to market shifts and opportunities (Johnson & Peterson 2005:90). Hence, an entrepreneurial audit may be necessary.

4.5.1 Entrepreneurial Audit

In Figure 4.6 the Entrepreneurial Audit is graphically illustrated.

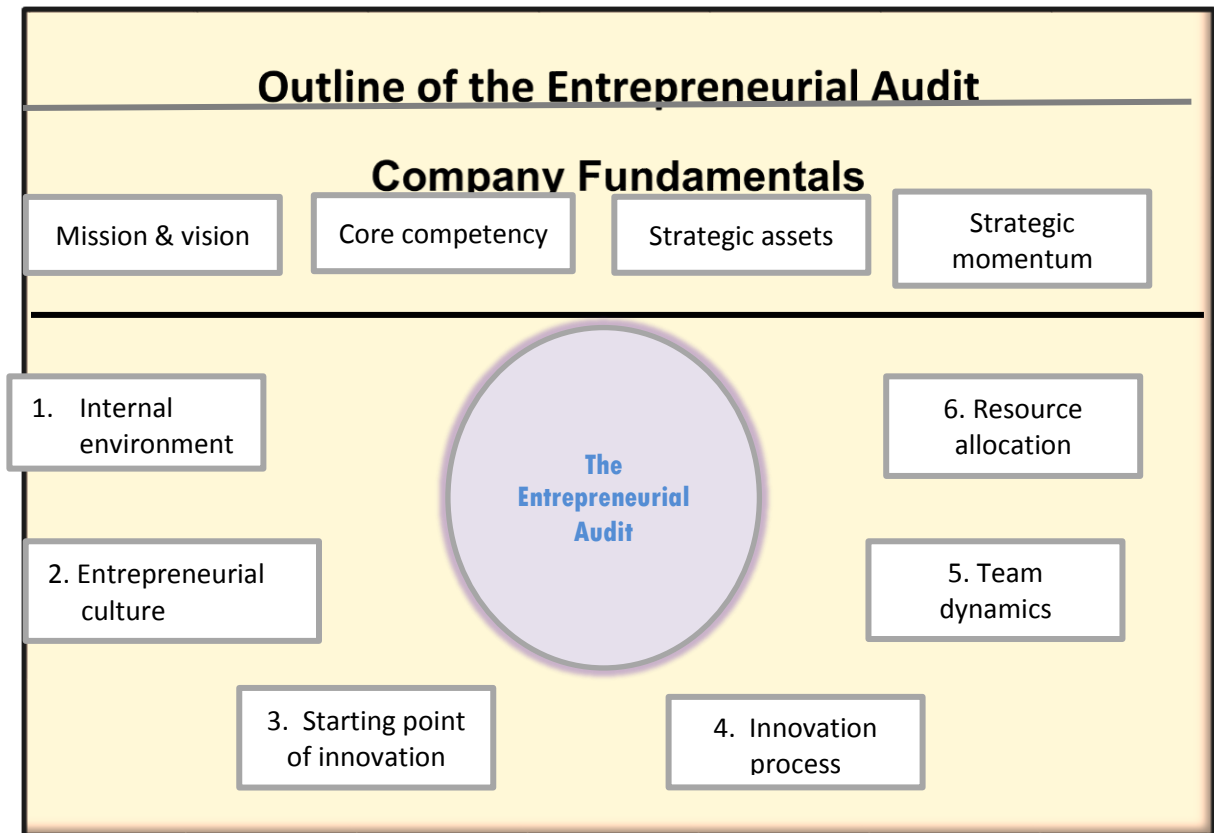


Figure 4.6: Entrepreneurial Audit.

Source: Johnson & Peterson (2005:89-90)

In order to be able to adjust a firm's performance and realise strategic outcomes such as profitability, questions are often posed as to what instrument is in place to measure the profit timeline and whether there are industry best practices and benchmarks that spur the competitiveness of a firm. Since EI, simply put, concerns the position of the firm in an entrepreneurial performance continuum, it becomes imperative to ask the question 'where is the firm in terms of the performance?'

According to the scholars Peterson and Johnson (2005: 89-90) in their research into the entrepreneurial audit, this activity seeks to explore the entrepreneurial character of the

firm and to discover and eliminate any blockages, for time-to-profit efficiency. The tool allows for a moment of self-introspection and self-critiquing as individuals, departments and organisation as a whole. The said audit enables the organisation to engage in a process that ultimately results in the identification of competences, relevant to achieve the level of entrepreneurial performance so desired. It also facilitates the evaluation of the environment in which performance is being driven for profitability and generation of wealth. Welpé, Sporrle, Grichnik, Michl and Audretsch (2012:69) have reinforced the essence of the entrepreneurial audit by emphasising that ultimately, entrepreneurial evaluation makes an impact on opportunity exploitation going forward.

The audit therefore seeks to exactly understand the organisation's position as it aims to accelerate the rate of entrepreneurial performance. This audit tool then adds a qualitative methodology to understanding the entrepreneurial behaviour of the organisation. Cognisant of other instruments to measure EI, and acknowledging the deficiency of the questionnaire in accurately measuring the state of the entrepreneurial posture, the entrepreneurial audit gauges the essentials of the organisation such as the mission statement, its vision, strategic imperatives, and strategic thrust. A SWOT analysis becomes crucial to driving any success story for the venture.

Whilst it is a largely reliable and effective tool in measuring entrepreneurial posture and efficiency, the entrepreneurial audit has its own weaknesses. As the organisation begins appraising its entrepreneurial efficiency and the process of self-critiquing, the following elements are essential in enhancing the successful use of the entrepreneurial audit tool: 1) credibility, 2) an unbiased audit team and 3) utmost confidentiality, otherwise the process will be flawed and the outcomes contaminated. Another challenge in using this tool is dealing with the participation of employees, most of whom may be reluctant to participate or lack understanding of the rationale for the audit. It is important that participating employees are encouraged to be candid and objective. In other instances, it may be critical to outsource the audit to an experienced professional expert due to potential emotive behaviours that might cloud an insider's judgement and rationality.

4.5.2 Entrepreneurial Performance Index (Morris and Kuratko 2002)

The Entrepreneurial Performance Index (EPI) is a powerful assessment tool that captures the degree and frequency of entrepreneurship at the organisational level, according to (Morris *et al* 2008) in Dhliwayo, Van Vuuren and Fletcher (2011:48). The EPI instrument measures the EO activity of the firm in terms of business orientation, new products/services introduced, new processes and the financial performance comprises of return on investments (ROI), return on equity (ROE), sales turnover ratio (STO), net profit after tax (NPAT) and the present value (PV). Dhliwayo *et al* (2011:51), citing Morris and Kuratko (2002), the proponents of the EPI, justify the use of the instrument on the basis that it gauges more direct and tangible aspects of corporate entrepreneurial activities.

4.5.3 ENTRESCALE (Khandwala, 1977; Covin & Slevin, 1989)

The Entrepreneurship Scale, ENTRESCALE, is a measuring instrument used to evaluate the degree of entrepreneurship through the lenses of the innovativeness and proactiveness of the organisation as propounded by Khandwala (1977); initially as a 9-item scale measuring corporate entrepreneurship (Knight 1997:215). ENTRESCALE was to be refined a year later by Miller and Friesen (1978) before (Covin & Slevin 1989) further refined the instrument, which can now be assessed on 8 items.

The innovativeness related measured factors are:

4.5.3.1 Product lines

A company's performance can be measured on the basis of its product range: how often it turns out new products onto the market. Some of these inventions have been mentioned already: the Apple *iPod*, the Sony Walkman, Samsung's cell phone offerings such as S2, S3, S4 and S5, Apple's *iPhone 4* and *iPhone 5*, Mercedes Benz product lines such as the C range, the E range and the S range, represent new product lines that can be measured to determine the intensity of entrepreneurship in the firm.

4.5.3.2 Product changes

The performance of a company can also be measured in terms of the degree of innovation to its range of products. This change can be effected through product extensions where the product is altered or new additions or attributes are made. By so doing, the product is simply being extended to appeal to a new group of consumers. The change can also be made through the repositioning of a product already existing elsewhere but new to the context, although it should be added that repositioning is less of a novelty. A well-known example of product change through repositioning is that of Dr Pemberton's Coca-Cola drink (a soda mixture) which was repositioned by Dr Chandler, the new owner, at the turn of the century, with a different formula of additives; he bombarded the market with free testing via drugstores (in Southern Africa these would be termed chemist's shops).

The changes to the product can also be described in terms of whether modular, architectural, incremental or outright radical types of product innovations were undertaken.

4.5.3.3 Research and development leadership

Insights as well as research and development are crucial measurement variables for company performance using the ENTRESALE. Whilst insights would give rise to new ideas and new discovery via the euphoric moment of inspiration, research becomes crucial in feasibly turning ideas and technologies into products. Feasibility studies are carried out on the market potential of the product, whilst the proactiveness- behaviour related measured items are:

4.5.3.4 New techniques

Proactive behaviour can be measured in terms of new techniques and new technology. This is observable through the organisation's systems knowledge which entails the know-how of how the various components are integrated and linked together, how the system works and how the various components are configured to work together. New techniques describe a whole range of technological advances and breakthroughs. These technological advances and changes lead to technological innovations.

4.5.3.5 Competitive posture

In terms of the ENTRESALE, competitive posture is a measurable proactive behaviour that will determine the entrepreneurialness of the firm. Hisrich *et al* (2008 :251) argue that the competitive strategy of a firm should be considered since it measures differentiation of the product. The authors give an example of Dell's distinctive competitive posture arising from a proactive and deliberate use of direct mail and the internet to distribute its products.

4.5.3.6 Risk taking proclivity

As discussed elsewhere, risk taking is another component of proactive behaviour which the proponents of the ENTRESALE deem a critical measurement item to determine the level of entrepreneurship in the organisation, its orientation and its intensity in particular.

4.5.3.7 Environmental boldness

Environmental boldness was deemed a critical item by Khandwala (1977) in determining the entrepreneurship of an organisation because environmental issues are a critical forerunner of a channel strategy. How a firm then responds to such environmental issues, whether internal or external, becomes a vital aspect of proactiveness that should be measured through the ENTRESALE.

4.5.3.8 Decision making style

The kind of enterprise leadership prevailing in an organisation is essential in determining the nature and level of entrepreneurship that takes place in the enterprise and should be measured through a well-structured ENTRESALE questionnaire that seeks to elicit the decision making style in an organisation (Knight 1997:218)

One of the strengths of this instrument is its proven validity. The ENTRESALE consists of several subscales, such as customer orientation, competitor orientation, and inter-functional coordination for the market orientation scale in determining the extent of the firm's innovativeness and proactiveness (David, Ross & Terry 2007:881). When well captured in the questionnaire, the scale is able to project the performance of the business by measuring related variables.

The ENTRESALE is a relevant tool to capture the entrepreneurial posture of an organisation by paying attention to the degree of entrepreneurship in the firm. This is evident from the fact that entrepreneurship stimulates the economic performance of the firm to the accompaniment of economic prosperity and financial rewards that speak to growth and profitability (Covin & Slein, 1991:9) in Knight (1997:215).

Whilst the ENTRESALE instrument is everything that a researcher needs for exploring the degree of entrepreneurship in the firm, an inherent weakness is its inability to cross cultural borders, which might make it difficult to adopt for the African environment, and in particular the sub-Saharan one. Using ENTRESALE in the context of South Africa and Zimbabwe might require contextualisation by tweaking, adapting and adopting of the instrument to circumvent void and unacceptable outcomes, inferences and consequently, wrong prescriptions.

4.5.4 Carland Entrepreneurship Index (CEI)

This instrument measures personal EO, a critical aspect of EI, and has been widely applied in entrepreneurship research across the USA. Josien (2012 :24) points out that the Carland Entrepreneurship Index, which was developed by Jim and Jo Carland, is composed of 33 questions that determine whether someone is a micro entrepreneur, an entrepreneur, or a macro entrepreneur. Such determination is important to gauge the entrepreneurial orientation of individuals which consequently determines the EO of the organisation. A score of 0-15 indicates a micro EO, a score of 16-25 an EO whereas a score of 26-33 reflects a macro EO. Whilst this index operates in two forms, for the active and the prospective entrepreneur respectively, the latter is often used as it deals with entrepreneurs currently in operation to measure their orientation and capacity to drive the venture to excellence.

As Lockwood, Teasley, Carland & Carland (2006:7-8) note, the Carland Entrepreneurship Index is a forced choice format instrument because it deals largely with the said four constructs evolved from the elements of entrepreneurship. Junior & Gumenez (2012:41) concur that the CEI's set of 33 pairs of affirmatives comprises a

forced choice format, which measures an individual's penchant for entrepreneurial activities. These four factors are critical in the assessment of the EI of the firm when the organisation and its people are matched against:

- Personality traits
- Innovation
- Risk-taking propensity
- Strategic posture.

4.5.5 Corporate Entrepreneurship Health Audit

Corporate Entrepreneurship Health Audit is propounded by Ireland *et al.* (2006b:21) it is incumbent upon corporate leadership to drive entrepreneurship through the formulation, implementation, monitoring and evaluation of a strong entrepreneurship strategy. Further, it is the responsibility of an entrepreneurial leadership team to influence an entrepreneurial environment, whether entrepreneurship in the firm is encouraged, supported, and fully resourced, and where employees across the spectrum are willing to be entrepreneurial and innovative.

As discussed in Chapter 3, an enterprise willing to encourage an atmosphere of entrepreneurship and cultivate an entrepreneurial culture, must of necessity create an enabling environment for showcasing its focus on and commitment to intensified entrepreneurship. It is therefore of paramount importance that the pulse of entrepreneurship in an organisation is constantly measured and established at any given time – interpreting the performance scores, understanding and being able to consequently communicate the entrepreneurial performance of the company all the time. Management should be able to, with little hesitation and trepidation, pronounce to other interested stakeholders such as Board members, shareholders and investors, the extent of EI of their firm by interpreting the performance scores as reflected on the performance continuum. They should keep track of such performance with a view to remedying any deviations on the long journey to entrepreneurial excellence.

One of the more prominent and appropriate tools to measure the level of EI in the organisation is the Corporate Entrepreneurial Health Audit propounded by Ireland, *et al.*, 2006 in 2006. The said Audit is essentially a tool used to establish and address the magnitude to which a firm can enhance sustainable entrepreneurship with the end of superior performance in mind (Ireland, *et al.*, 2006 :21). These scholars add that to begin with, organisations should undertake a corporate-wide entrepreneurial health audit by collecting data using the EI Instrument as well as the Corporate Entrepreneurship Climate Instrument to conduct a comprehensive review of structures, controls, human resources management, and culture (Ireland *et al.*, 2006:22-23; Zimmerman 2010:80).

Through the Corporate Entrepreneurial Health Audit, a firm is able to assess the degree to which its employees are prepared to engage in entrepreneurial behaviour as manifested by their innovative, risk-taking and proactive behaviours and actions (Ireland *et al* 2006:30).

In using this tool, however implemented, the audit should provide understanding to the firm's leadership and decision makers about the three core issues in its exploration of three critical phases: (i) Determining the firm's level of EI, (ii) examining the internal environment of the firm to fully comprehend antecedents to EI at any given time, and (iii) the audit results should show the amount of work ahead which the firm needs to do as well as to create the entrepreneurial mind-sets (p30) needed across the board to instil a much needed entrepreneurial culture.

In determining the internal climate of the organisation as propounded in the second stage, the Corporate Entrepreneurship Climate Instrument becomes useful, especially for its five factors, which are basically antecedents to corporate entrepreneurship (Ireland, *et al* 2006:24-25) to facilitate a corporate entrepreneurial health audit. This 78-point Likert scale instrument has been proved to be psychometrically apt and adequate in assessing the internal environment for entrepreneurial practice. The abovementioned antecedents are:

Table 4.1: CECI Organisational Antecedents

<p>1. Management support</p>	<p>This refers to the willingness of top-level managers to facilitate and promote entrepreneurial behaviour, including the championing of innovative ideas and providing the resources employees require to behave entrepreneurially.</p>
<p>2. Work discretion/ autonomy</p>	<p>This refers to the commitment of top-level managers to tolerate failure, provide decision-making latitude and freedom from excessive oversight and to delegate authority and responsibility to middle- and lower-level managers.</p>
<p>3. Reinforcement</p>	<p>This involves developing and using systems that reinforce entrepreneurial behaviour, highlight significant achievements and encourage pursuit of challenging work.</p>
<p>4. Time availability</p>	<p>This means evaluating workloads to ensure that individuals and groups have the time needed to pursue innovations and that their jobs are structured in ways that support efforts to achieve short- and long-term organisational goals.</p>
<p>5. Organisational Frontiers</p>	<p>These are precise explanations of outcomes expected from organisational work and development of mechanisms for evaluating, selecting and using innovations.</p>

Source: Hornsby, Kuratko, and Zahra (2002); Ireland, *et al.*, 2006 :27-28)

Should low scores be reflected in the CECI, there could be a need for employees to undergo intensive training and development programmes to foster and complement the firm's desire and efforts in shifting to entrepreneurial behaviours, including the successful implementation of the corporate entrepreneurship strategy.

According to Morris *et al* (2008: 326) the Corporate Entrepreneurship Climate Instrument is able to assist organisations, including social organisations which are not for profit, to benchmark and track performance, establish standards, locate capabilities

and strengths, formulate entrepreneurial goals, develop strategies. The instrument can accurately forecast the successful implementation of a firm's corporate entrepreneurship strategy as well as establish training deficiencies and the appropriate entrepreneurial and innovation training interventions required. The outcome of such interventions would ultimately be the creation of an entrepreneurial behaviour amongst the employees, snowballing into an entrepreneurial corporate culture.

The Corporate Entrepreneurial Assessment Instrument (CEAI) is also relevant in predicting EI through corporate entrepreneurship activities.

Deriving from **Table 4.1** above, depicting the five Corporate Entrepreneurship Climate Instrument organisational antecedents, Hornsby *et al* (2002) presented the CEAI which is essentially a survey instrument designed to help managers and leaders measure each of these factors (Clohessy, Holt & Rutherford 2007:40). This instrument complements the Corporate Entrepreneurship Climate Instrument in carrying out a comprehensive health audit as regards the EI of an organisation. It does this via the route of corporate entrepreneurship by assisting managers to effectively manage, facilitate and improve activities related to corporate entrepreneurship within the firm; however, its weakness is that its predictive validity has not been adequately tested (*ibid*) which may constitute a hindrance to measuring EI adequately.

4.5.6 Intrapreneurial Intensity Index (III)

Intrapreneurship as a prominent predictor of performance deserves deep analysis and understanding. The concept refers to the application of the entrepreneurial principles within existing companies (Borza, Maier, & Bordean 2012:73). These authors add that “companies need to know how to make use of their resources and always bring something new to the market in order to cope with the competition that gets tougher day by day” (p75).

It is against this assertion that Hill and Medrdyk (2003:6) supported the Intrapreneurship Intensity Index (III), an instrument that is able to give an aerial view of the

entrepreneurialness of the organisation, its capabilities and potential concerning entrepreneurial activities, and ascertain gaps requiring adjustment for an improved entrepreneurial posture. The tool was developed as a six element instrument consisting of (i) task innovation; (ii) employee index; (iii) structural flexibility index; (iv) culture index; (v) incentive policies index and (vi) leadership index. These constructs are measured by the relevant questions structured in a Likert scale to adequately reflect the extent of EI in any organisation.

4.5.7 The Balanced Scorecard

This research sought to adopt the balanced scorecard to the discipline of entrepreneurship as a measurement tool to determine the entrepreneurialness of the organisation. Developed by Norton and Kaplan, the balanced scorecard is designed as a method that evaluates the performance of the firm by measuring organisational performance in four important broad areas of business:

- Financial perspective
- Customer perspective
- Internal business processes perspective
- Innovation and learning perspective (Dess *et al* 2010:104).

Sacha Sorrel, CEO of Real Consulting concurs with the balanced scorecard method, saying organisations need to manage performance of every aspect of the business as it is no longer enough to use financial indicators as performance benchmarks.

Table 4.2: The Balanced Scorecard: description and benefits

Perspective	Description of Benefit
Financial	<ul style="list-style-type: none"> • This perspective constitutes measures for financial objectives such as profitability, growth and shareholder value which should be gauged. • Measures of financial dimension indicate whether the strategy as set is yielding a healthy bottom line as desired. • All entrepreneurial efforts must have resulted in improved sales, increased market share, reduction in operating costs and higher assets turnover.
Customer	<ul style="list-style-type: none"> • Determining how a company is performing from the client's perspective is crucial; hence managers need to translate their mission statement into customer focused strategies. • Specific measures that reflect customer-centric factors are set and measured. These measures are in categories for customer service such as cost, time, quality and performance which should be articulated and measured.
Internal Business Processes	<ul style="list-style-type: none"> • Both financial and customer based measures need to be translated into what the organisation has done internally in terms of its processes to ensure that expectations were met. • Coordinated actions, decision making and efficient processes are key in determining certain outcomes and must be measured. • Such business processes to be measured include factors that impact on cycle time, quality, employee skills, and productivity.
Innovation and Learning	<ul style="list-style-type: none"> • Frequent changes made to existing products and services must be identified. • New products with expanded capabilities must also be noted given that a firm's ability to innovate and learn is related to the value it creates, e.g. penetration of new markets, increase in revenue and margins as well as increase in shareholder value. • Intangible assets such as human capital (talent, skills, and knowledge), information capital (information systems and networks), and organisation capital (culture, leadership) should be measured.

Source: Adapted from Dess *et al* (2010:105)

Whilst a balanced scorecard is a good performance measurement tool, it often suffers from a mismatch of its weights and dimensions and at worst, does not link with a clear strategy, so that it can be difficult to measure strategic outcomes using this tool. The tool also requires management and effective leadership support lest it be hindered in measuring what it should measure. There is also a tendency to emphasise measurement of financial issues at the expense of non-financial measures. Data are

frequently not well kept on actual performance, leading to failure to define relevant performing measures and consequently, leading to anecdotal and unreliable performance measurements that do not reflect the actual performance of the organisation.

4.6 Measurable Constructs for Entrepreneurial Intensity

As discussed in Chapter 3, EI in a firm is measured by the aspects of degree and frequency of entrepreneurship. Again, as repeatedly stated elsewhere in this study, the degree and frequency of entrepreneurship reflects the rate and number of entrepreneurial incidences in the organisation in pursuit of the exploitation of opportunities (Schlaegel, He & Engle 2013: 597), making the question of what to measure significant. The following are dimensions applicable to EI and are measurable. Hence they can be used to determine the EI posture of an organisation, individuals and even society.

4.6.1 Innovativeness

As discussed in earlier chapters, innovativeness refers to a willingness to support creativity and experimentation in introducing new products/services, and novelty, technological leadership and R&D in developing new processes (Lumpkin *et al* 2009:431). The degree of innovations and numbers of the same can be ascertained to determine the status of EI in the organisation. A high rate of technological products and processes as well as product innovation and newly established markets and marketing channels, as advocated by the aspect of innovativeness, can be exploited to pursue new opportunities and affirm entrepreneurial performance. Innovative companies, creating and introducing new products and technologies, can generate extraordinary economic performance and have even been seen as the engines of economic growth (Schumpeter, 1934; Wiklund 2005:75; Yong, Jing, & Ming 2009:444).

4.6.2 Risk taking orientation

As previously discussed, risk taking means a tendency to take bold actions such as venturing into unknown new markets, committing a large portion of resources to ventures with uncertain outcomes, and/or borrowing heavily (Lumpkin *ibid*; Yong, *et al* 2009:444). The exhibited appetite for risks and the extent as well as the frequency with which risks are taken in an organisation have the effect of determining the level of EI in it. The more a firm takes on calculated risks, the more its chances are of performing better as a business venture.

4.6.3 Proactiveness

Once deemed and analysed as a synonym for competitive aggression, proactiveness is an opportunity-seeking, forward-looking perspective, involving introducing new products or services ahead of the competition and acting in anticipation of future demand to create change and shape the environment (Lumpkin *ibid*). It is a dimension that can be measured to determine the intensity of entrepreneurial activities in an organisation. As Zahra and Covin (1995) in Wiklund (2005:75) argue, proactive companies can create first-mover advantage, target premium market segments, charge high prices, and “skim” the market ahead of competitors. They can control the market by dominating distribution channels and establishing brand recognition.

4.6.4 Competitive aggression

This research adds a fourth dimension to the previously advanced three. The EO dimension of “competitive aggression” is borrowed and adapted to reinforce the measurement of EI, given the close relationship and synonymous nature of the two constructs. It is distinctly different from the construct of proactiveness; consequently, Lumpkin (*ibid*) remarks that competitive aggressiveness reflects the intensity of a firm's efforts to outperform industry rivals, characterised by a combative posture and a forceful response to their competitor's actions. This constructs needs measuring to identify how the organisation is positioned in the continuum and whether it is poised to outperform competition.

4.7 Firm-Level Entrepreneurial Outcomes

There are various reasons why entrepreneurs engage in entrepreneurship. These are evidenced through diverse and respective signs or outcomes. Kroeck, Furlough and Reynolds (2012:22; Stewart & Roth 2007:401) are of the view that a particular internal disposition, including achievement motivation, is an essential characteristic of an entrepreneur. Ireland *et al* (2003:4) opine that organisational outcomes include those aspects that accrue to the business through the implementation of a sustainable entrepreneurial strategy. To reiterate: Without setting out clear and measurable pre-determined outcomes there is no entrepreneurship and without achievement motivation, an entrepreneur is not one and should not be called such.

Wacholtz and Wigus (2011:23) are of the view that the actual measure of entrepreneurial success is a probability that some defined benchmark entrepreneurial outcome will be achieved at a future specified date. Robust entrepreneurial intentions are likely to earn potentially limitless financial rewards; the affinity for each potential entrepreneurial reward is posited to significantly and positively influence the formation of strong entrepreneurial intentions (Brice & Nelson 2008:13). Brice adds that past theory has determined relevant entrepreneurial outcomes to be (i) the intrinsic reward of independence, (ii) the intrinsic reward of a satisfying way of life, and (iii) the extrinsic reward of profit. A study by Kuratko, Hornsby and Naffziger (1997) found entrepreneurs sought both intrinsic and extrinsic rewards in sustaining their ventures (Haynes & Brockman 2009:4).

For most organisations, whilst rewards in the form of independence and a satisfying way of life are motivating enough, especially for enterprise drivers and their entrepreneurial careers, it is the extrinsic outcome of profitability, growth and innovations amongst other outcomes, that would have formulated strong entrepreneurial intentions and expectations that are more pronounced. Wright, Hmieleski, Siegel, and Ensley (2007 :793) add that entrepreneurial outcomes are manifested largely in firm growth, in the amount of organisational learning captured from failed new product development initiatives, the degree to which products and services of technology-based

new ventures are found to be innovative, the business-related social capital of technological entrepreneurs, the well-being of the end users of products developed by technological entrepreneurs, and the profitability and sales growth of technology-based new ventures.

4.8 Net Impact of Entrepreneurial Intensity

Extending the work of Covin and Miles (1999), Kreiser & Davis (2009:2) say that there are four important entrepreneurial outcomes which organisations generate through firm-level entrepreneurship such as:

- i) Developing new products in order to capitalise on market trends, or they can enter existing markets that offer abundant opportunities.
- ii) Developing new processes in order to better integrate their strategy within the organisation's value chain (Dess *et al* 2003).
- iii) Utilising first-mover advantages to proactively create new markets that have not yet been realised or tapped by their competition.
- iv) Redefining their key strategies, ideas, and structures in an effort to take advantage of opportunities present in the external environment.

Other scholars have indicated other entrepreneurial outcomes deriving from deliberate entrepreneurial efforts such as starting a new company altogether (Kenworthy & McMullan 2013:983), as propounded by Shane's (2003) articulation of the opportunity exploitation factor.

4.8.1 Evaluation criteria

Deriving from Ireland *et al* (2003:4) who contend that entrepreneurial strategies always have consequences for the business, it follows therefore that there are evaluation criteria for entrepreneurial performance. The entrepreneurial performance can be gauged on the basis of:

- i) financial performance criteria (e.g. sales, profitability, growth rate)
- ii) market criteria (stock price, market position)

- iii) Innovation and new technology output (new products, new ideas generated, new processes, and
- iv) Behavioural criteria (measured in terms of opportunities identified and new ideas generated and exploited).

Dess *et al* (2010:101) have alternatively chosen to recommend two broad approaches to evaluating firm performance instead, which are:

- (i) Financial Ratio Analysis
- (ii) Stakeholder Perspective.

4.8.2 Financial Ratio Analysis

Financial ratio analysis is described as a technique for measuring firm performance according to its balance sheet, income statement and market valuation (*ibid*). Such an analysis should essentially focus on the following critical ratios:

- i) Short term solvency, or liquidity ratios
- ii) Long term solvency measures
- iii) Asset management or turnover
- iv) Profitability
- v) Market value ratios.

Evaluation of the EI should therefore seek to compare the firm's financial performance over a period of time to provide a means for evaluating trends. The analysis should reveal annual growth or deterioration in percentage terms for ease of understanding and interpretation by various stakeholders. It is also important to compare performance against industry standards and norms because certain growth levels, revenues and profitability may look good but not impressive when compared against the industry performance on the same variables. It is also critical to compare financial performance not solely against industry norms but against key competitors. It may make sense for insurance players to compare themselves with key players in the insurance industry. This is critical given the frequent critical intensity in competition among the rival players in the sector.

4.8.3 Stakeholder value perspective

Dess *et al* (2010:104) point out that whilst financial performance may be the easiest to measure the success and performance of a firm and its people, ignoring the stakeholder value may be catastrophic to the organisation. Hence, certain decisions impacting on people resources, training and development and other skills initiatives, marketing, advertising and promotion may have a critical bearing on the ultimate performance of the organisation. Most often, stakeholder value is deferred or ignored outright in pursuit of short term financial performance and benefits. The balanced scorecard is best equipped to measure firm performance by stakeholder value created over time.

4.9 Outcomes and Consequences

In Figure 4.7 below, the possible outcomes of are presented emanating from the entrepreneurial activity in the firm.

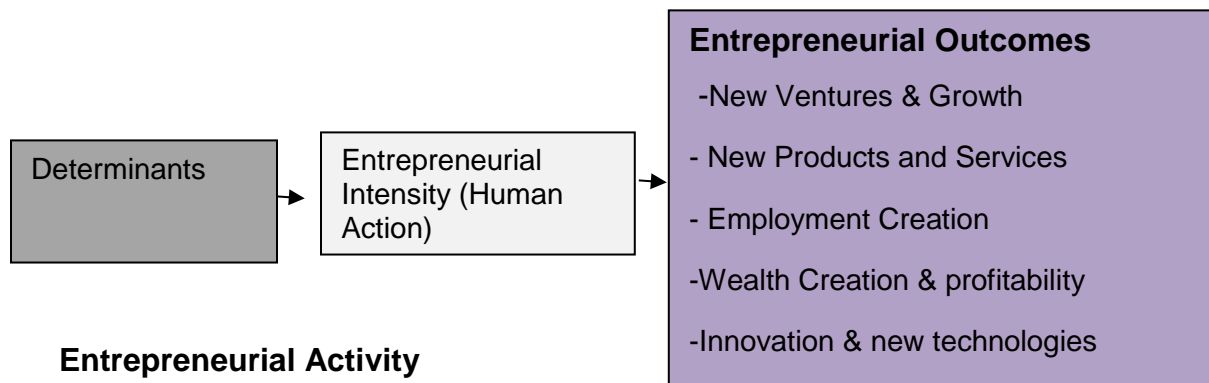


Figure 4.7: Possible entrepreneurial outcomes: A Proposal

The diagram in Fig. 4.7, which was adopted and further developed from Fig 4.5, “A Proposed Model for EI Continuum”, illustrates the effect of human action in eliciting certain entrepreneurial outcomes. It also indicates that certain determinants will spur entrepreneurial activity within the organisation, leading to EI observed through

measurable and identifiable outcomes. In the said context, the hyperinflationary environment became a significant variable determining the level of human action in entrepreneurship (also termed EI) and the subsequent and snowballing entrepreneurial outcomes in the insurance industry in Zimbabwe. In tracking EI, several appealing theoretical frameworks were employed, particularly in new firm creation. The researcher is aware of the many other EI indicators and measurement criteria and variables, but for the purposes of this research focused on just a few of these. Acknowledging the previous discussion that entrepreneurial intentions are pivotal, it becomes logical to link those intention motivations discussed in Chapter 3 to possible entrepreneurial outcomes described hereunder.

4.9.1 New venture creation and growth

One measurement of the state of entrepreneurship and its outcomes in any setting is the number of new venture creations born out of the entrepreneurial efforts. The rate at which new firms are established or what is also called the firm birth rate (Acs 2004:224) is indicative of the state of entrepreneurship in any country or firm. It is the standard measure of entrepreneurship (Shane & Venkataraman, 2000) and a result of human activity in the field of entrepreneurship. However, a preoccupation with the new firm, as a measurement of EI, tends to consider strategic growth as mundane and excluded (Parker 2009:9) – hence the need to consider other measurement variables also, such as:

4.9.2 New products and services

The number of new products and services provided to the market usually measures entrepreneurial intensity in the corporate environment. New tangible objects, such as mobile phones, which consumers acquire and use (consume), for example, *iPhones*, *iPads*, *iPods* (driven by Steve Jobs) signify Apple's EI. Tangible and intangible objects, such as healthcare and education, which the consumer benefits from rather than acquiring an object, such as Mark Zuckerberg's Facebook, eBay and Tim Berners Lee's World Wide Web (www), are also reflective of examples of outcomes of EI in a context.

Crucial to measuring the rate of entrepreneurship is the identification and exploiting of new products, processes or markets (Ahmad *et al* 2007:4) in Cumming and Fischer (2012:467). Kuratko *et al* (2005 :708) suggest that increased sales, productivity, market share, reduced waste, and labour efficiencies are evidence of outcomes from entrepreneurial endeavours of the firm.

A Zimbabwean example, Econet Wireless, which has been unleashing telecommunication related products such as “Buddie” and “Ecocash” is an instance of the enthusiasm of Strive Masiyiwa, a renowned entrepreneur, to drive EI within his billion USD telecommunications firm that has now spread to 8 African countries so far.

4.9.3 Employment Creation

The second measurement in tracking EI is the rate at which jobs have been created or maintained during the hyperinflation period as is expected of firms associated with high levels of entrepreneurial activities, to enjoy not only growth, but also increased job opportunities (Acs *et al* 2004; Lee 2009; Rho & Gao 2012). Blank (2013: 69) concurs, observing that forces of disruption and globalisation are buffeting the economies of every country and that large firms are retrenching and shedding jobs, many of which will never return: employment growth of the 21st century would therefore be more realistic coming from new ventures.

4.9.4 Financial performance, profitability and wealth creation

Entrepreneurship can best be measured for effectiveness by its competitiveness in the market, resulting in wealth creation and profitability (Classen, Gils, Bammens, Yannick & Carree 2012:191). Turnover numbers will therefore help indicate the rate of human activity in the firm in wealth creation efforts. Financial or other tangible rewards that are made possible by the firm’s financial performance are examples of extrinsic entrepreneurial outcomes (Kuratko, *et al.*, 2005 :707-708). Demographic data often points to and determines the firm’s performance and as such, EI as determined by both

external and internal independent variables is directly related to the financial performance of the firm given by the dependent variables: growth rate, profitability, percent earnings from export, and foreign direct investments (Gowrishankar 2008:98).

4.9.5 Innovation and new technologies

Oftentimes, when firms are faced with challenging operating environments, they are spurred into innovative mindsets as corporate entrepreneurs seek to enhance entrepreneurship by being “Schumpeterian” as much as possible and staying ahead of rivals and competition by introducing new processes, methods, products and ventures that will underpin their activities and set them apart as unique brands of corporate entrepreneurs. As discussed earlier, and re-stated for emphasis, innovation is key to entrepreneurship and growth of economic entities (Audretsch 2012:45) and as such according to Hornsby *et al* (1999), behavioural criteria such as number of ideas suggested, number of ideas implemented, amount of time spent working on new ideas and the amount of time spent outside of normal channels to pursue an idea (*Kuratko, et al., 2005 :708-709*) become commonplace in the field of entrepreneurship.

4.10 Conclusion

This chapter sought to argue that entrepreneurship can be measured to gauge its intensification levels at any given point. It went about justifying and postulating this argument by eliciting the scholarly support for this stance from arguments advanced in the diverse literature produced by researchers in the field. Performance as an entrepreneurial construct was put into perspective while contentious issues and challenges around the subject were examined and brought to the fore.

The chapter also revisited the influences of EO on the substance of EI given their invariably symbiotic relationship. External and internal influences were also discussed as they crucially facilitate the very relevant EO for intensified entrepreneurial performance. The essence of entrepreneurial leadership in facilitating and catalysing EI

remains fundamental and has therefore pervaded this chapter as it is found in pragmatic entrepreneurial situations.

Innovativeness, proactiveness and risk taking were projected as critical measurable variables. These are firmly embedded in the entrepreneurial outcomes and consequences that indicate performance. Such outcomes can in some instances be categorised as the financial performance, market performance, innovation and product improvement and behavioural criteria. Other scholars have suggested the categories of “Financial ratio analysis” and “Stakeholder perspective’ to categorise the outcomes. The net effects of the argument therefore are that entrepreneurship can indeed be measured and that EI is one certain method of expressing entrepreneurial performance measurements as asserted in contemporary literature.

Consequently, a few models were advanced to explain entrepreneurial outcomes. These were the Valance Model of the Expectancy Theory and the Causal Model as the research attempted to link entrepreneurial intentions and motivations thereof to entrepreneurial outcomes and consequences. Six measuring instruments were explored and discussed. These included the Entrepreneurial Audit (EA), the Entrepreneurial Performance Index (EPI), the ENTRESALE, Carland’s Entrepreneurial Index, the Corporate Entrepreneurship Health Audit (CEHA), and the Intrapreneurial Intensity Index (III). The researcher also decided to borrow and contextualise the capabilities of the Balanced Scorecard to measure EI in the organisation, especially for its strength in the dimensions of financial, customer focus, internal processes and innovation and learning aspects.

However, of all these instruments, the Corporate Entrepreneurship Health Audit was deemed sufficiently equipped to deal with this type of research and was prominently used to detail the nature and extent of EI in the insurance industry in Zimbabwe, which was damaged by the extraordinary hyperinflation. The instrument was the most preferred one for its use of sub data extraction techniques and their ability to determine

various key factors, all discussed above. The next Chapter will discuss research methodology pertaining to how data for this study was gathered and treated.

CHAPTER 5

RESEARCH METHODOLOGY

'The mere formulation of a problem is far more often essential than its solution, which may be merely a matter of mathematical or experimental skill. To raise new questions, new possibilities, to regard old problems from a new angle requires creative imagination and marks real advances in science'

(Renowned Physicist and Nobel Laureate, Albert Einstein (1879 - 1955))

5.1 Introduction

Entrepreneurial intensity is supposed to represent the ultimate focus and commitment, exhibited by enterprise leaders, to the achievement and realisation of the strategic intent and entrepreneurial mandate of their organisations. In pursuit of this assertion, a question arises: how did the insurance companies, which survived that unprecedented hyperinflation environment in Zimbabwe, manage to do so? An array of further questions stems therefrom: could entrepreneurial intensity have been the much sought after panacea for surviving the hyperinflation among insurance companies in Zimbabwe? Supposing intensified entrepreneurship was one of the few strategies to mitigate the vagaries imposed by a hostile hyperinflationary environment, what could have been the nature of such entrepreneurial efforts? What form did the entrepreneurship take and with what frequency, degree and consequences?

The research sought to be guided by the management questions broadly alluded to in the preceding paragraph, which precipitated this research in the first instance. The relevant literature has been thoroughly dissected in pursuit of answers to the questions posed. Case studies emanating from other geo-political and economic locations across the globe were investigated to better comprehend the challenges posed by the hyperinflation to the insurance companies in Zimbabwe. Empirical research was necessary in the search for pragmatic answers to the research questions. The research objectives also helped guide the research focus, acting as the much needed radar in the navigation of this discourse, while the hypotheses were the centre holding this research together.

Broadly, this chapter deals with the research design and methodology meant to elicit data that would adequately address the research questions advanced in this study. The formulated hypotheses were tested using relevant research designs. The research methodology chapter itself is constituted of the design strategy, the sampling strategy, data collection and data collection instruments, data analysis and data presentation. Each of the chosen designs, research strategies and instruments for carrying out the research is adequately justified for relevance, appropriateness and adequacy.

5.2 Research Problem

In the words of Albert Einstein (1879 - 1955) as in the epigraph, the mere formulation of a problem is far more often essential than its solution, which may be merely a matter of mathematical or experimental skill. To raise new questions, new possibilities, to regard old problems from a new angle, requires creative imagination and marks real advances in science. This statement echoes the challenges confronting the discipline of entrepreneurship related research activities.

As discussed in the preceding chapters, whilst many insurance companies could have enjoyed varying degrees of success in achieving strategic corporate objectives and success, some of them have encountered detrimental outcomes for which they never planned.

Therefore, the management problem advanced in this study was:

1. Whether entrepreneurial intensity fostered and stimulated enterprise growth in the insurance industry in Zimbabwe for those companies that sought entrepreneurial interventions to respond to the challenges posed by hyperinflation.

This problem was then further dissected to give the following sub-problem:

2. The lack of entrepreneurial intensity led to the stunted performance of many insurance companies at the height of the hyperinflationary environment in Zimbabwe because leaders who were less entrepreneurial were not able to

encourage corporate teams to respond entrepreneurially to the hostile economic conditions then prevailing as brought about by the hyperinflation.

5.3 Research Questions

The following research secondary questions discussed in Chapter 1 are re-stated;

Broadly;

Did entrepreneurial intensity mitigate the hyperinflation challenges in the insurance industry in Zimbabwe? And did it subsequently influence a desired business growth-trajectory?

1. With what frequency was entrepreneurship practiced in the insurance industry in Zimbabwe?
2. To what degree was entrepreneurship present in the insurance industry in Zimbabwe?
3. What were the relevant entrepreneurial orientation factors and antecedents in driving entrepreneurial intensity and ensuring survival in the challenging business operating environments?
4. What entrepreneurial strategies can be relied upon and should be recommended to enhance enterprise competitiveness and sustainability for the insurance market?

5.4 Research Objectives

The research questions mentioned in Chapter 1 are re-stated:

5.4.1 Primary objectives

As identified in Chapter 1, the main objective is restated thus: To fully grasp the entrepreneurial dynamics and intensity in the context of companies in the insurance industry in the face of challenging economic and business environments.

5.4.2 Secondary objectives

1. To explore the form of entrepreneurial intensity in insurance companies in Zimbabwe in the hyperinflation that prevailed in Zimbabwe.
2. To explore the degree of entrepreneurial intensity in insurance companies in Zimbabwe in the hyperinflation that prevailed in Zimbabwe.
3. To explore the frequency of entrepreneurial intensity in insurance companies in Zimbabwe in the hyperinflation that obtained in Zimbabwe.
4. To discover whether entrepreneurship and in particular, entrepreneurial intensity, was the solution needed to drive the companies to survive and even grow.
5. To suggest favourable entrepreneurial endeavours that could be undertaken to enhance competitiveness and sustainability in the ever-sensitive insurance industry market.

5.5 Hypotheses

The researcher deliberately chose to adopt hypotheses rather than propositions. A proposition is defined as a statement about concepts that may be judged as true or false if it refers to observable phenomena (Blumberg, Cooper & Schindler, 2008:39; Cooper & Schindler, 2008:50). Whilst propositions would have been appropriate for this study as they are simply statements articulating relationships among concepts and asserting connections between events (Zikmund, 2003:43) in Groenewald (2010:151),

instead, hypotheses were considered more appropriate for the study in view of their deemed strength to guide its direction.

Hypotheses are therefore defined as declarative statements, of a tentative and conjectural nature, meaning that a proposition that is formulated for empirical testing becomes a hypothesis (Blumberg *et al* 2008: 39). It also follows that with hypotheses, variables are assigned to cases. In essence, a hypothesis is an expectation that can be empirically tested (Babbie, 2008:45). It distinguishes relevant facts from irrelevant ones, proffers the most suitable research design and provides an agenda to enable fluid inferences and conclusions.

This study therefore formulated hypotheses to enable empirical testing instead of utilising simple statements on concepts determined as either true or false, based on observable phenomena in the form of propositions. These stated hypotheses were also deemed adequate for the research purpose and were testable (Blumberg *et al* 2008:43) and better than propositions.

5.5.1 Types of hypotheses

There are two main types of hypotheses: the descriptive and the relational types. A descriptive hypothesis encourages researchers to crystallise their thinking about the likely relationship to be found, and or the implications of a supported or rejected finding, and are useful for testing statistical significance (Blumberg *et al* 2008: 41). It follows therefore that many research questions are easily convertible to descriptive hypotheses. Therefore, according to Blumberg *et al*, such hypotheses are in fact propositions that state the existence, size, form or distribution of some variable.

However, this research has preferred relational hypotheses. Relational variables endeavour to describe a relationship that exists between two variables in a particular case (Blumberg *et al* 2008:42); for example: “Zimbabwe’s policy ambiguities are perceived to dissuade foreign direct investment in this country”. Explaining the relational

hypotheses further are the correlational hypotheses which merely state that the variables occur together in some specified manner without implying that the one causes the other, and the explanatory hypotheses, also called the causal hypotheses, which imply that the existence of one variable influences the other (Cooper & Schindler, 2008:51).

The hypotheses advanced in this study are typically relational owing to their ability to define inter-variable relationships. Precisely speaking, they are in the main the explanatory type of relational hypotheses as they explain the statuses and certain sets of activities, attributing these to the effects of certain variables.

5.5.2 Hypotheses for the study

The following hypotheses were therefore founded on the articulated assertions:

Hypothesis No.	Research Hypothesis
1	The insurance firms that survived the hyperinflationary environment exhibited entrepreneurial intensity to mitigate the vagaries thereof.
2	Lack of entrepreneurial intensity stifles growth and reduces competitiveness of insurance firms and leads to their ultimate demise when faced with hyperinflation induced hostile environments
3	Entrepreneurial leadership support was low in some insurance companies that succumbed to hyperinflation
4	Entrepreneurial leadership orientation was high in insurance companies that survived the hyperinflation
5	The degree of entrepreneurship was high in the companies that survived the hyperinflation
6	The frequency of entrepreneurship was high in the insurance companies that survived the hyperinflation and low in the insurance companies that succumbed to the same
6.1	Frequency of risk was high in the companies that survived the hyperinflation.

6.2	Frequency of innovation was high in the companies that survived the hyperinflation
6.3	Frequency of distribution channels was high in the companies that survived the hyperinflation.
7	Some entrepreneurial strategies taken ended with good consequences for some insurance companies
7.1	Creativity had good consequences to some insurance companies
7.2	Product innovation had good consequences to some insurance companies
7.3	Service innovation had good consequences to some insurance companies
7.4	Process innovation had good consequences to some insurance companies
7.5	Diffusion of product and services had good consequences to some insurance companies
7.6	Committing to exploiting opportunities regardless of consequences had good consequences to some insurance companies
7.7	Monitoring industry trends and future needs for decision making had good consequences to some insurance companies
7.8	Starting new ventures as a way to sustainability had good consequences to some insurance companies
7.9	Diversification into non-core/activities had good consequences to some insurance companies
7.10	The extent to which it was compelling to launch new products had good consequences to some insurance companies
8	Some entrepreneurial strategies taken ended with detrimental outcomes to some insurance companies
9	Insurance companies that took risks had much better chances of growing than those that were risk averse
10	Insurance companies that were proactive had much better chances of surviving the inflation than companies that were not
11	Insurance companies that were aggressively competitive had better chances of surviving the hyperinflation
12	Insurance companies that were innovative and creative had better chances of surviving the hyperinflation
13	Insurance companies that introduced new lines of products and services had

	better chances of surviving the hyperinflation
14	Insurance companies that introduced new distribution channels had better chances of surviving the hyperinflation
15	Insurance companies that sought and exploited new opportunities had better chances of surviving the hyperinflation
16	Insurance companies that encouraged entrepreneurial thinking had better chances of growth
17	Insurance companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for growth and profitability
17.1	Insurance companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for growth
17.2	Insurance companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for profitability
18	Insurance companies that encouraged the acquisition of entrepreneurial skills had better chances of building a focused and committed team of entrepreneurs that guided the organisation through the hyperinflation
19	Insurance companies that deviated into non-core business activities had better chances of surviving than those that stuck to the core business of insurance
20	The degree of entrepreneurial manifestation was high in the companies that survived the hyperinflation
21	Insurance companies that exhibited a more entrepreneurial manifestations had better chances of coming up with growth strategies
22	Attention to positive human factor antecedents (entrepreneurial behaviours) is crucial to surviving the hyperinflation

5.5.3 Testing the hypothesis: causal relationships

Causation means to produce or force (something to happen). It is nevertheless difficult to demonstrate causality with certainty; hence the researcher has taken the liberty to

infer to infer empirical conclusions. When a causal analysis is being undertaken, attention should therefore be paid to how one variable affects or influences changes in another (Blumberg *et al* 2008:211). When a choice of a hypothesis over a proposition has been made, it is inevitable that the hypothesis be tested: especially since this is a formal research constituted of descriptive and causal exploration, it follows that the hypotheses will be interrogated.

Blumberg *et al* (2008:28) say that to be able to test a hypothesis, one must be able to deduce, from it, other facts that can be investigated in typical classical research. It is often difficult to ascertain with accuracy that one variable has definitely caused a change in another: it is essential to gather evidence which furnishes confidence and increases the chance that this variable does have the potential to have influenced the behaviour of another. Causal hypotheses in particular should be tested to determine which of the null or alternative hypotheses is correct, given that the level of significance determines the probability level that would be considered too low to warrant support for the null hypothesis. Many of the proposed hypotheses in this study evidence the causal characteristic and therefore deserve to be thoroughly tested. Given that no statement can be made with accuracy and certainty, it is likely that errors, which researchers have called Type I and Type II errors, exist. In testing hypothesis evidence, co-variation between variables should be explored, also the time order of events as well as evidence that no other potential explanation exists for possible causes of that variable (Blumberg *et al* 2008:213). Hypothesis testing therefore involves no more than outlining a possible answer to a given question, specifying what the results of an analysis should look like if that answer was correct, and then comparing the actual results with the expected ones (Slingerland & Collard 2012:20). Various testing techniques were therefore used, prominent ones being ANOVA, binomial, chi square and T-tests.

5.6 Research Methodology

There are two philosophies underlying research, data collection, data collection techniques, data analysis and interpretation and that which influences the whole

spectrum of research. Saunders (2000.84) suggests that research philosophy depends on the way that one thinks about the development of knowledge because the way we do so inevitably affects, albeit unwittingly, the way we go about doing research. The two dominant philosophies are positivism and phenomenology. As mentioned in Chapter 1, this study follows an interpretivist-positivist paradigm, however with a strong bias towards the positivist, given that in positivism, researchers attempt to avoid influencing the collection of data by not being instruments themselves, but by using experiments and observation techniques. This is in order to make the research as scientifically rigorous and as objective as possible. Data is analysed independent of the researcher's feelings or idiosyncrasies. There is generalisation by studying just part of the whole, believing that there are general laws or similarities that hold across all individuals in this study. The analysis, as aforesaid, is numerical and is predominantly undertaken using statistics – graphs, charts, pie charts, tables and figures. Table 5.1 presents a comparison of positivism and phenomenology

Table 5.1: Simplified comparison of the Positivist and Phenomenological Paradigms

Features of the Positivist and Phenomenological paradigms	
Positivist Paradigm	Phenomenological paradigm
Produces quantitative data	Produces qualitative data
Uses large samples	Uses small samples
Involves hypothesis testing	Involves generation of theories
Data is specific and precise	Data is rich and subjective
The location is artificial	The location is natural
Reliability is high	Reliability is low
Validity is low	Validity is high
Generalises from sample population	Generalises from one setting to another

Source: Collis and Hussey (2003: 55)

Table 5.1, above, summarises the differentiating features between these research paradigms.

5.6.1 Research design

Blumberg, Cooper and Schindler (2008:195; Cooper & Schindler 2008:81) define research design as a blueprint that expresses both the structure of the research problem and the plan of investigation to obtain empirical evidence. Maree (2012:70) adds that a research design is a plan or strategy, which moves from the underlying philosophical assumptions to specifying the selection of respondents, the data gathering techniques to be used and the data analysis to be carried out. As Kombo and Tromp (2009:70) indicate, a research design can be viewed as the structure of research.

Other scholars define research design as making decisions regarding that particular or specific topic to be examined (Stokes, 2011:112). Further, Nakkiran, Nazer and Girmay (2011:181) explain that a research design is a logical and systematic plan prepared for directing a research study. It specifies the objectives of the study, the methodology and techniques to be adopted for achieving the objectives. It is the glue that holds all of the elements in a research project together. In that regard it can best be conceptualised as a structure within which the research is conducted. Yet other scholars discuss research design in the same breath as research strategy.

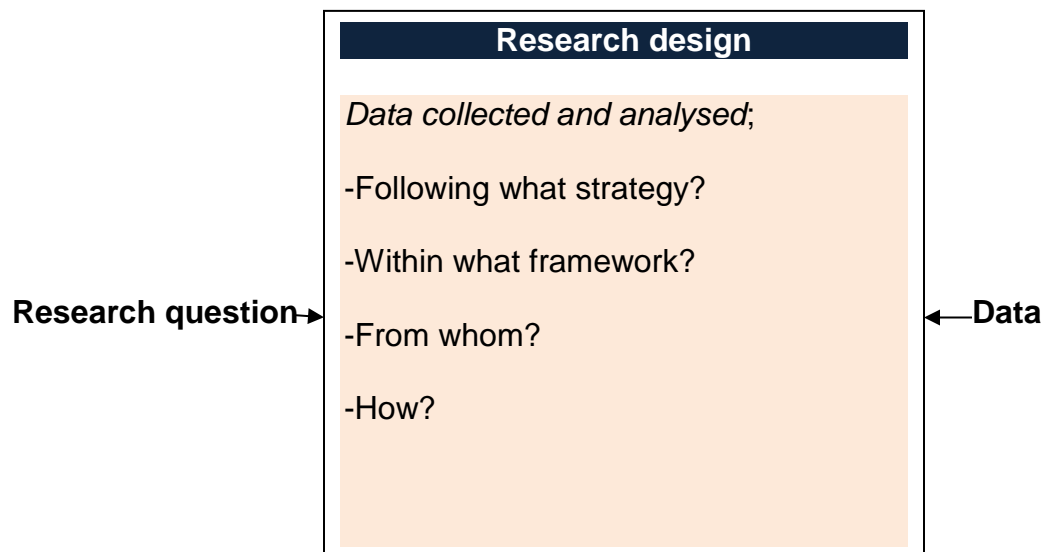
Hakim (2010:65) defines the research strategy as the general plan of how the researcher will go about answering the research questions that have been set. He further argues that the needs, interests and preferences of the researcher are typically overlooked but are central to the field work. An appropriate research strategy augments the overall research design – making it relevant and solid. Robson (2009:45) lists three traditional research strategies as:

- Experimental
- Case study
- Surveys.

The case study and the surveys are discussed in depth relevant to this research under **5.5.2.3 “Topical scope”**.

According to Galletta (2013:11) the strength of the research design depends on the clarity of the research question and the extent to which the variables of interest are articulated; to get there, the researcher has to steep herself in the literature on the topic of interest. Bryman (2008:35) states that there are many types of research designs that are used in different researches. These types of research designs include descriptive design, experimental design, correlation design, case study design and cross cultural design. Table 5.2 lists the components of a research design.

Table 5.2: A Simplified Research Design



In summation, research design simply connects research questions to data (Punch, 2004.63)

Research design can therefore be viewed in terms of three dimensions. The first is the general level, which takes account of issues of planning and execution of research. This stretches from problem identification to the level of reporting (Miller, 1991). The second level is the specific dimension where the design of the study implies how the researcher eradicates and excludes alternative interpretations of results (Punch, 2004). The third level is the general idea level of research design, which allows the researcher into the empirical world where research questions and data are interlinked (Denzin & Lincoln, 1994). However, for the purpose of this study, the researcher focused on the third dimension: the general level, for its capacity to accommodate both the quantitative and a bit of the qualitative approaches to research where necessary. As stated, the research design contextually allows the researcher to position himself in the empirical world as well as connecting the research question to data.

5.6.1.1 Purpose of study

The purpose of this research was to explore and explain the nature of entrepreneurial intensity in the insurance industry in Zimbabwe during the most economically difficult of times in this country: the hyperinflationary environment. The study sought to bring to the fore how the companies that survived leveraged on intensified entrepreneurial performance. This being an explanatory-formal study, influenced by Ireland *et al* (1996)'s Entrepreneurial Health Audit Instrument, descriptive statistics were deemed sufficient to explain and provide evidence that indeed entrepreneurial intensity did play a role in encouraging a survival mode for the insurance players in Zimbabwe against the backdrop of an unprecedented economic crisis. Descriptive statistics inform to what extent, and elucidate how, corporate entrepreneurs were able to rely on entrepreneurial strategies to surmount the challenges posed by the turbulence in the economic environment at that time.

5.6.1.2 Time dimension

A cross-sectional, sequential descripto-explanatory survey research design was used in carrying out the research. The cross-sectional study enabled the researcher to undertake a snapshot study at a point in time. As mentioned, this study focused on what happened at a certain juncture, the hyperinflation that occurred at the beginning of 2000 and that

peaked in 2008 before slowing down to a halt just before 2010, with the introduction of the multicurrency regime dominated by the US dollar and the South African Rand. Of that whole decade of inflationary related challenges, the study has focused on 2007-2010, to explore the most difficult period in the decade. It was therefore necessary that the period being studied offered a snapshot of what happened in a given period of time, which may therefore be regarded as cross-sectional.

5.6.1.3 Topical scope

Topical scope refers to the depth or breath of the study as typified by the statistical, or the case, study respectively (Blumberg *et al* 2008:199; Schindler, 2008:147). The statistical study endeavours to bring about a spread in the study, making inferences about the population characteristics and behaviours and quantitatively testing the hypothesis. Generalisations are then made from what the samples would have reflected. Yet, the case study on the other hand, as in this case, places more emphasis on a full contextual analysis of fewer events or conditions and their interrelations (Blumberg *et al* 2008:200). The case study strategy was therefore chosen due to its descriptive ability to identify how insurance businesses survived the hyperinflation environment process. The case study approach was generalised to the rest of the population of 83 insurance companies in Zimbabwe.

5.6.2 Type of study

There are essentially four types of study a researcher can opt for: reporting, predictive, descriptive, and explanatory.

- (i) *Reporting* is that type of study which Blumberg *et al* (2008:10) regard as the most elementary level, which provides an account or summation of specific data or which generates some statistics. Usually, the assignment can be so simple and data are so readily available that the researcher must as a prerequisite be adept at utilising information sources.
- (ii) *Prediction* on the other hand is a study meant to provide an explanation after the event, which must be plausible, Blumberg (*ibid*) remarks that it is rooted more in theory than it is in explanation. Inferences are the hallmark of

- predictive study to enable specific action for the sponsors of the particular research whilst descriptive study involves the collection of data as well as the examination and analysis of research variables and how these interact with each other. Blumberg (ibid) points out that the
- (iii) *Descriptive* study tries to question “who, what, when, where and sometimes, how”. McMillan and Schumacher (2001) and Crowther *et al* (1994) in Maree (2012:155) outlined that this type of study is used to explain the status of phenomena, as per the said hyperinflation, to trace change and to draw comparisons.
- (iv) *Explanatory* study which is of interest to this thesis. There is a close link between explanatory, predictive and descriptive studies (Wittek, Snijders & Nee, 2013:26). However, the explanatory study goes beyond both predictive and descriptive ones in that it seeks to explain the “why” and the “how” questions (Blumberg *et al*, 2008), which should be answered. In the broadest sense, explanatory research can be conceived of as an attempt to explain the variability of the phenomena of interest (the dependent variables) by attributing it to its presumed causes (the independent variables) (Pedhazur & Schmelkin, 1991:212). Processes are supposed to bring about certain results; these should be explained through various models as the researcher tests the hypotheses.

As aforesaid, this research was a descripto-explanatory study, which sought not merely to explore and describe but also to give reasons for a certain phenomenon. As such, this research attempted to explore, describe and to explain the:

- Hyperinflation scourge
- The nature of entrepreneurial intensity in the insurance industry
- The degree of entrepreneurial intensity in the insurance industry
- The entrepreneurial survival strategies of some insurance firms and the entrepreneurial activities and processes undertaken to surmount the situation.

5.6.3 Sampling design

According to Cooper and Schindler (2008:90) a sample examines the desired population. A sample design refers to a plan or procedure put together to enable and guide the process of data collection, resulting in arriving at a sample from a whole population. Also synonymous with sampling strategy, it is a central phase in designing research, in particular, the unit of analysis. Blumberg *et al* (2008:224) assert that the unit of analysis is significant in describing the level at which the research is taking place and the objects which are being studied, such as individuals. Since restrictions such as time and cost make it impossible to include the entire population in a research project, most researchers make use of sampling. Figure 5.1 shows the research process.

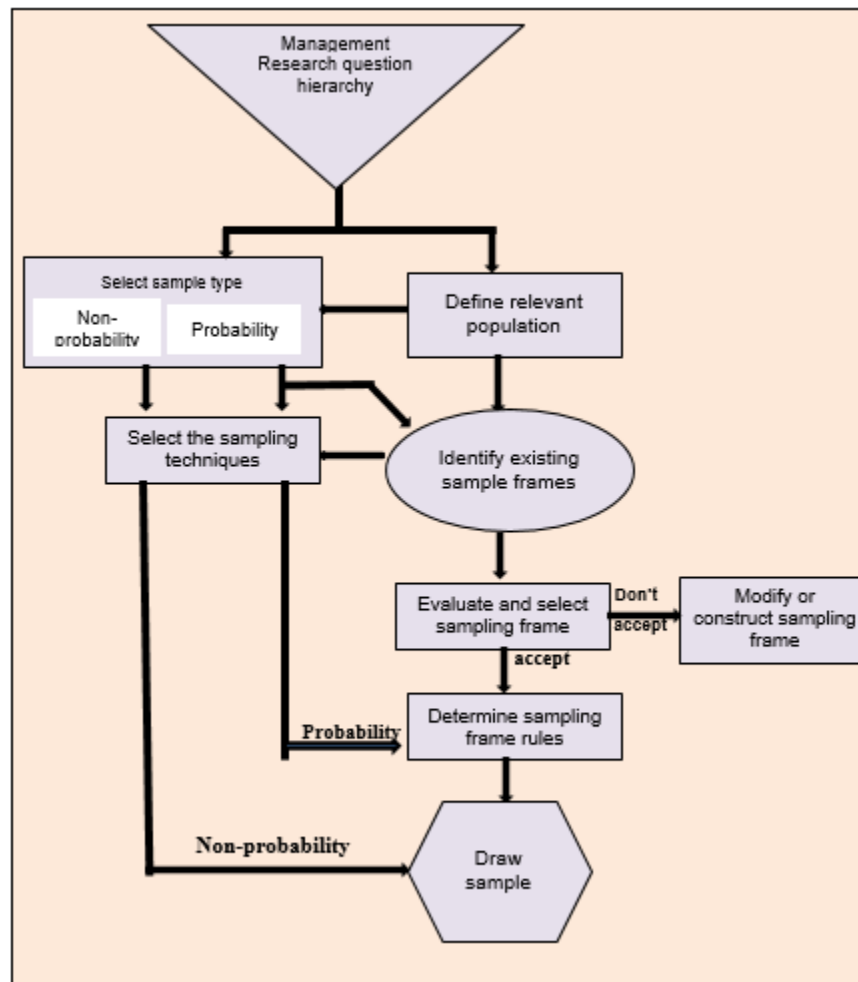


Figure 5.1: Sampling Design in the Research Process

Source: Blumberg (2008:234)

Figure 5.1 indicates the criticality of the management question in catalysing the research process. Without this question there is no research to do. A sampling frame must eventually be drawn from the defined population. The researcher must also choose the appropriate sampling technique for the study. According to Kombo *et al* (2009:77) sampling is the procedure a researcher uses to gather people or things to study. It enables the researcher to reduce the amount of data required by extracting information from a sub group that is representative of the population rather than all possible cases.

5.6.3.1 Population

As Best and Khan (1993; Tsikata & Golah 2010; Mutz 2011) indicate, the research population refers to any group of people or individuals who possess one or more characteristics that are of interest to the researcher. Cooper and Schindler (2009:29) argue that a population is a universe of objects whose attributes or parameters are to be investigated. Population is a collective term used to describe the total quantity of cases of the type, which are the subject of one's study (Cooper & Schindler 2008:179). It is a collection of all the elements regarding which the research makes inferences. Hence, a population can consist of objects, people, organisational entities or even events; consequently, a sample is a selected number of cases in a population. According to Kothari (2010:67) the population or universe can be finite or infinite. The population is said to be finite if it consists of a fixed number of elements so that it is possible to enumerate it in its totality. Further, he notes that the symbol "N" is generally used to indicate how many elements (or items) there are in the case of a finite population.

At the time of the study, Zimbabwe had 83 players in the insurance industry, as noted; in the table below, Table 5.3, they are grouped in the following categories:

Table 5.3: Number of insurance players by class

Life assurers	11
Short term insurers	23
Reinsurers	11
Funeral assurers	11
Brokers	27
Total	83

Source: IPEC (12 November 2013)

For this study, all insurance companies as they were represented by all their employees in the insurance industry, constituted the population. The case study of First Mutual Holdings is representative of the insurance industry in that it represents 5/83 players above, through its subsidiary companies plying their business in the health insurance, reinsurance, life and short term insurance. The target population therefore consists of employees and other stakeholders such as Board members of insurance businesses in Zimbabwe. Contextually, “the employee” must include all permanent employees including executive managers and directors in the insurance industry. It is this population that the researcher made inferences about, concerning entrepreneurial intensity, given that the Zimbabwean economy as a whole has not been researched, and neither has the insurance industry.

5.6.3.2 Parameters of interest

Population parameters of interest are summary descriptors of variables of interest in the population, such as incidence proportion, mean and variance (Blumberg *et al* 2008:237; Cooper & Schindler, 2008:186); these sources add that sample statistics become descriptors of relevant variables derived from sample data. Table 5.4 shows the relationship between parameter of interest and data type as well as applicable scales.

Table 5.4: Parameter of Interest and Possible Data Type

Parameter of Interest	Type of Data	Example Scale
Attendance at special event	Nominal	Participation in a promotion (yes, no)
Percentage of patrons who order their steak cooked rare	Ordinal	How meat is cooked (well done, medium, rare)
Mean temperature of ideal vacation destination	Interval	Temperature in degrees
Average number of store visits per month	Ratio	Actual number of store visits

Source: Blumberg *et al* (2008:238)

As depicted in the diagram above, when variables of interest in the study are measured on interval or ratio scales, a sample mean is used to estimate the population mean and sample standard deviation to estimate standard deviation. Likewise, variables of interest are measured on nominal or ordinal scales, sample proportion of incidence to estimate the population proportion and the pq to estimate the population variance (Blumberg *et al* 2008:238).

In the context of this study, the parameters of interest were:

- The selected employees and board members from various insurance companies in the insurance industry in Zimbabwe
- The employees must have been employed full time in the insurance business in Zimbabwe any time between 2007-2009
- The employees must have been full time management or technical/ specialist employees (in Patterson Grading Level C-E; or Broadband Levels 1-4 or equivalent) or must have been board members during the period under review.

5.6.3.3 Sampling frame

A sample frame is a list of elements from which the sample is drawn, a complete and correct list only of the population members (Zikmund, 2003:373; Blumberg *et al* 2008:238; Cooper & Schindler, 2008:186). An updated list of all employees by grade, subsidiary company, department and location as well as email addresses and office phone extensions, as provided by the Human Resources department, constitute the sample frame. It is from this list that the researcher used his prerogative to consciously choose the sample by certain grades and management strata.

5.6.3.4 Sample type

Sampling is usually divided into two categories probability and non-probability. For instance, Nakkiran *et al* (2011:207) mention that samples can be grouped in two broad categories: probability samples and non-probability ones. The research used the stratified random sampling technique to collect data using questionnaires while for the interview based data, a snowball sampling technique had been deemed sufficient. The choice of the stratified random sampling technique was based on the need to collect data from a sample that has characteristics and a composition that mirror the population, in order to avoid bias. Randomness would ensure that every element of the population has an equal chance of being selected for the sample, which enables generalisation of research findings, while proportional stratification ensures that the proportions of the different population sub-groups such as males and females will remain as they are in the population. Respondents' e-mail addresses were procured from official company emailing lists, ordered, categorised and numbered clearly.

Critical strata of respondents included Board members and top management as well as middle managers, shareholders, employees and customers to obtain a collective view of how they perceive entrepreneurship within their organisations. One can therefore correctly argue that there is an element of predetermination in the manner the population is chosen. The choice of the stratified random sampling is influenced by the fact that it is statistically efficient, provides enough data to analyse subgroups in the population and allows for utilisation of various research methods in different subgroups (Cooper & Schindler, 2008:390).

5.6.3.5 Sample size and sampling error

Bryman (2008:168) describes a sample as the segment of the population that is selected for investigation. According to Page and Meyer (2006:106) the effective sample size provides a more meaningful indication of the number of independent responses than the actual sample size. In addition, Nakkiran *et al* (2011:196) define a sample as items selected from the population. It should be truly representative of population characteristics without any bias so that it may result in valid and reliable conclusions. Leedy (2009:14) likewise emphasises that the sample must be representative of the entire population from which it was drawn because the results will be generalised to the entire population.

As the sample size increases, the sampling error decreases; as Bryman and Bell (2007:195) state, the larger the sample the better. Blumberg *et al* (2008:240) suggest that the size of the probability sample is influenced by the size of the population; therefore, the chosen size of a sample is a function of the variation of the population parameters under study and the estimating precision needed by the researcher. Fincham and Graugalis (2013:1) propose that the recommended minimum sample size for a study depends upon the desired confidence level (typically 95%) and how varied the population is with respect to the variable(s) of interest. In the context of this study, a sample of 300 employees in the insurance industry in Zimbabwe was deemed appropriate and eventually oversampled to 307. Therefore, the sample error was

deemed to be within acceptable limits for the purposes of this study, given that the sample drawn from the insurance businesses is largely homogeneous.

The researcher is mindful of sampling error. This reflects the degree of deviation expected when carrying out probability sampling (Babbie, 2008:217) as influenced by the parameters of interest, sample size and the standard error. Fincham and Graugalis (2013:1) suggest that, for instance, at a conventional 95% confidence level for a population of 100, a sample of 80 is needed to ensure a sampling error of no more than approximately 5%. Gallet, Cooper, Elena, and Lenormand (2012:175) insist that it is necessary to measure frequency variation with great precision, thereby minimising the sampling error.

Citing Coldwell and Herbst (2004:76), Groenewald (2010:160) submits that the sampling error is indicative of the level of precision of the statistical estimate, indicating that a low sampling error means that there is less variability or range in the sampling distribution. If the standard deviation is huge, so is the sampling error. In the context of this study, there was evidence of non-responses from those earmarked and contacted to participate, for various reasons, constituting a non-sampling error.

5.6.3.6 Sampling techniques

In arriving at samples, the researcher made use of probability techniques with the selection of sample elements conclusively subjective, rather than left to chance, giving the survey a unique strength by allowing it to make statistical inferences back to the universe selected to study in accordance with Aldrich and McGraw (2012:5). Sampling techniques enable researchers to identify study samples from which generalisable knowledge may be obtained (Rosenfeld & Penrod 2011:474). Consequently, it is important to aim to select whichever type of sample would yield the greatest margin of value over cost.

The research made use of the probability sampling design. Such a design employs numerous techniques, as presented in Table 5.2 above, whose advantages and disadvantages are organised in Table 5.5 below.

Table 5.5: Description of Probability Sampling Techniques

Type	Description	Advantages	Disadvantages
Simple Random	Each population element has an equal chance of being selected into the sample. Sample drawn using random number table/ generator	Easy to implement with automatic dialling (random digit dialling) and with computerised voice response systems	Requires a listing of population elements. Takes more time to implement. Uses larger sample sizes. Produces larger errors. Expensive
Systematic	Selects an element of the population at a beginning with a random start and following the sampling fraction selects every k^{th} element	Simple to design Easier to use than the simple random. Easy to determine sampling distribution of mean or proportion. Less expensive than simple random	Periodicity within the population may skew the sample results. If the population list has a monotonic trend, a biased estimate will result based on the start point
Stratified	Divides population into sub populations or strata and uses simple random sampling on each stratum. Results may be weighted and combined	Researcher controls sample size in strata. Increased statistical efficiency. Provides data to represent and analyse sub groups. Enables use of different methods in strata	Increased error will result if sub groups are selected at different rates. Expensive, especially if strata of the population have to be created.
Cluster	Population is divided into internally homogenous subgroups. Some are randomly selected for further study	Provides an unbiased estimate of population parameters if properly done. Economically more efficient than simple random. Lowest cost per sample, especially with geographic clusters. Easy to perform without a population list	Often lower statistical efficiency (more error) due to sub groups being homogeneous rather than heterogeneous
Double (sequential or multiphase)	Process includes collecting data from a sample using a previously defined technique. Based on the information found, a subsample is selected for further study.	May reduce costs if first stage results in enough data to stratify or cluster the population	Increased costs if used indiscriminately

Source: Blumberg *et al* (2008:249)

The research made use of a stratified random sampling technique, which, according to Hoff (2013:60), is amenable to statistical testing and has the potential to reduce sampling error as well as being able to test for homogeneity. This is deliberately meant to take account of certain unique and personal characteristics of some sample members (Zikmund, 2003:213; Vakoch, 2011:187). These subgroups included players from the life assurance, short term insurance, reinsurance business, funeral assurance and broker firms drawn from the potential total population.

5.7 Data Collection

Data collected may stem either from primary or secondary sources. Primary data is collected for a particular purpose to answer a specific question or investigate a particular phenomenon (Schmidt, 2002: 96). In this study, the primary sources of data are the questionnaire responses and interview transcripts. Secondary sources of data are reflected in the literature segment of this research, which was largely influenced by what other scholars have advanced on academic platforms by means of textbooks, journals, conference papers and the internet (Cooper & Schindler, 2008:282) as well as other emerging scholarly works, especially those that discuss entrepreneurship, entrepreneurial intensity and related concepts. Secondary data gathered was supposed to have been derived from multi data sources, such as personal interviews with top leadership of the companies and other prominent stakeholders within relevant organisations such as founding entrepreneurs of such ventures where possible, venture managers and internal documents as well as official statistics (Blumberg *et al* 2008:328). As mentioned earlier, due to unforeseen challenges, interviews were dropped as a data collecting instruments due to insufficiency of the respondents for such a method as many opted for the questionnaire than be interviewed, whilst some in top leadership had left.

New data was mined through a self-administered questionnaire distributed to the bulk of respondents who are largely employees in First Mutual Holdings Limited and the

broader insurance industry of Zimbabwe. Respondents could choose to be known or remain anonymous.

5.7.1 Data collection instruments for primary data

Various measurement tools such as the Entrepreneurial Performance Index (Morris 1998) and Kuratko's Corporate Entrepreneurial Assessment Instrument (CEAI) (Kuratko, Montagno, Hornsby & Jeffreys 1990) as well as Ireland's (1998) Entrepreneurial Health Audit Instrument, informed the structure of the questionnaire, with the Likert scale questions featuring prominently. The questions sought to address every hypothesis advanced by eliciting the views of the respondents in respect of the behaviour of their organisation and its people during the hyperinflationary period, thereby collecting data on the degree and frequency of entrepreneurship, for the researcher to conveniently determine the nature and extent of entrepreneurial intensity in the organisations as referred to in the research topic.

5.7.2 Data collection techniques in survey

5.7.2.1 Questionnaires – a quantitative technique

Questionnaire schedules are used to collect primary data. Such schedules measure attitudes, knowledge, perceptions, awareness, views and recommendations on firm entrepreneurship and are prominently utilised especially when soliciting information from corporate entrepreneurs or their employees. A questionnaire is described as a technique used to collect data, but whose complex design (Ambrose & Anstey, 2010:83) allows respondents to respond to questions asked by the researcher on a sheet of paper. According to de Vaus (1991), the set of questions usually follows a predetermined order. A questionnaire offers many advantages including providing anonymity by allowing respondents to respond in strict confidence. It also allows for uniformity by being inflexible in all situations to all respondents (McArdle 2011), whilst Masuku (1999:54) says of the questionnaire: it is "... is by far the most common way researchers use to gather their information".

The questionnaire is therefore probably the most frequently utilised and effective tool that relates well to sampling procedures and the requirements of reliability and validity (Martin, 2012; Nhan, 2010). Questionnaire statements are therefore structured in such a way as to lead respondents to assess and agree or disagree with the statements. Although both the question and the statement can be used to structure a questionnaire, the researcher has to be careful when choosing one or the other to minimise what du Plooy (1995:132) terms "...different instructions ... that precede each statement" that may be confusing.

The reason why this researcher (and indeed most other researchers elsewhere) preferred to make use of questionnaires as a data collecting tool was basically that questionnaires reach a wider population than any other data collection tool. It was easier to contact the respondents, sparsely spread around the country, especially as many of these instruments were electronically sent through email based platforms. Further, the time taken to code the analysis was greatly shortened, particularly as the questions were closed and specific.

The instrument was pre-tested on First Mutual Holdings Limited's FMRE (Property and Casualty) a reinsurance firm, to measure for defects, ambiguity and other areas of difficulty; adjustments were effected accordingly to curtail its shortcomings as identified in the pre-testing phase, until the tool was fully perfected. To make the questionnaire effective, the researcher carried out a pilot study with a sample group to see if the officials could comprehend the questions and if the latter had the same meaning for the different officials. At least 20 respondents participated in the pre-testing of the questionnaire research instrument.

An introductory letter was electronically sent to the prospective respondents introducing the research and inviting them to participate in the survey on a voluntary basis. Attached was the questionnaire. As intimated, the respondents were drawn from the insurance employee population of Zimbabwe. Three hundred electronic or internet mediated questionnaires were used in order to collect data from such a large population in a fast

and economical manner. Below is a table of the FMHL related companies that participated in the research.

Table 5.6: Questionnaires focused on FMHL Insurance related companies

<p>Life Insurance</p> <ul style="list-style-type: none"> • First Mutual Life Assurance Company 	<p>Short Term Insurance</p> <ul style="list-style-type: none"> • TristarInsurance
<p>Reinsurance</p> <ul style="list-style-type: none"> • FMRE (Property & Casualty) • FMRE (Life & Health) 	<p>Actuary</p> <ul style="list-style-type: none"> • African Actuarial Company

5.7.3 Measurement Approaches

In order for the questionnaires to be valid and adequately elicit relevant information, the researcher should appropriately develop a measurement scale for the survey. The challenge is to develop measurement scales that would assess entrepreneurial intensity in the selected insurance companies.

Cooper and Schindler (2008:221) point out that measurement involves the assigning of numbers to empirical events in accordance with certain rules as set out. These rules determine the type of measurement scales that will result. In the context of this study, these scales that were developed attempted to cover all variables such as behaviours, attitudes and perceptions as well other “indicants of the properties of objects” (Coopers & Schindler, 2008:281; Mutz, 2011). The rationale in this study is to achieve exactness, validity and reliability of data being gathered from respondent entrepreneurs, because

the lack of well-developed framework and measurement scales is recognised by a number of authors who stress the need for a more standardised methodology for evaluating events and their impacts; which would apply comprehensive methods and more relevant measures (Danuta 2009:39).

According to Blumberg *et al* (2008:461) there are three types of measurement scales: (i) a rating scale, which is used when participants score an indicant without necessarily making some comparisons to other objects or attitude; (ii) ranking scales which contain the study limited to partisan to making comparisons among two or more indicants or objects and (iii) categorisation, which asks participants to put themselves or indicants into groups or categories. All these types featured in the questionnaire developed for this research.

The hierarchy of scale types is the order of nominal, ordinal, interval and ratio, which can be distinguished normally by the amount of information they contain for comparing cases (Goertz & Mahoney 2012.146). Table 5.6 discusses types of scale data relevant to quantitative researches as this.

Table 5.7: Measurement Scale Data Types

Scale Data Type	Description
Nominal	This type of data is mutually exclusive and can be classified into two or more groups. If the listing of the group is numbered it represents nothing more than a position. Neither order nor distance can be studied. It has no arithmetic origin. It is the weakest form of data.
Ordinal	This type of data includes characteristics of nominal data, which mean it can be classified and ordered. The fact that it can be ordered means it can indicate a “less than” or “greater than” relationship between variables. Whilst for instance a person can be classified and ordered as happy, happier, happiest, the distance between these variables is not necessarily the same nor equal.
Interval	The data can be classified, ordered and the distances between the variables are equal e.g. the distance between 6am and 12 pm is the same as that between 12 pm and 6 pm. This data does not have an arithmetic origin. Temperatures for instance can be positive or negative.
Ratio	Ratio data is the strongest form of data. Such data can be classified and ordered, the distance between the variables is equal and it has a zero origin. With this type of data actual amounts are given e.g. age. Life starts at 0 at birth. All statistical measures as well as multiplication and division can be used.

Harmon, *et al* (2009)

The Likert type scale is deemed the most dependable summated rating scale (Harmon, Bucy, Nickbarg, Rao, Wirtenberg, Wirtenberg, Russell, and Lipsky (2009); James, 2018:83) and should give credence to measurement questions in the questionnaires used to procure data. In the study, Section A elicited data that is largely nominal. With the exception of question 5 (nominal), due to the dichotomous nature of male and female, and question 6 (ratio) denoting age, the rest of Section B elicits ordinal data through 5 point Likert type scale questions. Section C measured entrepreneurial thinking, critical for arriving at the entrepreneurial intensity of any organisation producing

ordinal data. Section D sought to elicit entrepreneurial outcomes through a three point Likert scale to produce ordinal data. However, question 21 used a five value Likert scale to produce the same data.

Section D explored the nature and degree of entrepreneurship by employing a 5 value Likert scale. The respondents' attitudes and intensity of feelings were captured in the scale design through a Likert questionnaire item, where the respondents were asked to specify their level of agreement or disagreement on a symmetric agree-disagree scale for a series of statements, so as to produce ordinal data. Section F's questions focused on entrepreneurial challenges, to trace the nature and extent as well as degree of entrepreneurship. Section I's questions used the ordinal scale to explore the frequency of entrepreneurship through entrepreneurial outcomes, whilst Section J produced ratio data as respondents' rate variables from zero.

5.7.3.1 Content validity

Content validity is the extent to which a measuring instrument provides coverage of the topic under study and is determined by consulting subject experts who judge the effectiveness of the instrument used (Madan, Paliwal & Bhardwaj, 2011). The research created categories of questions derived from the research questions, dealing with each one of these and also covering all the aspects of the conceptual framework. This approach ensured that the subject under study was adequately addressed by the questionnaire (Silverman, 2011).

5.7.3.2 Internal validity

This measures whether the questions to be asked can explain the outcome of the research. The research would look for relationships between independent variables and the dependent variable (Madan, Paliwal & Bhardwa, 2011). The relationship between the level of measurement and the appropriateness of data analysis is important: for example, if ANOVA (analysis of variance) is one mode of data analysis, the independent variable must be measured on a nominal scale with two or more levels (yes, no, not sure), and the dependent variable must be measured on an interval/ratio scale (strongly agree to strongly disagree). The researcher seeks to measure the ability of the questionnaire

designed to predict a number of entrepreneurial performance outcomes or to estimate the existence of some current entrepreneurial behaviours, leading to a conclusion as regards the presence of entrepreneurial intensity.

5.7.3.3 External validity

External validity is the extent to which the results can be generalised to the target population the survey sample is representing. The stratified random sampling technique used ensures that the population has an equal chance of being included in the sample, which is the first criterion for validity. The questions to be asked will be free from bias, which will also aid external validity. Pilot testing of the research instruments improves the construct validity as the questions will be fine-tuned to reflect the field conditions (Madan, Paliwal & Bhardwaj, 2011).

5.7.3.4 Face validity

Face validity is a measure of how representative a research project is at face value and whether it appears to be a good project. To achieve face validity, the researcher had to answer the following questions about the questionnaire design: Is the questionnaire measuring what it intended to measure? Does it represent the content? Is it appropriate for the sample/population? Is the questionnaire comprehensive enough to collect all the information needed to address the purpose and goals of the study? Does the instrument look like a questionnaire? The researcher was required to seek out subject experts and ask them to comment if the research was good and representative enough (Madan, Paliwal & Bhardwaj, 2011).

5.7.3.5 Test of reliability

The questionnaire was tested for reliability to assess whether repeated measurements produced consistent results. The researcher sought to improve its reliability by standardising the conditions under which the measurement took place and carefully designing directions or instructions of measurement with no variations from group to group. Pilot testing and Cronbach's alpha (α) for the research instrument was used. Based on SPSS results, the Cronbach's alpha coefficients for the instrument were determined at 0.7 and above for the data collected to be deemed reliable. Cronbach's

alpha was also used to test the internal consistency. Cronbach's alpha generally increases as the inter-correlations among test items increase (Laerd statistics, 2012; Bryman & Bell, 2007:164).

5.8 Data Analysis

Sequential timing of collection and analysis of quantitative data followed by collection and analysis of qualitative data was adopted. Descriptive and inferential statistics were the forms of data analysis preferred for this study, complemented by text analytics.

The study used the explanatory mixed methods design in which quantitative data is collected and analysed, while qualitative data is subsequently collected and analysed as a follow-through on the results from the quantitative enquiry. In few instances, qualitative data collected by open ended questions, (which were essentially questions structured within the questionnaire) was used to explain and give meaning to the quantitative data collected in the first phase of the enquiry by way of questionnaires. Creswell and Plano Clark (2011:206) proposed that, "...exploring the data means examining the data with an eye to developing broad trends and the shape of the distribution or reading through the data, making memos, and developing a preliminary understanding of the database".

Quantitative data mined is therefore coded and analysed through the manipulation of the SPSS computer programme: when data collected was to be edited, coded and entered, to ensure accuracy and conversion from raw data to classified forms of data ready for analysis by converting it to numerical information (Cooper and Schindler, 2008:436) where possible. Similarly, qualitative data analysis techniques were deployed; these involved editing (examining the collected raw data to detect errors and omissions and to correct these when possible), classification (arranging data in groups based on common characteristics) and coding (assigning numerals or symbols to responses so that they can be put into a limited number of categories or classes) of field notes, memos, journals and minutes from interviews. A codebook was developed to categorise the notes into general themes for analysis (Creswell & Plano Clark, 2011). The research used thematic analysis which entailed the identification of concepts in the text, as opposed to content analysis which relies upon identifying specific words in the

scripts. Thematic analysis enabled the research to search for groups of words as they relate to a specific meaning or concept; this approach helped to overcome the main shortcoming of content analysis in that the meaning of a particular concept or word could be expressed in a number of different ways or words.

The study eventually determines whether the results of the quantitative and qualitative data analyses provide answers to the research questions. Frequency distribution will analyse how often certain variables are repeated or undertaken. Data from this study took the form of data presented as frequency distribution tables, graphs and pie charts. Frequency distribution was also relevant concerning the number of times an event occurred, especially in determining the frequency of entrepreneurship in a context.

5.8.1 Data analysis techniques

5.8.1.1 Descriptive statistics

As evidenced in Chapter 6, descriptive statistics are at the core of descriptive data analysis. They summarise the characteristics of a sample (Vaus 2002:328). Simply put, such statistics seek to answer descriptive questions (Morgan, Leech, Gloeckner, Barrett, Clay, Jensen & Quick, 2004:177). The quantitative data stemming from by the use of questionnaires requires the assessment of data using descriptive analysis measures such as: measures of central tendency (which measure the point about which items have a tendency to cluster such as the mean, median and mode), measures of dispersion (which measure the scatter of the values of items of a variable in the series around the true value of average and include measures such as the range, mean deviation and standard deviation), measures of asymmetry (which measure the skewness or show the manner in which the items are clustered around the average), and inferential statistical measures such as measures of relationship (which measure the relation of two or more variables in the data to one another). For this purpose, a statistical package, SPSS (Statistical Program for Social Sciences), is used to undertake the data analytics (Creswell & Plano Clark, 2011).

5.8.1.2 Inferential statistics

Inferential statistics are used to generalise to the population from which the sample is drawn (Vaus, 2002:358). Such statistics follow an exploratory data analysis and seek to answer questions and hypothesis phrased to explore the cause and effect (Morgan *et al* 2004:177). Bogartz (1994:48) adds that the whole study of inferential statistics, then, is often viewed as an inquiry into answering questions about true values by applying methods of estimation and hypothesis testing to values combining truth and error.

Traditional inferential statistics usually require quite large numbers of participants if there is to be a good chance of detecting a significant difference between groups (Green and Latchford, 2012:10). The 307 participants for this study were therefore deemed a large enough number to warrant detection of significant difference and avoid varying results, should there be a similar research or repetition thereof. The study therefore used inferential statistics to evaluate data drawn from the sample of the population; the estimated probability could consequently be calculated.

According to Rosenfeld and Penrod (2011:98), when reporting the inferential statistics, it is important to provide the value and the direction of the summary statistic (such as t , r , F , X^2 , etc.), the degrees of freedom associated with that statistic, a measure of error (such as the mean square error for ANOVA), and the exact p -value to provide a level of significance. This study takes its cue from details contained in the subsequent chapter.

5.9 Conclusion

The chapter explored research methodology applicable to this study. The research techniques chosen were deemed adequate to procure the relevant data, so as to test the hypotheses set out. The research also employed the case study as an appropriate research method for testing the hypotheses in pursuit of the overall research objectives and research mandate. Ireland *et al*'s (2006) entrepreneurial health instrument informed the structure of the questionnaire designed to elicit data from respondents.

The research also described descriptive statistics as well as inferential statistics, two critical statistical techniques relevant to analysing data for this study. These techniques were complemented by tests such as the factor analysis and item scaling analysis to enable the testing of the hypotheses. Chapter 6 discusses results of the study as obtained by the afore-discussed instruments, statistical techniques and tests.

CHAPTER 6

EMPIRICAL FINDINGS: ANALYSIS, INTERPRETATIONS AND DISCUSSIONS

'Uncertainty about what constitutes truth underlies the pursuit of knowledge and logically entails critical scrutiny of the means by which some representations of reality and not others become established as true' (Ludden, 1993)

6.1 Introduction

This chapter seeks to interpret the findings from this study acquired from the abundant data mined by the questionnaires. The discussion is also directed by the research questions and objectives set out repeatedly in the previous chapters. Ultimately, the hypotheses are attended to as well, to accept or to reject them on the basis of the findings.

The rationale for entrepreneurial intensity in the organisations has been thoroughly justified by the literature and various scholarly arguments propounded in the preceding chapters, in particular, Chapters 1- 4. Chapter 5 dealt predominantly with the research methodology relevant to this research. Critical to this was the development of a questionnaire determined to adequately elicit certain responses that would be used to assess the nature and extent of the intervention of entrepreneurial intensity in turning the fortunes of the firm for the better. The questionnaire, while independently constructed, was strongly influenced and informed by the renowned Ireland *et al* (2006)'s Corporate Health Audit instrument and complemented by the Corporate Entrepreneurship Assessment instrument in both structure and focus relating to the state of entrepreneurial intensity, but contextualised to the Zimbabwe economic environment.

To the best of this author's knowledge there has been no previous utilisation of these instruments in measuring and assessing entrepreneurial intensity in the Zimbabwean context, and specifically not in the insurance business in that country.

6.2 Data analysis

Table 6.1 Data analysis plan

Data Collected through Questionnaires		
Data Classification and Coding		
Data input into SPSS		
<p>Reliability and Validity</p> <p>(Pilot testing & Cronbach's alpha (α) for the research instrument was used) Based on SPSS results, the Cronbach's alpha coefficient for the instrument was 0.825 exceeding 0.6 required for basic research. Therefore, the data collection tool was deemed reliable.</p>	<p>Hypothesis Testing</p> <p>(statistical approach) To test the proposed research hypotheses, T-tests, binomial tests, Chi-square, ANOVA, Tukey HSD post hoc tests, Mann-Whitney U tests were employed to determine the relationship between the dependent variables and the independent variables.</p>	<p>Qualitative Analysis of Open Ended Questions</p> <p>Data was dissected into various constituent parts and connections made between the concepts providing the basis for new descriptions. A content analysis approach was used which involves making inferences about data by systematically and objectively identifying special characteristics within them (Boeije, 2002).</p>
<p>Descriptive Analysis</p> <p>Was based on descriptive statistics generated from SPSS mainly using frequency tables</p>		
<p>Validating/ Rejecting Stated Hypotheses</p> <p>In order to generate answers to the stated hypotheses, both the statistical and descriptive analysis approaches were used</p>		
<p>Conclusion and Recommendations</p> <p>Were informed by research outcomes and literature review (Chapter 2, 3 and 4)</p>		

There were a few open ended questions where the data processing consisted of coding, data entry and data cleaning. The rationale for the process was the collation of the data into a manageable form and then being able to construct a narrative around it. The data obtained from the research was therefore analysed through the use of data displays which include:

a) Tabulation

This deals with presentation of data in tabular form). Tabulation condenses a large mass of data and brings out the distinct data pattern in a manageable form enabling comparisons to be easily made among classes of data and takes up less space than data presented in narrative form (Cooper & Schindler, 2003).

b) Diagrammatic Presentation

For more effective presentation and analysis, data can be diagrammatically presented. Graphs and charts provide a quick visual impression of any patterns or trends in results and are used to help summarise these (Cooper & Schindler, 2003). Bar graphs were used to depict challenges and barriers raised and their related frequency at a glance.

6.2.1 Descriptive Analysis

Respondents are demographically profiled to project an understanding and appreciation of the broader differentials in the participants and their equally varied responses in the same circumstances by means of descriptive statistics. Emerging data has tended to be largely non-parametric as no probability distribution assumptions are made to warrant parametric tests; therefore, descriptive statistics and inferential statistics were applied in this study. Consequently, ANOVA, Binomial tests, T-tests, Tukey HSD post hoc and Chi-square were deemed adequate and relevant to report on any significant differences in responses.

As mentioned above, descriptive statistics are relevant in summarising the characteristics of a sample (Vaus 2002:328) and give a fair appreciation of the prevailing situation. In this instance, the demographic information regarding the respondents is therefore presented through the said descriptive statistics. This entails frequencies, percentages, means, tables, charts and graphs covering various aspects and make-up of the respondents such as gender, location, employer, age, qualifications, current employment grade/ level, and work experience. Table 6.1 in the following section provides a data analysis plan.

6.2.2 Qualitative analysis

Qualitative data analysis is deemed as a search for general statements about relationships among categories of data (Marshall & Rossman, 1990:75). Qualitative analysis is also described as the “the ways in which the researcher moves from a description of what is the case to an explanation of why what is the case is the case” (Hitchcock & Hughes, 1995:120). Qualitative data analysis was therefore used to analyse responses from open ended questions by selecting common constructs and building frequency tables which were then used to produce bar graphs in pursuit of establishing the relationships amongst the groups.

All the information gathered was analysed against the research questions and the appropriate inferences were made and hypotheses proposed. These findings are laid out in Chapter six, together with their detailed discussion.

6.2.3 Content analysis of data

Ordinarily, content analysis involves the manual or even the automated coding of transcript, documents, reports, newspaper articles, audio and video material making use of the basic assumption that through this technique common words and frequently occurring phrases reflect a common theme (Blumberg *et al* 2008:361). The research adopted the content analysis only to the extent of covering the frequently occurring words and phrases arising from the questionnaire responses, thus giving the technique an explorative and explanative robustness to complement its descriptive analysis potential. A total of seven questions were asked in the questionnaire specifically to give strength and impetus to the quantitative questions by allowing for brief qualitative responses to them. These themes are associated with a thread containing the essentials required for entrepreneurial intensity. Through open analysis, the general meanings of responses are distilled (Blumberg *et al* 2008: 362). Using NVivo, a qualitative analysis technique, the answers that recurred frequently and other closely related responses were manually coded and categorised to ensure consistency of the tool in making valid inferences.

In order to give impetus to the analysis of the hypotheses formulated and the complementary research questions, the few qualitative findings from the qualitative questions in the questionnaire were analysed and interpreted using content analysis which was relevant in exploring the few quantitative responses, which were largely from questions **V31, V32, V34, V36, V38, V39** and **V42**. These questions were designed as a way to get the respondents to buttress the preceding quantitative answers with descriptive responses.

6.2.4 Coding of data using NVivo Analysis Technique

The content was qualitatively identified and manually listed following the seven questions which were asked.

The following themes was identified:

(1) Opportunities Identified or Explored

In this theme, the focus was to determine the respondents' understanding of what opportunity seeking entails and how it became critical to depend on such an entrepreneurial facet when the situation became difficult in the economy. Respondents were asked to mention the opportunities identified or actually explored to enable the research to appreciate the extent of opportunity recognition, which would have been critical for a viable and sustainable entrepreneurial process.

(2) Major Risks Taken

V32 and **V33** elicited responses on major risks taken during the hyperinflationary period.

(3) Innovations

In this theme, the study analysed respondents' views regarding innovations that were introduced to the company as a response to the harsh conditions that would have required creativity and the Schumpeterian approach to running the business – new ways, new things, new markets.

(4) New Products

The focus of this theme was to establish if there were new products that were introduced and what these products were in order to appreciate the products that could have changed the competitiveness of the business and subsequently its entrepreneurial performance. New products that differ from the traditional offerings would best indicate the entrepreneurial mentality that was employed during the hyperinflationary battle for survival.

(5) Distribution Channels

Respondents were also asked to mention distribution channels that could have been introduced as a direct response to hyperinflation. The rationale is to understand the new distribution channels, establish whether any differ from the traditional ones and in the process enhance the entrepreneurial capacity of the business.

(6) New Markets

If respondents indicated that new markets had been created, the follow up question for them was to indicate the markets created. This was to give the researcher an idea of the kind of markets that changed the fortunes of the company against the challenges of hyperinflation.

(7) Non-Core Activities

This was an analysis of respondents' opinions on what they thought happened outside the core mandate of the company, whether morally or immorally, legally or illegally, which the business engaged in as it sought to mitigate the hyperinflation challenges.

6.3 Requisite Sampling Frame

The research, being a case study, was administered to employees of First Mutual Holdings Limited's subsidiary companies.

The questionnaires were intended for members of management, professional and technical (Patterson C-F band, or Broadband 1-5 or equivalent) employees who were working for such FMHL insurance companies during the period **2007 – 2010** when the country experienced hyperinflation or who had other stakeholder relationships with such companies. The prevarication with the two grading systems arose because at the time of administering the questionnaire, the case study companies were changing from the Broadband band grading system to the Patterson. To avoid confusion, the business was running the dual systems until such a time when it was deemed employees were sufficiently conversant with the newer system. Unless otherwise stated, responses are supposed to cover the indicated period in time.

In other words, the study deliberately intended to elicit responses from the management employees and technical or professional ones who were expected by nature of their respective roles to make diverse strategic and entrepreneurial decisions during the hyperinflation period. Initially, the intended target sample was 300.

It was however noted that due to employee attrition over the years preceding the study, the number of remaining employees in targeted grades was not sufficient to reach the required sample of 300. The researcher then made a deliberate decision to broaden the respondents' field to cover Level 6 employees of the Broadband to eventually reach the 307 participant mark.

6.4 Instrument Reliability and Validity

The question of whether the methods employed to gather data can still yield the same results at a different time and space is at the heart of reliability and validity (Wagner *et al* 2012:81), adding that reliability is about assuming the consistency of the measurement, the ability to measure the construct the same way over and over again in similar situations. On the other hand, validity presumes reliability. The question of whether the instrument really measures the concept it is intended to measure is the soul of validity. There should be evidence of a correlation with another existing instrument that measures a similar construct.

Therefore, to ensure reliability, the consistency of measurement internally and across time becomes critical. Consequently, the Cronbach's Alpha becomes an important measure of internal consistency (Bryman 2008:170). It turns out to be imperative in search of reliability to resort to calculating scale reliabilities with Cronbach's alpha and average inter-item correlations. Equally, a table with Cronbach's alpha, average item-total correlations and number of items in the scale, will ensue to determine reliability of the instrument. It is accepted that a Cronbach's alpha of 0.6 will reflect data reliability. In line with the research questions and hypotheses of this study, measurement scales were constructed to gauge entrepreneurial intensity as relevant in hyperinflation. Tables 6.1 below presents the reliability and validity of the scales.

6.4.1 SPSS output for Cronbach's Alpha

The internal consistency reliability of the entrepreneurial intensity scale was high as evidenced by the Cronbach's alpha of 0.834, which was realised.

Table 6.1: Reliability of Instrument

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.836	.874	99

6.4.2 Item – Total Statistics

The Item-Total Statistics table presents the “Cronbach's Alpha if Item Deleted” in the final column. It is noticeable that removal of any question with perhaps the exception of question “V27a”) would result in a lower Cronbach's alpha. Exclusion of question “V27a”) would lead to an increase in Cronbach's alpha from 0.836 up to 0.846 as shown on the Cronbach's alpha SPSS Output. Further, it can be observed that the “Corrected Item-

Total Correction” value was low (-0.075). This implies that keeping or removing the item in question could be inconsequential, hence maintaining the status quo.

Table 6.3 shows descriptions of categorical background.

6.5 Demographic Description

Table 6.2: Description of categorical data

Variable	Variable attributes	Frequency	Percent
Organisational position stratum during the period 2007-2010	Executive Management	19	6.2
	Senior Management	30	9.8
	Middle Management	66	21.5
	Technical	192	62.5
	Total	307	100.0
Current organisational position stratum	Executive Management	30	9.8
	Senior Management	52	16.9
	Middle Management	78	25.4
	Technical	147	47.9
	Total	307	100.0
Name of Company	First Mutual Life	140	45.6
	Tristar Insurance	61	19.9
	AAC	11	3.6
	First Mutual Holdings	65	21.2
	FMRe	30	9.8
	Total	307	100.0
Location	Harare	260	84.7
	Bulawayo	33	10.7
	Mutare	7	2.3
	Gweru	2	.7
	Botswana	4	1.3
	Kadoma	1	.3
	Total	307	100.0
Gender	Male	187	60.9
	Female	120	39.1
	Total	307	100.0
Highest academic and professional qualifications	Certificate	12	3.9
	Diploma	93	30.3
	University Degree	160	52.1
	Masters	42	13.7
	Total	307	100.0

Table 6.3 reflects that most of the respondents' positions at the time of completing the questionnaire, which occurred during 2014-2015, were technical/ specialist ones. At the time of the study, 10% of the respondents were in the executive strata, 17% in management, 25% were in middle management while the technical strata comprised 48%. Their current positions are deemed as ranked high enough to articulate the entrepreneurial behaviour of the organisation. It would appear that the management and executive positions have somewhat increased, suggesting an increase in either recruitments or promotions post hyperinflation as the companies prepared for a new economic dispensation.

6.5.1 Organisational positions of respondents (2007-2010)

As recorded in Table 6.3, question V4 sought to identify the roles held by respondents during the hyperinflationary period, when the chaos was at its peak in the insurance industry. The intention of the researcher was to understand if the respondents were well positioned to appreciate the intricacies of the chaotic hyperinflation, regardless of which organisation they worked for at that time. The results revealed that only 6% of the respondents were in the executive management compared to 10% post hyperinflation, whereas 10% were in senior management positions compared to 17% at the time of data collection. The middle management group increased to 25% from 21% during the hyperinflation, representing no significant change in the organisational strata when comparing the two periods i.e. hyperinflation and post hyperinflation. The technical strata reduced from 63% from 48% during the hyperinflation suggesting that most of the promotions were from the technical / professional strata. As alluded to in the determination of this sample, these respective hierarchical strata had different decision making responsibilities to influence the entrepreneurial behaviour of their various departments and, overall, the whole company during the hyperinflation period.

Table 6.3: Company and location

		Name of Company * Location Cross tabulation						Total
		Location						
		Harare	Bulawayo	Mutare	Gweru	Botswana	Kadoma	
Name of Company	First Mutual Life	114	23	1	1	0	1	140
	Tristar Insurance	44	10	6	1	0	0	61
	AAC	11	0	0	0	0	0	11
	First Mutual Holdings	65	0	0	0	0	0	65
	FMRe	26	0	0	0	4	0	30
Total		260	33	7	2	4	1	307

As recorded in both **Table 6.3** and **Table 6.4** above, employees from the five First Mutual Holdings Limited subsidiary companies, including the Head office, took part in this survey. First Mutual Life, by nature the biggest subsidiary commonly from which the Group company name First Mutual Holdings was derived when rebranded from Afre Corporation, logically had the highest number of respondents at 46%.

These results indicate that company participation varied significantly with at least one of the companies participating significantly more or less than others ($\chi_{\text{obt}}(4) = 158.26$, $p=0.00$).

Table 6.4 above shows the distribution of respondents by their respective workstations. Most of the employees are located in Harare, the capital city and also at the head office of the FMHL group and its subsidiaries. Furthermore, Harare being both the main political and economic city, has historically housed the head offices of many companies and therefore justifies the high numbers of respondents (85%) by virtue of its relatively higher economic activity, followed by Bulawayo as the second biggest city and industrial hub with 11% of respondents. This is consistent with the vibrancy in its branch network and business volumes, after Harare. In keeping with the city and economic activity ranking, Mutare, the third biggest city, had 2.3% of the respondents while Gaborone, Botswana, with predominantly FMRe staff, which is the only FMHL company domiciled outside Zimbabwe, provided 1.3% of the respondents. The other cities and towns

represent 2% of those eligible to respond as the economic activity there is very minimal, hence the small branches and equally small staff complement and respondents.

6.5.2 Gender

By using frequencies, the results in Table 6.3 indicate that there were significantly more male respondents than women at 61% and 39% respectively. From the binomial test, the observed significance level was small (.000). The statistics are also indicative of the higher number of men in managerial positions as well as related technical positions than women, not only in the case of FMHL, but industry wide; and indeed this can be generalised to the global workplace.

6.5.3 Academic and professional background

If the highest qualification is considered for the two choices elicited by the questionnaire, then the results reveal that 100% of the respondents were reasonably educated and trained, with 66% of them being degree holders. Table 6.5 lists their academic qualifications.

Table 6.4: Academic qualifications

Academic Frequencies				
		Responses		Percent of Cases
		N	Percent	
Academic and Professional Qualifications^a	Certificate	57	11.7%	18.6%
	Diploma	181	37.0%	59.0%
	University Degree	199	40.7%	64.8%
	Masters	42	8.6%	13.7%
	Other	10	2.0%	3.3%
Total		489	100.0%	159.3%

a. Dichotomy group tabulated at value 1.

However, since respondents were asked to list at least 2 qualifications, the results (**Table 6.5**) indicate that 65% hold at least a first degree, 14% hold at least a Master's degree. About 60% were holders of a diploma and 18.6% at least a certificate over and above a higher qualification. The respondents are therefore literate enough and well enough qualified to appreciate the challenges of any negative environment to the business and their functions. Nieman *et al* (2009:12) affirms that education plays a role in influencing entry into entrepreneurship. Figure 6.1 illustrates the composition of insurance businesses in the case study under review.

6.5.4 Insurance business during the period 2007- 2010

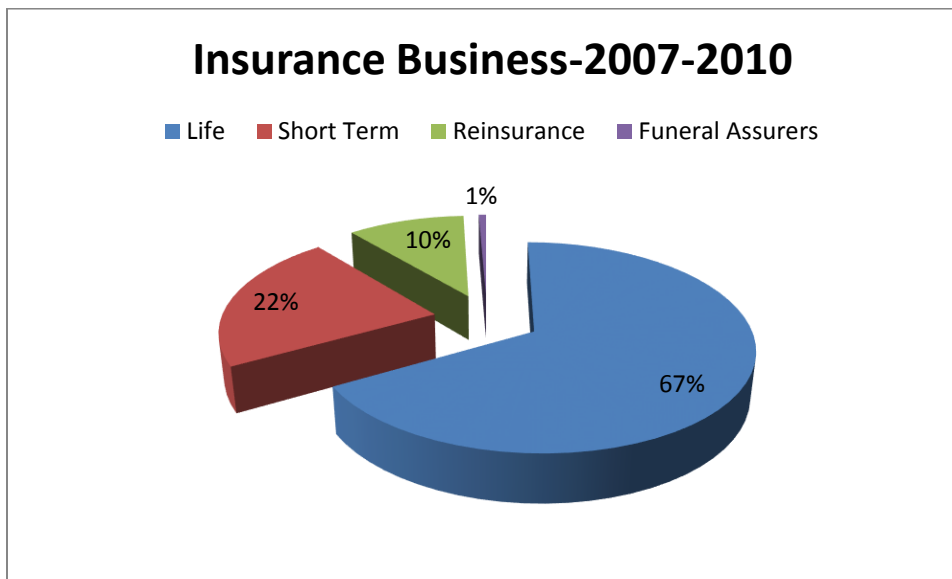


Figure 6.1: Insurance business 2007-2010

In terms of **Figure 6.1** more than sixty-seven percent of respondents were from the life business or hailing from a line function with close relations to the Life Company by virtue of their assignments and mandate as support service departments. This is true of many service department staff now with the Holding company for instance, but who prior to the formation of the Group were with First Mutual Life Assurance Company, which was then the sole entity. Either that or they were heavily involved in the life business for the better part of their career within or without First Mutual Group during the hyperinflationary period (2007-2010). About 22% indicated that they were

associated with the short term business during the hyperinflation and 10% with the reinsurance company. Only 1% were with funeral assurers, most likely before they joined FMHL, as the Group did not have funeral assurance as a standalone company at the time of the research.

6.5.5 Nature of the ownership structure of insurance companies

Figure 6.2 portrays the ownership structure of the insurance companies studies as perceived by the respondents than reality.

Statistics are mutually exclusive.

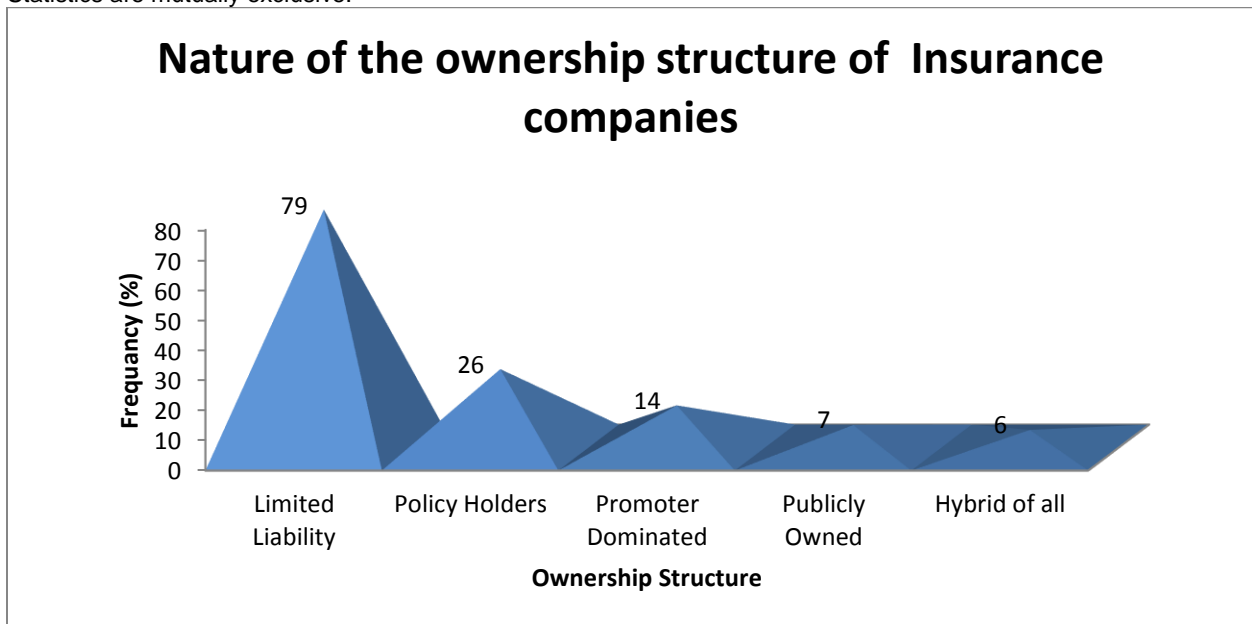


Figure 6.2: Nature of the ownership structure of Insurance companies

As shown in **Figure 6.2**, most responses (79.2%) or 243 responses indicated that the insurance companies they represented were limited liability by registration. This is probably true given that most of the subsidiaries are registered as subsidiary companies of their holding company. Whilst this is true of the life company, FML, it seems most of the respondents were not so sure of the ownership structure of their particular companies. This could be due to the intricacies of the company structure, which only the Executive Management might be privy to, or simply lack of interest on the part of the employees to establish the composition and state of the company for which they work.

Table 6.5 summarises participants as grouped according to the various committees they sat on.

Table 6.5: Organisational committees which participants sat on

Sitting Frequencies				
	Frequency	Percent	Valid Percent	Cumulative Percent
Board	3	1.0	1.0	1.0
Board & Exco	14	4.6	4.6	5.5
Exco	12	3.9	3.9	9.4
Exco & Manco	15	4.9	4.9	14.3
Valid				
Manco	42	13.7	13.7	70.0
Manco & Other	35	11.4	11.4	81.4
Other	186	60.6	60.6	100.0
Total	307	100.0	100.0	

Most decisions in the corporate world are taken by various relevant committees. In numerous companies in the financial services sector there are committees such as the Executive committee (Exco), the Management committee (Manco), the Investments committee, the Loans committee, the Strategy committee and in the case of Boards, there are sub committees such as the Risk and Audit committee, the Human Resources committee and as such, participants were asked to indicate the committees in which they sit; but no more than two committees each. **Table 6.6** shows cumulative responses with only 3% indicating that they sat on the Board.

Table 6.6 also reveals that most participants did not have the privilege of sitting on defined committees other than ad hoc committees, perhaps within their departments. Yet a significant number (42/307) sat in management committees (Manco), while 15/307 sat in both Executive management and Manco, and 12/307 sat in Exco alone, 14/307 sat in both Exco and the Board committees while merely 3/307 sat just in the Board committees. This gave the impression that a significant number were members of committees that were influential in managing the strategic direction of the business, including a decision to resort to entrepreneurial behaviours.

The aspect of years of experience is represented graphically by Figure 6.3 below;

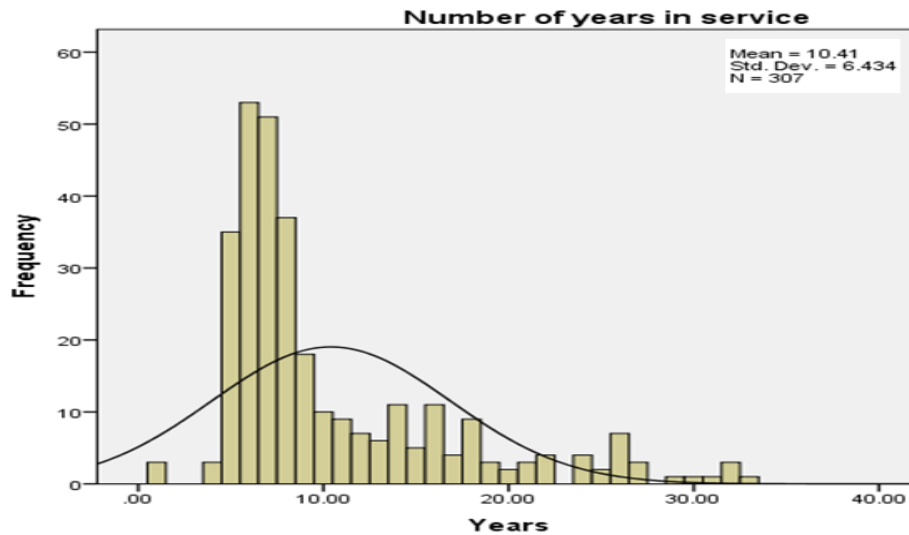


Figure 6.3: Years of experience

The average number of years of work experience was 10.41, with the skewness justified by a few outliers in the ranges of 20-40 years. Most of the respondents' work experience had been with the current employer and where this was not so, they at least had spent enough of their working life in the insurance industry to understand its rigours and challenges. This sits well with Nieman (2009:12)'s view that experience plays a vital role in influencing entrepreneurs.

6.5.6 Age

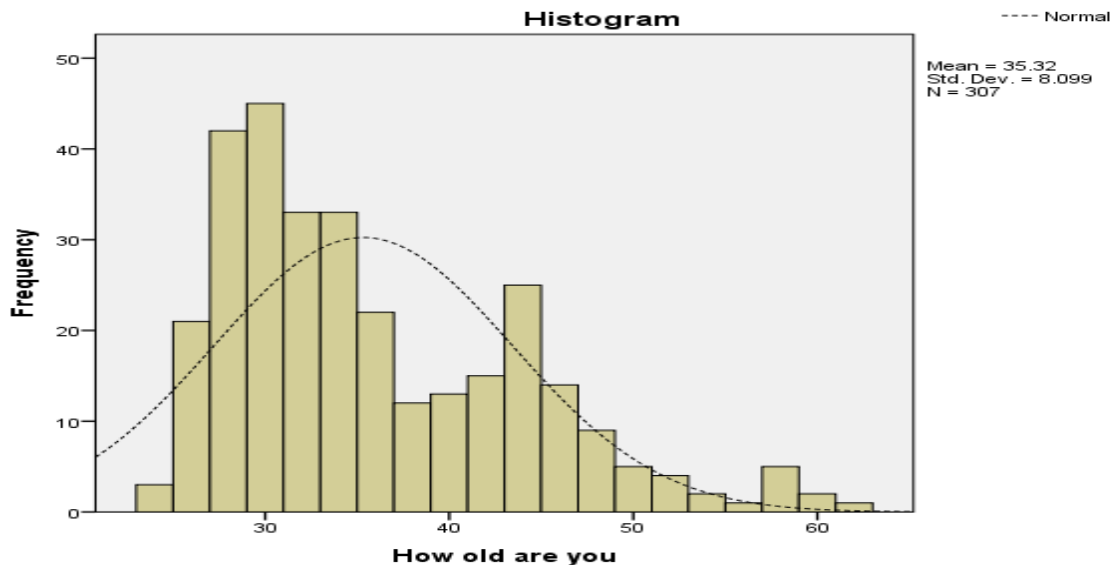


Figure 6.4: Age of respondents

The respondents were asked about their ages. From **Figure 6.4** above, it may be observed that the average age is 35 years, probably signifying that most employees were still young and could have been even younger when hyperinflation set in about 10 years earlier. In fact, a good number would have been just out of college and starting work and might not have experienced the full impact of the hyperinflation. However, the assumption does not take away the eligibility of this group to articulate hyperinflationary challenges in the insurance industry as many of them were already working and mature enough to comprehend the effects of the scourge and the resultant events in the companies for which they were then working. The results reflect adequate working experience and maturity of employees, with many of them possibly family people directly bearing the brunt of the hyperinflation.

6.5.7 Position titles

In the analysis, similar and related jobs were banded together as much as possible. From the **Figure 6.5** below, it may be observed that the specialist band made up the largest group of respondents. Most participants were from the accounting and related

fields, followed by underwriters. Managers were in various categories ranging from middle to senior management and then the Executive band.

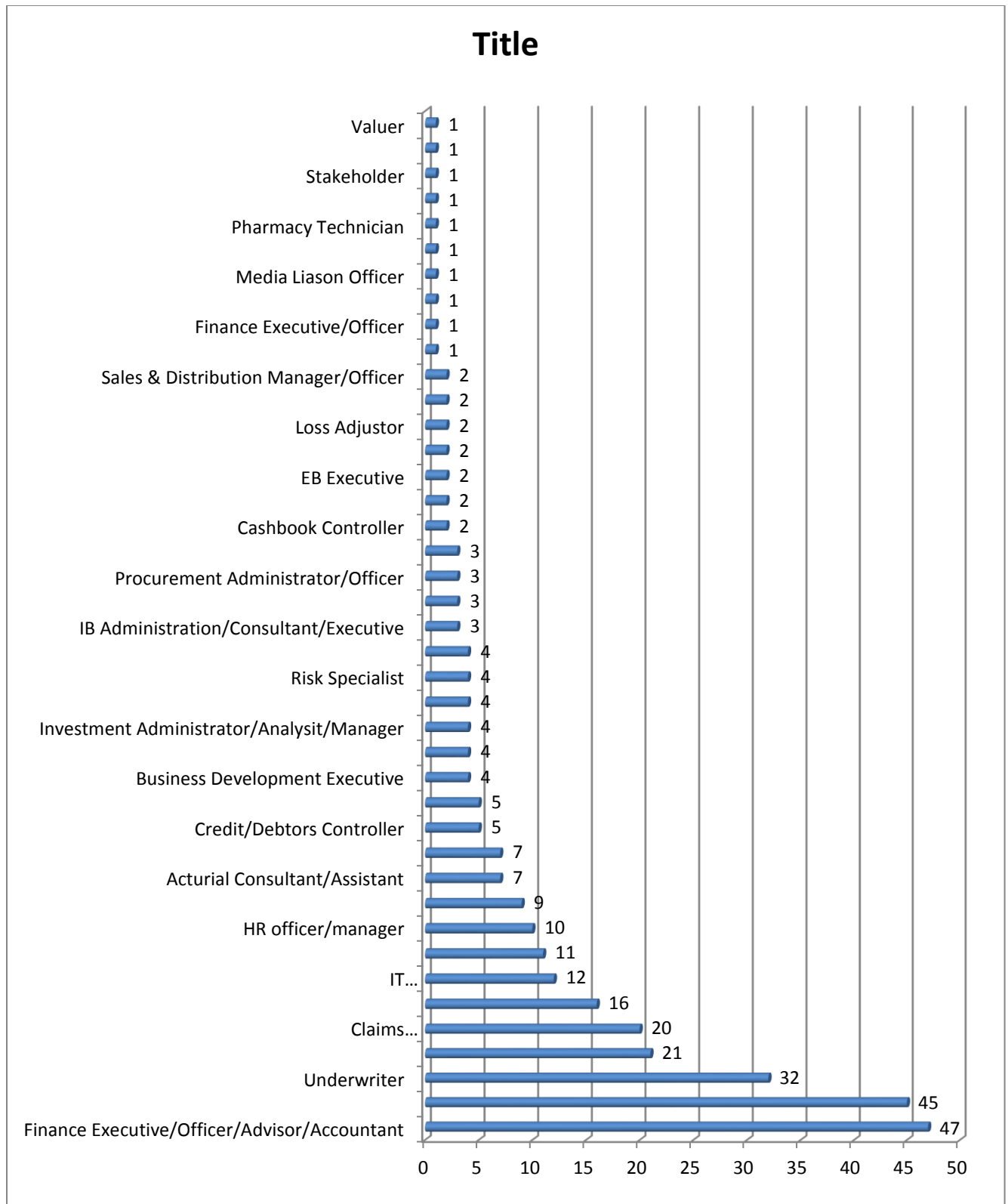


Figure 6.5: Position titles of respondents

6.6 Research Questions and Hypotheses

The data were analysed to respond to previously stated research questions and hypotheses. Therefore, the discussions carried out to arrive at an empirical decision about research questions and hypotheses were undertaken methodically and logically around key constructs that define the critical concept of entrepreneurial intensity and related concepts. The hypotheses have therefore evolved and been derived from the critical concepts of entrepreneurial thinking, entrepreneurial manifestation (orientation), leadership orientation, entrepreneurial intensity, entrepreneurial outcomes and the human factors.

6.7 Results on Entrepreneurial Thinking

Entrepreneurial thinking was assessed using six items (motivation to add value to the business; recognition of business opportunities; exhibition of innovation and creativity; mobilisation of resources to exploit business opportunities; strategic management of business units; prioritisation of growth of business and profitability) each with 5 sub-items (Board members; Exco members; Manco members; Technical employees; General employees) measured on a three-point scale (Yes=2; Unsure=1; No=0). As shown in Figure 6.11, each of the 6 items had a high Cronbach's Alpha (0.796). The figure also shows the inter-item correlations on the dimensions of Entrepreneurial thinking.

Table 6.6 below compares the reliability statistics for dimension of entrepreneurial thinking.

Table 6.6: Reliability statistics for entrepreneurial thinking

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items		N of Items			
.796	.796		6			
Inter-Item Correlation Matrix						
	Average Motivated to add value to the business	Average Score on Recognition of Business Opportunities	Average Score on exhibition of Innovation and Creativity	Average Score on Mobilisation	Average Score on Strategic Management	Average Score on Prioritization
Average Motivated to add value to the business	1.000	.559	.494	.383	.223	.282
Average Score on Recognition of Business Opportunities	.559	1.000	.715	.446	.445	.433
Average Score on exhibition of Innovation and Creativity	.494	.715	1.000	.481	.296	.378
Average Score on Mobilisation	.383	.446	.481	1.000	.224	.195
Average Score on Strategic Management	.223	.445	.296	.224	1.000	.352
Average Score on Prioritization	.282	.433	.378	.195	.352	1.000

The Cronbach's Alpha (0.796) revealed that there was a statistically significant agreement among the dimensions used to assess entrepreneurial thinking. The inter-item correlations also revealed that there were positive correlations among the items used. The least observed correlation (0.195) was between mobilisation of resources and prioritisation of growing the business and realising profitability. The highest correlation (0.715) was observed between recognition of business opportunities and exhibition of innovation and creativity. A Binomial test, ANOVA, and Tukey-HSD post hoc tests were used to assess hypotheses related to the construct of entrepreneurial thinking construct. Each dimension is presented in **Figure 6.6** below and extensively and intensively described further below the figure.

Assessment of Entrepreneurial Thinking

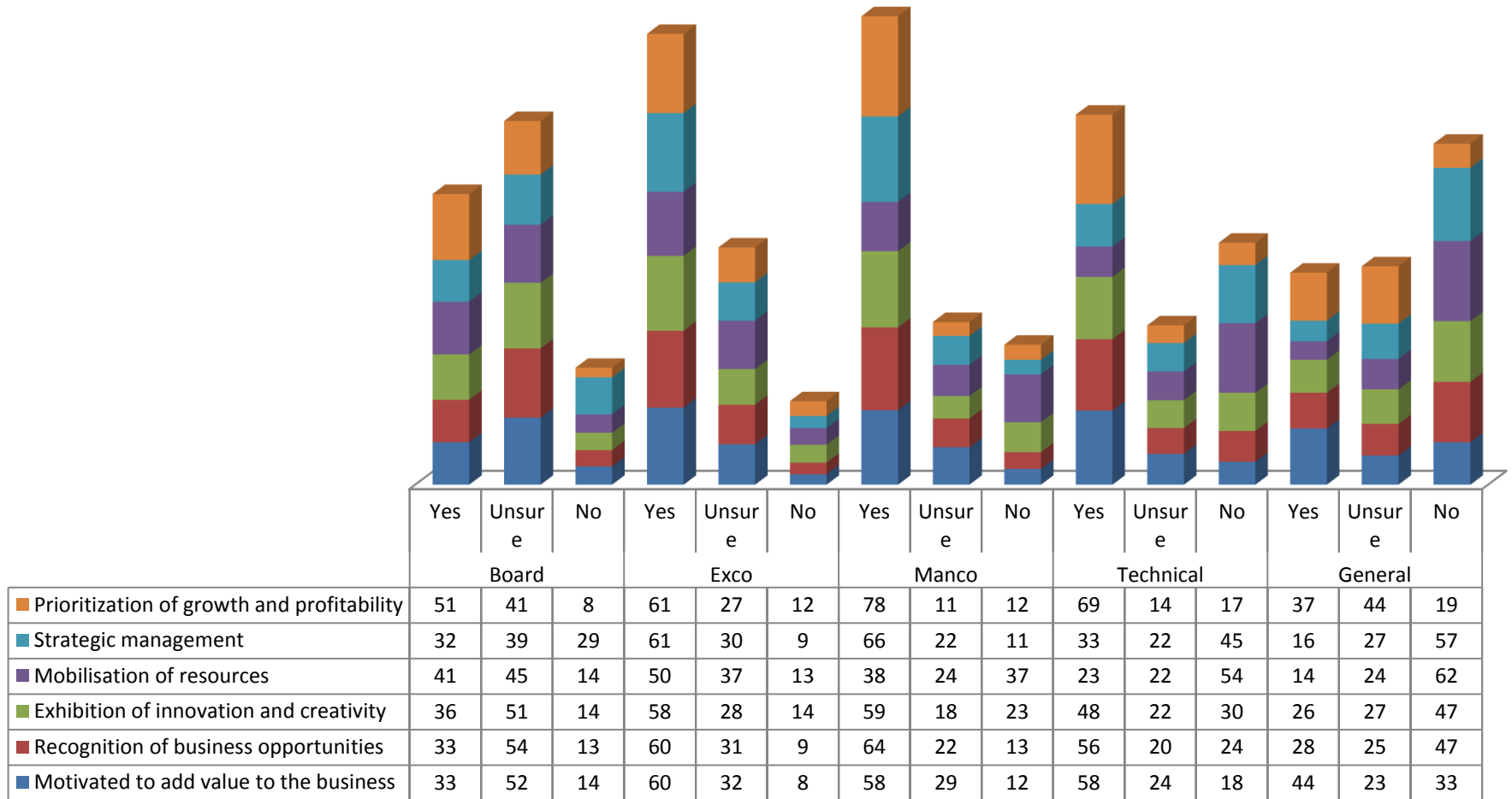


Figure 6.6: Assessment of entrepreneurial thinking

6.7.1 Motivated to add value to the business

Generally, as shown in **Figure 6.6** above, at a descriptive level, participants felt that there was motivation to add value to business, especially among the Exco (60%), Manco (58%) and Technical (58%) employees. Fewer participants were not very sure of this with respect to the Board (33%), probably because few understood how the Board works and rarely interacted with its members. The same would apply to general employees as well (44%) as this group rarely has a formal method of expressing its voice and ideas in many corporate set-ups. Overall, the inferential inquiry on the average score on motivation to add value to business revealed that those who agreed that there was such motivation were significantly more than those who said 'no' and were 'not sure' (Appendix F). From the binomial test carried out, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.000$). These results indicate that the likelihood of motivation to add value was very high. Although the overall average score indicated a significant inclination towards such a motivation, the scores for the board members and general employees were significantly inclined towards lack of certainty and refusal (no and unsure).

6.7.2 Recognition of business opportunities

At a descriptive level, participants felt that there is recognition of business opportunities, especially among the Exco (60%), Manco (64%) and Technical (56%) (**Figure 6.6**). However, only a few thought the same for the Board (33%) and general employees (28%). Overall, the inferential inquiry on the average score on recognition of business opportunities revealed that those who agreed that there was this recognition were significantly more numerous than those who said no and were not sure (See Appendix F). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.000$). These results indicate that the likelihood of recognition of business opportunities was very high. Although the overall average score indicated a significant inclination towards this, the scores for the board members and general employees were significantly inclined towards lack of certainty and refusal (no and unsure). There was also lack of statistical significance with regard to responses for the technical/professional employees.

6.7.3 Exhibition of innovation and creativity

At a descriptive level, participants felt that there is exhibition of innovation and creativity among the Exco (58%), Manco (59%) and technical (48%) employees (**Figure 6.6**). However, only a few thought the same about the Board (36%) and general employees (26%). There seemed to be some trend in which the Exco, Manco and technical staff are perceived as optimistic and supportive of entrepreneurial thinking in general. Overall, the inferential inquiry into the average score as regards exhibition of innovation and creativity revealed that those who agreed that such an exhibition was present were significantly more than those who said no and were not sure (See Appendix F). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.000$). These results indicate that the exhibition of innovation and creativity was very high and relevant to mitigating the effects of hyperinflation. Although the overall average score indicated a significant inclination towards exhibition of innovation and creativity, the score for the general employees was significantly inclined towards lack of certainty and refusal (no and unsure). There was also lack of statistical significance with regard to responses for the technical/professional employees.

6.7.4 Mobilisation of resources to exploit business opportunities

There is a strong recording of lack of mobilisation of resources to exploit business opportunities among the technical (54%) and general employees (62%) (**Figure 6.6**). Overall, the inferential inquiry into the average score on mobilisation of resources to exploit business opportunities revealed that those who agreed that there was mobilisation of resources to exploit business opportunities were not significantly more in number than those who said no and were not sure (See Appendix F). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is above the significance ($p = 0.052$). These results indicate that the likelihood of mobilisation of resources to exploit business opportunities was an ambivalent idea; there is a possibility of a half split between those who believe in it and the others who were not sure and denied it. Although the overall average score

indicated lack of significance, the rest of the categories (except the Exco) showed significant inclination towards such a lack as well as uncertainty regarding mobilisation of resources to exploit business opportunities. There was also lack of statistical significance with regard to responses for the Exco members ($p = 0.909$).

Consequently, the following hypothesis was postulated with regard to recognition and exploitation of new opportunities and **V30** was used to elicit relevant data;

Ho15: Insurance companies that sought and exploited new opportunities had better chances of surviving the hyperinflation

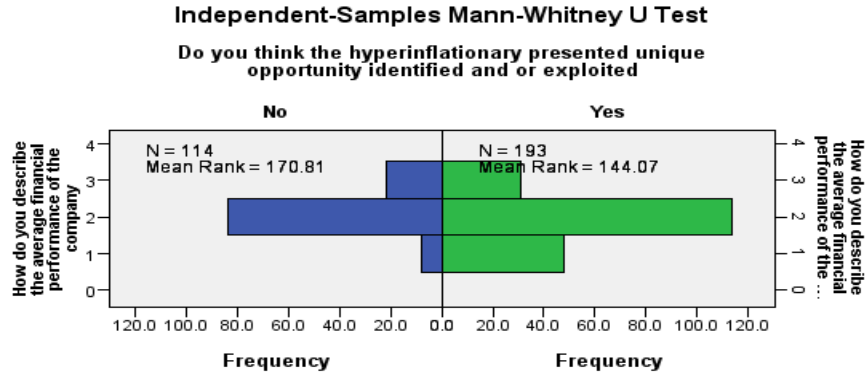
A dichotomous comparison of those who thought that the hyperinflation presented unique opportunities and those who did not, was performed on the dimension of profitability to signify survival. An Independent-Samples Mann-Whitney U Test was used since the scores on profitability were collected using an ordinal scale.

Table 6.7: Hypothesis test summary on unique opportunities

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distribution of How do you describe the average financial performance of the company is the same across categories of Do you think the hyperinflationary presented unique opportunity identified and or exploited.	Independent-Samples Mann-Whitney U Test	.003	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Table 6.8: Independent-Samples Mann-Whitney U Test



Total N	307
Mann-Whitney U	12,917.000
Wilcoxon W	19,472.000
Test Statistic	12,917.000
Standard Error	637.879
Standardized Test Statistic	3.004
Asymptotic Sig. (2-sided test)	.003

The null hypothesis is rejected and therefore it is concluded that companies which sought and exploited new opportunities had better chances of surviving the hyperinflation.

6.7.5 Strategic management of the business units

There is a strong recording of lack of strategic management among the technical (45%) and general employees (57%) (**Figure 6.6**). Overall, the inferential inquiry as regards the average score on strategic management of business units revealed that those who agreed that there was strategic management were significantly more numerous than those who said no and were not sure (See Appendix F). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.030$). These results indicate that the likelihood of strategic management of business units was high.

6.7.6 Prioritisation of growing the business and profitability

There is evidence of prioritisation of business growth and profitability among all other groups (at above 51%) with the exception of the general employees (37%) who were perceived to be lacking the will to prioritise growing the business and profitability (Figure 6.6). Overall, the inferential inquiry regarding the average score in this respect revealed that those who agreed that there was prioritisation were significantly more than those who said no and were not sure (See Appendix F). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.000$). These results indicate that the likelihood of prioritisation of growing the business and profitability was high. Although the overall average score indicated significance, the score for the general employees was significantly inclined towards the lack and uncertainty of prioritisation of growing the business and profitability. The scores for board members indicated lack of significance ($p = 0.732$). Thus there was a comparable number between those who agreed and did not agree (and/or were unsure) that there was prioritisation of this type among the board members.

6.7.7 Assessment of overall entrepreneurial thinking

Overall, the binomial inferential inquiry on the average of all constructs measuring entrepreneurial thinking revealed that those who agreed that there was entrepreneurial thinking were significantly more numerous than those who said 'no' and 'were not sure' ($p = 0.000$) (See Appendix F).

Having discovered that there was indeed the presence of entrepreneurial thinking in most insurance companies, a hypothesis related to the one on the level of entrepreneurship being encouraged ensues, but with the intention of exploring the influence of entrepreneurial thinking on the variable of growth in particular.

H16 Insurance companies that encouraged entrepreneurial thinking had better chances of growth

As discussed earlier in this analysis (**Figure 6.6**) on the broad variable of whether or not entrepreneurial thinking was present, Mitchell, *et al* (2003:534) buttresses the importance of finding out how entrepreneurs think. It was therefore hypothesised that insurance companies that encouraged **entrepreneurial thinking** had better chances of crafting viable **growth strategies**. The aspects of survival and growth were assessed by using the three dimensions of company performance during the hyper inflationary era in terms of market share (The company grew into the top 2 on the market share; The company just managed to stabilise (did not change); The company deteriorated to below the top 2 on the market). A one-way ANOVA revealed a statistically significant **difference in mean entrepreneurial thinking** on growth ($M_1 = 1.28, s_1 = 0.32; M_2 = 1.21, s_2 = 0.36; M_3 = 0.97, s_3 = 0.51$). $F_{obt} = 7.85$ and is associated with $p = 0.000$, we therefore reject the H_0 and conclude that at least one of the growth categories has an **entrepreneurial thinking** mean significantly different from the other categories ($F_{obt} (2; 304) = 7.85, p = .000, \alpha = .05$.) (**Table 6.9**). It can be concluded that entrepreneurial thinking was relatively higher in insurance companies that had growth strategies since the Tukey HSD Post Hoc Tests revealed that the categories of 'growth into the top 2 on the market' and 'stabilisation' were a homogenous subset ($p = 0.69$) significantly different from the category of 'deterioration from outside the top 2 on the market'. From the mean differences, it is apparent that the means for growth into the top 2 and stabilisation are significantly higher than that of deterioration from outside the top 2 on the market. Therefore, it can be concluded that **entrepreneurial thinking was significantly higher in insurance companies that had and maintained growth**. Given that the group sizes are unequal, the harmonic mean of the group sizes was used for groups in homogeneous subsets.

Table 6.9: One-way ANOVA for entrepreneurial thinking on dimensions of growth

Descriptives								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
The company grew into top 2 on the market	112	1.2842	.31708	.02996	1.2249	1.3436	.47	2.00
The company just managed to stabilise	183	1.2104	.35591	.02631	1.1585	1.2623	.00	2.00
The company deteriorated to outside top 2 on the market	12	.8722	.52663	.15203	.5376	1.2068	.00	1.67
Total	307	1.2241	.35787	.02042	1.1839	1.2643	.00	2.00

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between groups	1.925	2	.963	7.852	.000
Within groups	37.265	304	.123		
Total	39.191	306			

Tukey HSD Post Hoc Tests: Multiple Comparisons (D.V. Average Score on Entrepreneurial Thinking)

(I) How has this company performed during the hyper inflationary era?	(J) How has this company performed during the hyper inflationary era?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
The company grew into top 2 on the market	The company just managed to stabilise	.07384	.04200	.186	-.0251	.1728
	The company deteriorated to outside top 2 on the market	.41200*	.10635	.000	.1615	.6625
The company just managed to stabilise	The company grew into top 2 on the market	-.07384	.04200	.186	-.1728	.0251
	The company deteriorated to outside top 2 on the market	.33816*	.10433	.004	.0924	.5839
The company deteriorated to outside top 2 on the market	The company grew into top 2 on the market	-.41200*	.10635	.000	-.6625	-.1615
	The company just managed to stabilise	-.33816*	.10433	.004	-.5839	-.0924

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets: Tukey HSD^{a,b}

How has this company performed during the hyper inflationary era?	N	Subset for alpha = 0.05	
		1	2
The company deteriorated to outside top 2 on the market	12	.8722	
The company just managed to stabilise	183		1.2104
The company grew into top 2 on the market	112		1.2842
Sig.		1.000	.687

Means for groups in homogeneous subsets are displayed.
a. Uses harmonic mean sample size = 30.698.
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Whilst entrepreneurial thinking is discussed in abstract terms, pragmatically, the following hypothesis suffices:

H5. The degree of entrepreneurship was high in the companies that survived the hyperinflation.

As indicated above, entrepreneurial thinking was assessed using six items (motivation to add value to the business; recognition of business opportunities; exhibition of innovation and creativity; mobilisation of resources to exploit business opportunities; strategic management of business units; prioritisation of growth of business and profitability), each with 5 sub-items (Board members; Exco members; Manco members; Technical employees; General employees) measured on a three point scale (Yes=2; Unsure=1; No=0). In the context, these aspects define and measure the level of entrepreneurship. As a result of this, the scores can be understood in the sense that the higher the score the higher the entrepreneurial thinking. It was therefore hypothesised that the **degree of entrepreneurship** was high in the companies that **survived the hyperinflation**. Success and failure to survive hyperinflation was measured using the dimensions of profitability (Profit, Break even and Loss). A one-way ANOVA revealed a statistically significant **difference in mean entrepreneurship** on profitability ($M_1 = 1.37$, $s_1 = 0.25$; $M_2 = 1.21$, $s_2 = 0.35$; $M_3 = 1.10$, $s_3 = 0.44$). $F_{obt} = 8.36$ and is associated with $p = 0.000$, to consequently reject the H_0 and conclude that at least one of the profitability categories has an **entrepreneurship** mean significantly different from the other categories ($F_{obt} (2; 304) = 8.36$, $p = .000$, $\alpha = .05$) (Table 6.10). It can be concluded that the level of **entrepreneurship was relatively higher in insurance companies that survived hyperinflation** since the Tukey HSD Post Hoc Tests revealed that the category of 'profit' was significantly different from the categories of 'loss' and 'break even', combined together as a homogenous subset ($p = 0.14$). From the mean differences; it is apparent that the mean for profit is significantly higher than that of the homogenous subset of 'loss' and 'break even'. Therefore, it can be concluded that by virtue of the high levels of these variables associated with entrepreneurship, therefore entrepreneurship was relatively higher in insurance companies that made profit.

However, those who realised a 'break-even' position were not significantly different from those who were in a loss position. Their entrepreneurship means were comparably the same. With regard to the computations of the post hoc tests, the group sizes were unequal: as a result, the harmonic mean of the group sizes was used for groups in homogeneous subsets. Table 6.10 below, is relevant.

Table 6.10: One-way ANOVA for entrepreneurship on dimensions of profitability

Descriptives								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	1.3738	.25447	.03401	1.3057	1.4420	.57	2.00
Break-even	198	1.2140	.34622	.02460	1.1655	1.2625	.00	2.00
Loss position	53	1.1038	.43793	.06015	.9831	1.2245	.00	2.00
Total	307	1.2241	.35787	.02042	1.1839	1.2643	.00	2.00
ANOVA								
	Sum of Squares	df	Mean Square	F	Sig.			
Between groups	2.043	2	1.021	8.359	.000			
Within groups	37.148	304	.122					
Total	39.191	306						
Tukey HSD Post Hoc Tests: Multiple Comparisons (D.V.: Average Score on Entrepreneurial Thinking)								
(I) How do you describe the average financial performance of the company?	(J) How do you describe the average financial performance of the company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval			
					Lower Bound	Upper Bound		
Profit	Break-even	.15984*	.05291	.008	.0352	.2844		
	Loss position	.27004*	.06699	.000	.1123	.4278		
Break-even	Profit	-.15984*	.05291	.008	-.2844	-.0352		
	Loss position	.11020	.05406	.105	-.0171	.2375		
Loss position	Profit	-.27004*	.06699	.000	-.4278	-.1123		
	Break-even	-.11020	.05406	.105	-.2375	.0171		
*. The mean difference is significant at the 0.05 level.								
Homogeneous Subsets: Tukey HSD ^{a,b}								
How do you describe the average financial performance of the company?	N	Subset for alpha = 0.05						
		1	2					
Loss position	53	1.1038						
Break-even	198	1.2140						
Profit	56		1.3738					
Sig.		.144	1.000					
Means for groups in homogeneous subsets are displayed.								
a. Uses harmonic mean sample size = 71.812.								
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.								

The following hypothesis was also postulated to determine entrepreneurship:

H6: The **frequency of entrepreneurship** was high in the companies that **survived the hyperinflation and low** in insurance companies that succumbed to the same. The analysis was influenced by V33, V35, V37 and V41.

The **frequency of entrepreneurship** was measured using the frequency of risk (V33), innovations (V35) and distribution channels (V37) and to some extent, the creation of new ventures (V41). Success and failure to survive hyperinflation was measured using the dimensions of profitability (Profit, Break-even and Loss). A one-way ANOVA revealed a statistically significant **difference in mean entrepreneurship** on profitability ($M_1 = 11.41$, $s_1 = 10.02$; $M_2 = 7.95$, $s_2 = 9.56$; $M_3 = 6.85$, $s_3 = 5.98$). $F_{obt} = 4.04$ and is associated with $p = 0.019$; we therefore reject the H_0 and conclude that at least one of the profitability categories has an **entrepreneurship** mean significantly different from the other categories ($F_{obt} (2; 304) = 4.04$, $p = .000$, $\alpha = .05$) (Table 6.11). It can be concluded that the frequency of **entrepreneurship was relatively higher in insurance companies that survived hyperinflation** since the Tukey HSD Post Hoc Tests revealed that the category of 'profit' was significantly higher than the category of 'loss'. From the mean differences, it is apparent that the mean for profit is significantly higher than that of the loss. However, the frequency of entrepreneurship for those who realised a break-even was neither significantly different from those who made profits nor from those who made losses. Nevertheless, the null hypothesis is rejected and therefore it is concluded that **frequency of entrepreneurship** was high in the companies that **survived the hyperinflation** as ably articulated by the following statistics in Table 6.11:

Table 6.11: Frequency of entrepreneurship

Descriptives

Total frequency of entrepreneurship (Risk, innovation and distribution channels)

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for		Minimum	Maximum
					Mean			
					Lower Bound	Upper Bound		
Profit	56	11.4107	10.02864	1.34013	8.7250	14.0964	1.00	42.00
Break-even	198	7.9495	9.56397	.67968	6.6091	9.2899	.00	55.00
Loss position	53	6.8491	5.98201	.82169	5.2002	8.4979	.00	25.00
Total	307	8.3909	9.23320	.52697	7.3539	9.4278	.00	55.00

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	675.253	2	337.627	4.039	.019
Within groups	25411.841	304	83.592		
Total	26087.094	306			

Post Hoc Tests: Tukey HSD

(I) How do you describe the average financial performance of the company?	(J) How do you describe the average financial performance of the company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Profit	Break-even	3.46122*	1.38379	.034	.2020	6.7204
	Loss position	4.56166*	1.75211	.026	.4350	8.6883
Break-even	Profit	-3.46122*	1.38379	.034	-6.7204	-.2020
	Loss position	1.10044	1.41399	.717	-2.2299	4.4307
Loss Position	Profit	-4.56166*	1.75211	.026	-8.6883	-.4350
	Break-even	-1.10044	1.41399	.717	-4.4307	2.2299

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets: Tukey HSD^{a,b}

How do you describe the average financial performance of the company?	N	Subset for alpha = 0.05	
		1	2
Loss position	53	6.8491	
Break-even	198	7.9495	7.9495
Profit	56		11.4107
Sig.		.751	.062

Means for groups in homogeneous subsets are displayed.

a. Uses harmonic mean sample size = 71.812.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

While the distribution of risk was comparably the same across the profitability levels, the frequencies of innovation and distribution channels were significantly higher for those who made profits. The frequencies of innovation and distribution channels were also comparably the same for those who broke even and made losses. To better explain this hypothesis, secondary research hypotheses have been propounded on the frequencies of the aspects of risk, innovations and distribution channels.

H6.1 Frequency of risk was high in the companies that survived the hyperinflation

Table 6.12: Frequency of risk

Descriptives								
In your, opinion, how frequently were these risks undertaken in a year?								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	4.3214	4.69471	.62736	3.0642	5.5787	.00	20.00
Break-even	198	3.9444	5.89519	.41895	3.1182	4.7707	.00	30.00
Loss position	53	2.8113	3.74195	.51400	1.7799	3.8427	.00	15.00
Total	307	3.8176	5.38024	.30707	3.2134	4.4218	.00	30.00
ANOVA								
	Sum of Squares	df	Mean Square	F	Sig.			
Between groups	71.069	2	35.534	1.229	.294			
Within groups	8786.716	304	28.904					
Total	8857.785	306						

The results have failed to reject the null hypothesis and it is concluded that there were no significant differences on the **frequency of risk** across all the companies.

H6.2 Frequency of innovation was high in the companies that survived the hyperinflation

Table 6.13 shows the frequency of innovations.

Table 6.13: Frequency of innovations

Descriptives

In your own view, how frequently were these innovations undertaken in a year?

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for		Minimum	Maximum
					Mean			
					Lower Bound	Upper Bound		
Profit	56	4.6786	6.80670	.90958	2.8557	6.5014	.00	32.00
Break-even	198	2.4747	3.80180	.27018	1.9419	3.0076	.00	20.00
Loss position	53	2.4528	3.16572	.43484	1.5803	3.3254	.00	12.00
Total	307	2.8730	4.47945	.25566	2.3699	3.3760	.00	32.00

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	223.326	2	111.663	5.737	.004
Within groups	5916.720	304	19.463		
Total	6140.046	306			

Post Hoc Tests: Tukey HSD

(I) How do you describe the average financial performance of the company?	(J) How do you describe the average financial performance of the company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Profit	Break-even	2.20382*	.66772	.003	.6312	3.7765
	Loss position	2.22574*	.84544	.024	.2345	4.2170
Break-even	Profit	-2.20382*	.66772	.003	-3.7765	-.6312
	Loss position	.02192	.68229	.999	-1.5851	1.6289
Loss position	Profit	-2.22574*	.84544	.024	-4.2170	-.2345
	Break-even	-.02192	.68229	.999	-1.6289	1.5851

Homogeneous Subsets: Tukey HSD^{a,b}

How do you describe the average financial performance of the company?	N	Subset for alpha = 0.05	
		1	2
Loss position	53	2.4528	
Break-even	198	2.4747	
Profit	56		4.6786
Sig.		1.000	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses harmonic mean sample size = 71.812.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

The results rejected the null hypothesis and it is concluded that **frequency of innovation** was high in the companies that **survived the hyperinflation**.

H6.3 Frequency of distribution channels was high in the companies that survived the hyperinflation

Frequencies of distribution channels were elicited using V37. The same applied for H14: Table 6.14 shows the distribution channels introduced during the hyperinflation.

Table 6.14: Frequency of distribution channels

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	2.4107	1.75579	.23463	1.9405	2.8809	.00	10.00
Break-even	198	1.5303	1.40939	.10016	1.3328	1.7278	.00	7.00
Loss position	53	1.5849	1.58641	.21791	1.1476	2.0222	.00	6.00
Total	307	1.7003	1.54076	.08794	1.5273	1.8734	.00	10.00

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	34.690	2	17.345	7.623	.001
Within groups	691.740	304	2.275		
Total	726.430	306			

Post Hoc Tests: Tukey HSD

(I) How do you describe the average financial performance of the company?	(J) How do you describe the average financial performance of the company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Profit	Break-even	.88041 [*]	.22831	.000	.3427	1.4181
	Loss position	.82581 [*]	.28908	.013	.1450	1.5067
Break-even	Profit	-.88041 [*]	.22831	.000	-1.4181	-.3427
	Loss position	-.05460	.23329	.970	-.6041	.4949
Loss position	Profit	-.82581 [*]	.28908	.013	-1.5067	-.1450
	Break-even	.05460	.23329	.970	-.4949	.6041

Homogeneous Subsets: Tukey HSD^{a,b}

How do you describe the average financial performance of the company?	N	Subset for alpha = 0.05	
		1	2
Break-even	198	1.5303	
Loss position	53	1.5849	
Profit	56		2.4107
Sig.		.974	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses harmonic mean sample size = 71.812.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

The null hypothesis is rejected and therefore one concludes that **frequency of distribution channels** was high in the companies that **survived the hyperinflation**.

Table 6.15: Distribution channels created

Approx, how many distribution channels have been created for your products to date since 2008?						
Mean	Median	Mode	Std. Deviation	Range	Minimum	Maximum
1.7003	1.00	1.0000	1.54076	10.00	.00	10.00

Using the NVivo qualitative technique, the channels are clouded below: the bigger the word the more frequent the channel as represented by Figure 6.7, below.



Figure 6.7: Clouded distribution channels created

Various distribution channels were created to enable an efficient diffusion of the products to the consuming public: rural district councils; mobile platforms; e-mails; branch network; marketing agencies; franchising; social media; websites; brokers; newspapers and advertisements.

6.8 Entrepreneurial manifestations

Entrepreneurial manifestations sought to understand how departments were entrepreneurially oriented through the lenses of how their entrepreneurship was

exhibited by various business units and departments within an insurance firm and perceived during the hyperinflation in Zimbabwe. Entrepreneurial manifestations were assessed using 6 items (exhibition of motivation; recognition of business opportunities; exhibition of innovation and creativity; mobilisation of resources to exploit business opportunities; strategic management of business units; and creation of new revenue streams). These items had a higher reliability score (Cronbach's Alpha = 0.826). Below, Table 6.16 records the reliability statistics for the six items used for the assessment of entrepreneurial manifestations.

Table 6.16: Reliability statistics for entrepreneurial manifestations

Reliability Statistics for Entrepreneurial Manifestations						
Cronbach's Alpha		Cronbach's Alpha Based on Standardised Items				N of Items
.826		.819				6
Inter-Item Correlation Matrix						
	Average score on exhibition of motivation?	Average score on recognition of business opportunities	Average score on exhibition of innovation and creativity	Average score on mobilisation of resources to exploit business opportunities	Average score on strategic management of the business units	Creation of new revenue streams
Average score on exhibition of motivation?	1.000	.626	.696	.277	.576	.367
Average score on Recognition of business opportunities	.626	1.000	.657	.350	.491	.420
Average score on Exhibition of innovation and creativity	.696	.657	1.000	.216	.549	.413
Average score on Mobilisation of resources to exploit business opportunities	.277	.350	.216	1.000	.168	.405
Average score on Strategic management of the business units	.576	.491	.549	.168	1.000	.247
Creation of new revenue streams	.367	.420	.413	.405	.247	1.000

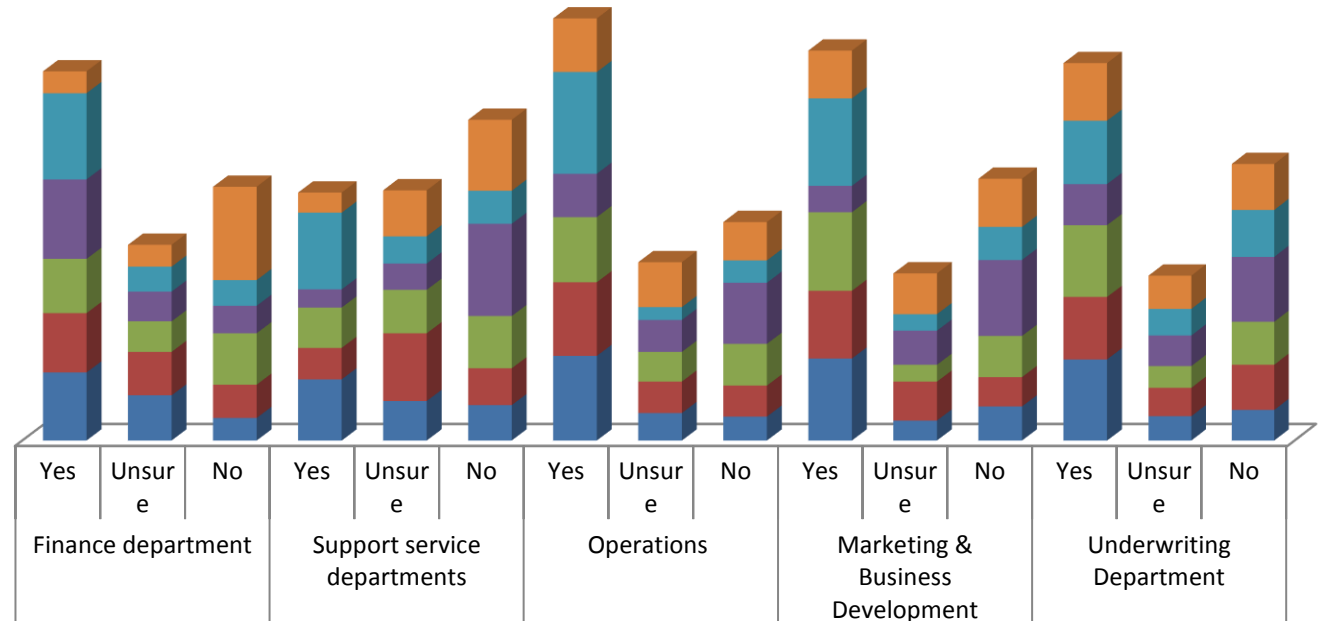
Each of the six items contained 5 sub-items (financial department; support services departments; operations; marketing and business development; underwriting department) measured on a three-point scale (Yes=2; Unsure=1; No=0). Several tests

were utilised in assessing entrepreneurial orientation such as the T-test, Binomial, ANOVA and Tukey, HSD post hoc tests. The descriptive and inference statistics for each item are discussed below.

6.8.1 Exhibition of motivation

Exhibition of motivation was mostly revealed for the underwriting (60%), marketing (60%) and operations (62%) (**Figure 6.8 below**). It was low in support services (45%). The finance department returned a 50% score for the variable on exhibition of motivation. The inferential inquiry on the average score on exhibition of motivation to add value to business by departments revealed that those who agreed that there was such a motivation were significantly more in number than those who said no and were not sure (See Appendix H). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.000$). These results indicate that the likelihood of motivation to add value was very high. Although the overall average score indicated a significant inclination towards this type of motivation, the scores for the support services (HR, Risk, Audit, IT departments etc) ($p=0.87$) as well as for the Finance ($p=1.000$) department were ambivalent since there was no significant difference between the two categories i.e. group 2: those that said 'yes' and those that said either 'no' or were 'unsure' in group 2.

Assessment of Entrepreneurial Manifestations



	Yes	Unsur e	No	Yes	Unsur e	No	Yes	Unsur e	No	Yes	Unsur e	No	Yes	Unsur e	No
	Finance department			Support service departments			Operations			Marketing & Business Development			Underwriting Department		
■ Did they create new revenue streams?	16	16	68	15	34	52	39	33	28	35	30	35	42	24	34
■ Did they strategically manage the business units?	63	18	19	56	20	24	74	9	16	64	12	24	46	20	34
■ Did they mobilise resources to exploit business opportunities?	58	22	20	13	19	67	32	23	45	19	25	56	30	22	48
■ Did they exhibit innovation and creativity?	40	22	38	30	32	38	48	22	31	57	12	30	52	16	32
■ Did they recognize business opportunities?	44	32	24	23	50	27	54	23	23	50	29	21	46	21	33
■ Did they exhibit motivation?	50	33	17	45	29	26	62	20	18	60	15	25	60	18	22

Figure 6.8: Assessment of entrepreneurial manifestations

Ho19. Insurance companies that encouraged entrepreneurial skills acquisition had better chances of building a motivated team of entrepreneurs that guided the organisation through the hyperinflation

It was hypothesised that insurance companies which encouraged entrepreneurial skills acquisition had better chances of building a motivated team of entrepreneurs that guided the organisation through the hyperinflation. A dichotomous mean comparison was performed to compare those who (strongly) agreed and those who (strongly) disagreed that entrepreneurial education and skills acquisition were encouraged. The comparison was calculated using the independent-samples *t-test*. For the purposes of this test, the response of 'unsure' on the dimensions of encouraged entrepreneurial skills acquisition was suppressed so that the comparison was carried out on two ends of the continuum. Agree and Strongly Agree were combined; similarly Disagree and Strongly Disagree were combined to form the independent variable to which exhibition of motivation was a dependent variable. It is important to note that this construct was measured on a three-point scale (Yes=2; Unsure=1; No=0); therefore, the higher the number, the higher the level of motivation. It was revealed that those who (Strongly) Agreed that entrepreneurial skills acquisition was encouraged significantly reported exhibition of more motivation ($M_2 = 1.56$; $s_2 = 0.56$) than those who (Strongly) Disagreed ($M_1 = 1.07$; $s_2 = 0.59$) ($t(263) = -6.992$, $p = 0.000$). Therefore, the null hypothesis is rejected and it is concluded that insurance companies which encouraged entrepreneurial skills acquisition had better chances of building a motivated team of entrepreneurs that guided the organisation through the hyperinflation.

Table 6.17: Entrepreneurial education and skills acquisition

Group Statistics					
	Entrepreneurial education and skills acquisition	N	Mean	Std. Deviation	Std. Error Mean
Average score on exhibition of motivation?	(Strongly) Disagree	139	1.0676	.59298	.05030
	(Strongly) Agree	126	1.5651	.56176	.05005

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Average score on exhibition of motivation?	Equal variances assumed	2.083	.150	-6.992	263	.000	-.49745	.07114	-.63753	-.35737
	Equal variances not assumed			-7.011	262.480	.000	-.49745	.07095	-.63716	-.35775

6.8.2 Recognition of business opportunities

Those deemed to have an inclination towards recognition of business opportunities at a descriptive level felt that there is recognition of business opportunity, especially among the Exco (60%), Manco (64%) and Technical (56%) employees (**Figure 6.8**). However, only a few thought so for the Board (33%) and general employees (28%). Overall, the inferential inquiry into the average score on recognition of business opportunities revealed that those who agreed that there was recognition of this type were significantly fewer than those who said no and were not sure (See Appendix H). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is insignificant ($p = 0.001$) at 40% and 60% respectively. These results indicate that the likelihood of recognition of business opportunities was generally very low. Although the overall average score indicated a significant inclination towards lack of such recognition, the score for the operations department was significantly inclined towards affirmation with marketing ($p=0.171$) and support services ($p=0.171$).

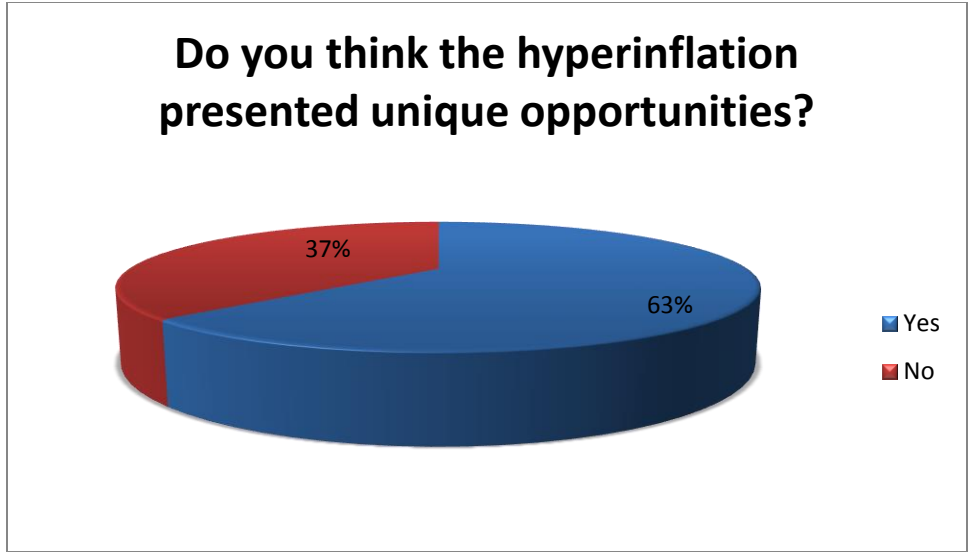


Figure 6.9: Hyperinflation and presentation of unique opportunities

The opportunities identified and or exploited during hyperinflation are summarised in a word cloud below (Figure 6.10):



Figure 6.10: Some unique opportunities during hyperinflation

As illustrated by the word cloud, some of the business opportunities identified during the hyperinflationary period in Zimbabwe include: medical aid business; micro insurance; new markets; actuarial business; regional expansion and property development.

6.8.3 Exhibition of innovation and creativity

There was a general disapproval on the notion of creativity and innovation being present in many departments during the hyperinflation with 60% responding they did not think or were unsure that innovation and creativity were present in the finance department against 40% who thought they were present. The same applied to the support services department, with 70% registering either a 'No' or 'Unsure', compared to 30% who thought otherwise. Only underwriting (52%) and marketing (57%) registered positivity for the presence of creativity and innovation (**Figure 6.8**). However, overall, the inferential inquiry regarding the average score on the exhibition of creativity and innovation of the various business units revealed that those who agreed that the variable was present in the respective business units were significantly more numerous than those who said no and were not sure (See Appendix H). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.04$). These results indicate that the likelihood of creativity and innovation amongst business units was high. Although the overall average score indicated significance, the scores for operations, finance and support services demonstrated significant inclination towards lack of and uncertainty about the presence of creativity and innovation, at $p=0.000$, $p=0.000$ and 0.012 respectively. It seemed that creativity and innovation was strongly attached to the underwriting and operations business units at $p=0.424$.

6.8.4 Mobilisation of resources to exploit business opportunities

Just the finance department at 58% was thought to be able to mobilise resources whilst the rest of the business units were deemed either unable to or that the respondents

were unsure about their ability to do so (**Figure 6.8**). Inferential statistics would therefore reveal that, with respect to the average score on mobilisation of resources by business units to exploit opportunities, those who agreed were significantly more than those who said no and were not sure (See Appendix H). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.000$). These results indicate that the likelihood of business units mobilising resources adequate to exploit business opportunities was very low. With the exception of the finance department ($p = 0.06$) all other departments registered a general lack or uncertainty with regards to capacity to mobilise resources ($p = 0.000$) for each of the business units.

6.8.5 Strategic management of the business units

Results revealed that almost all respondents thought that business units were being strategically managed. With the exception of the underwriting department at 45%, the rest of the departments were rated above 50% with operations being rated at about 75% (**Figure 6.8**). With regard to inferential inquiry, it was revealed that with respect to the average score on strategic management by business units, those who agreed to the presence of this variable were significantly more in number than those who either said 'No' and /or were 'unsure' (See Appendix H). From the binomial test, the observed significance level for the comparison of group 1 (No & Unsure) and group 2 (Yes) is small ($p = 0.000$). These results indicate that the likelihood of the presence of strategic management in the business units was very high. The finance department ($p = 0.000$), operations ($p = 0.000$) and marketing and business development ($p = 0.000$) with support services ($p = 0.040$) were also not significant, with underwriting registering significantly at ($p = 0.209$), leaning towards a lack of strategic management practices in the business units.

6.8.6 Creation of new revenue streams

With regard to the variable of revenue creation, the finance department received the lowest score with almost 84% suggesting that the department failed in this regard. The

same went for support services (85%), operations (61%), marketing and business development (65%), and underwriting (58%) to yield an overall rating of 68% for those who were either certain that the business units were able to create revenue or doubted the same, against a paltry 32% who thought otherwise (**Figure 6.8**). Inferential inquiry would therefore reveal that on average, the score on the creation of revenue streams by business units amongst those who disagreed ('No' and 'Not Sure') was significantly more than those who agreed ('Yes'). (Appendix H). From the binomial test, the observed significance level for the comparison of group 1 ('No' & 'Unsure') and group 2 ('Yes') is, however, insignificant ($p = 0.000$). These results indicate that the likelihood of business units creating revenue was very low at ($p = 0.000$) for each of the departments with the exception of marketing and business development ($p = 0.06$), perhaps as it is their mandate to create business, but still not sufficient to render any significance as would be expected of a key business unit such as this.

Table 6.18: Creation of new ventures / new revenue streams

How many ventures were created * Was it necessary to create new ventures / entities to create new revenue streams Cross tabulation

Count

		Was it necessary to create new ventures / entities to create new revenue streams?		Total
		Yes	No	
	.00	97	76	173
	1.00	64	2	66
	2.00	38	2	40
	3.00	18	1	19
How many ventures were created?	4.00	4	0	4
	5.00	1	0	1
	7.00	1	0	1
	9.00	1	0	1
	10.00	2	0	2
Total		226	81	307

As elicited by **V40** 'was it necessary to create new revenue stream or ventures?' and **V41**, a massive 226/307 (74%) respondents as opposed to a mere 26% felt it was important to start up new revenue streams to complement the main business during the hyperinflation era; hence some engaged in money lending, new companies, brick making and manufacturing of refrigerators. In the case of the First Mutual Holding companies, new businesses, such as the medical and the actuarial companies, were introduced. Bethel Finance, a money lending business, was also launched as a revenue generation stream to counter the effects of hyperinflation.

6.8.7 Assessment of overall entrepreneurial manifestations

The overall assessment of entrepreneurial manifestations is capped with a decision on the following hypothesis:

H20. The degree of entrepreneurial manifestation was high in the companies that survived the hyperinflation.

Generally, it was revealed that those who agreed that there were entrepreneurial manifestations were significantly more in number than those who refused and were not sure (Binomial test, $p = 0.000$) (Appendix H). As indicated above, entrepreneurial manifestations were assessed using 6 items (exhibition of motivation; recognition of business opportunities; exhibition of innovation and creativity; mobilisation of resources to exploit business opportunities; strategic management of business units; and creation of new revenue streams). Each of the six items had 5 sub-items (financial department; support services departments; operations; marketing and business development; underwriting department) measured on a three-point scale (Yes=2; Unsure=1; No=0). Therefore, the score on this construct increases as the number increases: the higher the number, the higher the level of entrepreneurial manifestations. Survival of the inflation event was assessed using the profitability margins (Profit, Break-even and Loss) as inquired into using V29.

Entrepreneurial manifestation: A mean comparison was carried out on the dimensions of profitability using a one-way ANOVA. This revealed a statistically

significant **difference in mean entrepreneurial manifestation** on profitability ($M_1 = 1.30$, $s_1 = 0.33$; $M_2 = 1.10$, $s_2 = 0.43$; $M_3 = 0.98$, $s_3 = 0.48$). $F_{obt} = 8.32$ and is associated with $p = 0.000$; we therefore reject the H_0 and conclude that at least one of the profitability categories has an entrepreneurial manifestation mean significantly different from the other categories ($F_{obt} (2; 304) = 8.32, p = .000, \alpha = .05.$) (Table 6.19). It can be concluded that **entrepreneurial manifestation was relatively higher in insurance companies that survived hyperinflation** since the Tukey HSD Post Hoc Tests revealed that the category of 'profit' was significantly different from the category of 'loss' and 'break-even' combined together as a homogenous subset ($p = 0.24$). From the mean differences, it is apparent that the mean for profit is significantly higher than that of the homogenous subset of 'loss' and 'break-even'. Therefore, it can be concluded that the **degree of entrepreneurial manifestation** was high in the companies that **survived the hyperinflation, in particular those who made profits, as those who broke even were not significantly different from those who were in a loss position** ($p = 0.24$). Their entrepreneurial manifestation means were comparably the same. With regards to the computations of the post hoc tests, the group sizes are unequal; as a result, the harmonic mean of the group sizes was used for groups in homogeneous subsets.

Table 6.19: One-way ANOVA for entrepreneurial manifestation on dimensions of profitability

Descriptives								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	1.3042	.33449	.04470	1.2146	1.3937	.20	2.00
Break-even	198	1.0976	.42978	.03054	1.0374	1.1579	.00	2.00
Loss position	53	.9836	.47823	.06569	.8518	1.1155	.00	1.87
Total	307	1.1156	.43315	.02472	1.0670	1.1643	.00	2.00
ANOVA								
	Sum of Squares	df	Mean Square	F	Sig.			
Between groups	2.978	2	1.489	8.315	.000			
Within groups	54.434	304	.179					
Total	57.412	306						
Post Hoc Tests: Multiple Comparisons (Tukey HSD)								
(I) How do you describe the average financial performance of the company?	(J) How do you describe the average financial performance of the company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval			
					Lower Bound	Upper Bound		
Profit	Break-even	.20652 [*]	.06405	.004	.0557	.3574		
	Loss position	.32052 [*]	.08109	.000	.1295	.5115		
Break-even	Profit	-.20652 [*]	.06405	.004	-.3574	-.0557		
	Loss position	.11400	.06544	.191	-.0401	.2681		
Loss position	Profit	-.32052 [*]	.08109	.000	-.5115	-.1295		
	Break-even	-.11400	.06544	.191	-.2681	.0401		
*. The mean difference is significant at the 0.05 level.								
Homogeneous Subsets (Tukey HSD ^{a,b})								
How do you describe the average financial performance of the company?		N	Subset for alpha = 0.05					
			1	2				
Loss position		53	.9836					
Break-even		198	1.0976					
Profit		56		1.3042				
Sig.			.241	1.000				
Means for groups in homogeneous subsets are displayed.								
a. Uses harmonic mean sample size = 71.812.								
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.								

Ho21 Insurance companies that exhibited entrepreneurial manifestation had better chances of coming up with growth strategies

It was also hypothesised that Insurance companies that exhibited more **entrepreneurial manifestation** had better chances of coming up with **growth strategies**. Growth was assessed using the growth margins; the three dimensions of company performance during the hyper inflationary era in terms of market share (growth into top 2 on the market share; stabilisation; deterioration getting out of the top 2 on the market) as inquired into using V28. A one-way ANOVA revealed a statistically insignificant **difference in mean entrepreneurial manifestation** on growth ($M_1 = 1.19, s_1 = 0.44$; $M_2 = 1.10, s_2 = 0.42$; $M_3 = 0.98, s_3 = 0.46$). $F_{obt} = 2.96$ and is associated with $p = 0.054$; we therefore fail to reject the H_0 and conclude that there is no significant **entrepreneurial manifestation** mean difference on the growth dimensions ($F_{obt} (2; 304) = 2.96, p = .054, \alpha = .05.$) (Table 6.20). It can be concluded that **entrepreneurial manifestation was comparably the same across all level of market share ranks during the hyperinflation period.**

Table 6.20: One-way ANOVA for entrepreneurial manifestation on dimensions of growth

Descriptives								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
The company grew into top 2 on the market	112	1.1902	.44073	.04165	1.1077	1.2727	.00	2.00
The company just managed to stabilise	183	1.0791	.42199	.03119	1.0175	1.1406	.00	2.00
The company deteriorated to outside top 2 on the market	12	.9778	.46173	.13329	.6844	1.2711	.07	1.43
Total	307	1.1156	.43315	.02472	1.0670	1.1643	.00	2.00
ANOVA								
	Sum of Squares	df	Mean Square	F	Sig.			
Between groups	1.095	2	.548	2.956	.054			
Within groups	56.316	304	.185					
Total	57.412	306						

Although there is no significant mean difference, the mean seemed to increase as the market share increased; those who had grown into the top 2 had the highest level of **entrepreneurial manifestation**. However, the differences were found to be **insignificant**.

6.9 Leadership Support

As shown in Table 6.21 below, 6 items were used to measure leadership support.

Table 6.21: Reliability statistics on leadership support

Reliability Statistics for Leadership support						
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items					N of Items
.647	.656					6
Inter-Item Correlation Matrix						
	The internal environment allowed for entrepreneurship to blossom	Management was generally tactical in running the business	Entrepreneurial culture was nurtured across the board	Entrepreneurial education and skills acquisition	Failure was tolerated	Resources were mobilised and made available
The internal environment allowed for entrepreneurship to blossom	1.000	.434	.524	.089	.137	.412
Management was generally tactical in running the business	.434	1.000	.352	.465	-.248	.416
Entrepreneurial culture was nurtured across the board	.524	.352	1.000	.154	.253	.380
Entrepreneurial education and skills acquisition	.089	.465	.154	1.000	-.039	.310
Failure was tolerated	.137	-.248	.253	-.039	1.000	-.021
Resources were mobilised and made available	.412	.416	.380	.310	-.021	1.000

As shown in the figure 6.11 below, there was some agreement that the internal environment allowed for entrepreneurship to blossom, that the management was

tactical and that the resources were mobilised and made available. Overall, there was disagreement as to the presence of leadership support, especially on the dimensions of tolerance of failure.

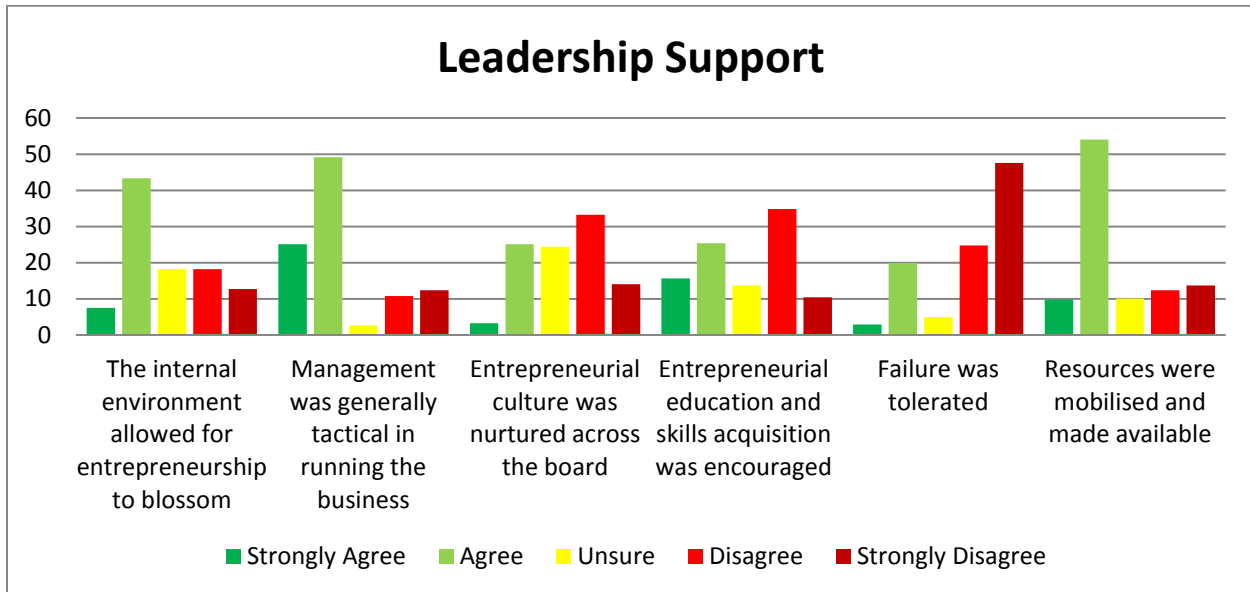


Figure 6.11: Leadership orientation

There was no significant difference between those who agreed and disagreed that the internal environment allowed for entrepreneurship to blossom ($p=0.82$) (Appendix G). However, significantly more respondents agreed that management was tactical in running the business ($p=0.00$) and that resources were mobilised and made available ($p=0.00$). Essentially, more respondents disagreed with the leadership dimensions: significantly more respondents disagreed or were not sure of nurturance of entrepreneurship across the board. This also applied to entrepreneurial education and skills acquisition and tolerance of failure.

The 6 items for this construct were each scored with a 5 Likert score (strongly agree (1); agree (2); unsure (3); disagree (4); strongly disagree (5)). Therefore, for the scores of this construct, the higher the score the lower the levels of entrepreneurial leadership support.

Ho3. Entrepreneurial leadership support was low in some insurance companies that **succumbed** to hyperinflation.

...and

Ho4. Entrepreneurial leadership orientation was high in insurance companies that **survived** the hyperinflation.

It was hypothesised that **Entrepreneurial leadership support** was low in some insurance companies that **succumbed** to hyperinflation. Success and failure to survive hyperinflation was measured using the dimensions of profitability (Profit, Break-even and Loss). A one-way ANOVA revealed a statistically significant difference among the groups on profitability ($M_1 = 2.73$, $s_1 = 0.71$; $M_2 = 2.99$, $s_2 = 0.67$; $M_3 = 3.41$, $s_3 = 0.86$). $F_{obt} = 12.81$ and is associated with $p = 0.000$; we therefore reject the H_0 and conclude that at least one of the profitability categories is significantly different from the other categories ($F_{obt} (2; 304) = 12.81$, $p = .000$, $\alpha = .05$.) (Table 6.22). It can be concluded that **Entrepreneurial leadership support was relatively higher in insurance companies that survived hyperinflation** since the Tukey HSD Post Hoc Tests revealed that the categories of 'profit' and 'break even' were a homogenous subset ($p = 0.07$) significantly different from the category of 'loss'. From the mean differences, it is apparent that the means for profit and 'break even' are relatively lower than that of the loss category. Therefore, it can be concluded that **Entrepreneurial leadership support was relatively higher in insurance companies that survived hyperinflation and that Entrepreneurial leadership support was low in some insurance companies that succumbed to hyperinflation**. Given that the group sizes are unequal, the harmonic mean of the group sizes was used for groups in homogeneous subsets. Type I error levels are not guaranteed.

Table 6.22: One-way ANOVA for entrepreneurial leadership support

Descriptives

leadership Average score

	N	Mean	Std. Deviation	Std. Error	95% Con. Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	2.7321	.70973	.09484	2.5421	2.9222	1.00	5.00
Break-even	198	2.9924	.66567	.04731	2.8991	3.0857	1.00	5.00
Loss position	53	3.4119	.86021	.11816	3.1748	3.6491	1.83	5.00
Total	307	3.0174	.73744	.04209	2.9346	3.1002	1.00	5.00

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between groups	12.931	2	6.465	12.806	.000
Within groups	153.477	304	.505		
Total	166.407	306			

Post Hoc Tests: Multiple Comparisons

Tukey HSD- Dependent Variable: Leadership Average score

(I) How do you describe the average financial performance of the company?	(J) How do you describe the average financial performance of the company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Profit	Break-even	-.26028*	.10754	.042	-.5136	-.0070
	Loss position	-.67981*	.13617	.000	-1.0005	-.3591
Break-even	Profit	.26028*	.10754	.042	.0070	.5136
	Loss position	-.41953*	.10989	.000	-.6783	-.1607
Loss Position	Profit	.67981*	.13617	.000	.3591	1.0005
	Break-even	.41953*	.10989	.000	.1607	.6783

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets: Leadership Average score

Tukey HSD^{a,b}

How do you describe the average financial performance of the company?	N	Subset for alpha = 0.05	
		1	2
Profit	56	2.7321	
Break-even	198	2.9924	
Loss position	53		3.4119
Sig.		.074	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses harmonic mean sample size = 71.812.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Ho17. Entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for growth and profitability.

It was also hypothesised that entrepreneurial companies that **resourced and financed entrepreneurial strategies and activities** had better chances of **successfully implementing those strategies for growth and profitability**. To test this, a series of independent-samples Kruskal-Wallis tests were run. As shown below, it was found that there was no significant difference in growth dimensions relative to the resource mobilisation and availability ($\chi_{\text{obt}}(2) = 1.12, p = 0.572$). However, there was significant variation with regards to profitability ($\chi_{\text{obt}}(2) = 19.87, p = 0.000$).

Hypothesis Test Summary

Null Hypothesis	Test	Sig.	Decision	
1 The distribution of Resources were mobilized and made available is the same across categories of How has this company performed during the hyper inflationary era.	Independent-Samples Kruskal-Wallis Test	.572	Retain the null hypothesis.	1 The distribution of Resources were mobilized and made available is the same across categories of How do you describe the average financial performance of the company.
				Independent-Samples Kruskal-Wallis Test .000 Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Asymptotic significances are displayed. The significance level is .05.

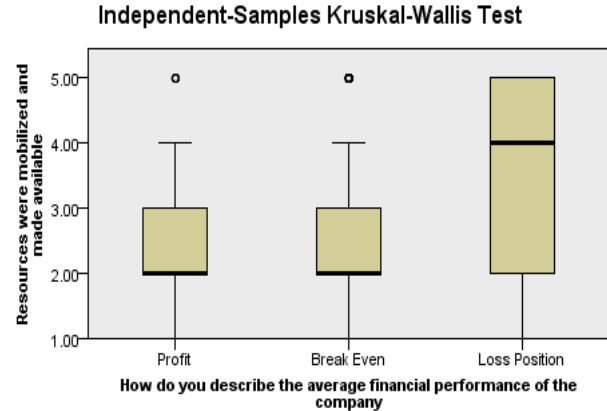
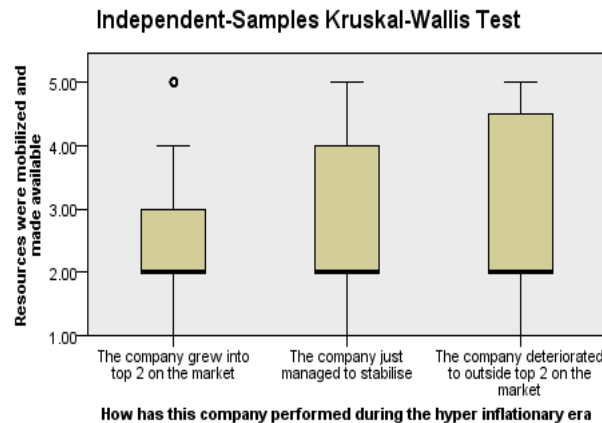


Figure 6.12: Kruskal-Wallis test summary on resources made available

To expand on the dimension of profitability, the independent-samples Kruskal-Wallis pairwise comparisons (Figure 6.13 below) indicated that the 'loss' position was the one significantly different from both profit ($p = 0.001$) and break-even ($p = 0.000$). The profit and break-even categories were not significantly different ($p = 1.00$).

Pairwise Comparisons of : How do you describe the average financial performance of the company?



Each node shows the sample average rank of How do you describe the average financial performance of the company.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Profit-Break Even	-2.740	12.281	-.223	.823	1.000
Profit-Loss Position	-56.686	15.549	-3.646	.000	.001
Break Even-Loss Position	-53.945	12.549	-4.299	.000	.000

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same. Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Figure 6.13: Resource mobilisation versus profitability

Therefore, it can be concluded that those who mobilised and made resources available had better chances of successfully implementing strategies especially for profitability. However, those who made profits were not significantly different from those who achieved break-even in terms of their mobilisation and making resources available.

6.10 Dimensions of Entrepreneurial Intensity

Entrepreneurial intensity was assessed using four items (creativity and innovation; risk orientation; pro-activeness; and competitive aggressiveness). As shown below, the items had a high reliability in measuring entrepreneurial intensity as a construct. The Cronbach's alpha was 0.86.

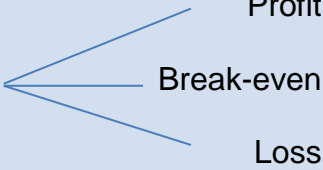
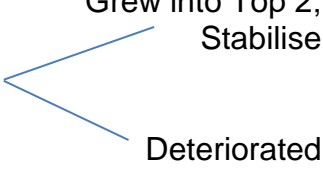
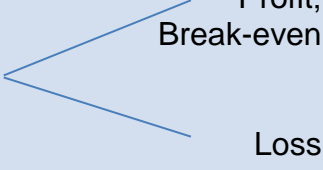
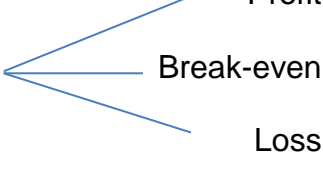
Table 6.23: Reliability statistics for entrepreneurial intensity

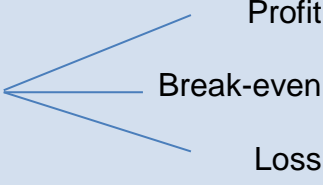
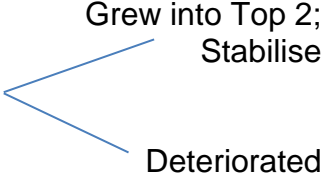
Reliability Statistics For Entrepreneurial Intensity				
Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items			N of Items
.861	.860			4
Inter-Item Correlation Matrix				
	Creativity and innovation	Risk orientation	Proactiveness	Competitive aggressiveness
Creativity and innovation	1.000	.652	.596	.451
Risk orientation	.652	1.000	.781	.603
Proactiveness	.596	.781	1.000	.552
Competitive aggressiveness	.451	.603	.552	1.000

Each of the items contained 4 sub-items, each scored with a 5 Likert score (strongly agree (1); agree (2); unsure (3); disagree (4); strongly disagree (5)). This is indicative of the fact that the higher the number the lower the level of entrepreneurial intensity.

A number of ANOVA tests? were done on the dimensions of entrepreneurial intensity and the results are summarised in Table 6.24 below: This is followed by Figure 6.14 that graphically illustrates results on the dimensions of creativity and innovation influencing entrepreneurial intensity.

Table 6.24: Summary of ANOVA tests on the dimensions of entrepreneurial intensity

Dimension score H ₀ : U ₁ =U ₂ =U ₃		P. value	Tukey	Decision
Innovation and creativity	H ₁ : Insurance companies that were innovative and creative had better chances of surviving the inflation (NB: innovative mean comparison was carried out on the new lines of products and services across the 3 groups on profitability)	0.000		Reject H ₀ and conclude that insurance companies that were innovative and creative had better chances of surviving the inflation
Risk taking	H ₁ : Insurance companies that took risks had much better chances of growing than those that were risk averse (NB: Risk orientation mean comparison was performed on the dimensions of growth)	0.000		Reject H ₀ and conclude that Companies that took risks had much better chances of growing than those that were risk averse
pro-activeness	H ₁ : Insurance companies that were proactive had much better chances of surviving the inflation than companies that were not (NB: pro-activeness mean comparison was calculated on the dimensions of profitability)	0.000		Reject H ₀ and conclude that Insurance companies that were proactive had much better chances of surviving the inflation
competitive aggressiveness	H ₁ : Insurance companies that were aggressively competitive had chances of surviving the hyperinflation (NB: competitive aggressiveness mean comparison was carried out on the dimensions of profitability)	0.000		Reject H ₀ and conclude that Insurance companies that were aggressively competitive had much better chances of surviving the hyperinflation

entrepreneurial intensity on profitability	<p>H₁: insurance firms that survived the hyperinflationary environment exhibited entrepreneurial intensity to mitigate vagaries thereof (NB: entrepreneurial intensity mean comparison was calculated on the dimensions of profitability)</p>	0.000		<p>Reject H₀ and conclude that insurance firms that survived the hyperinflationary environment exhibited entrepreneurial intensity to mitigate vagaries thereof</p>
entrepreneurial intensity on growth	<p>H₁: Lack of entrepreneurial intensity stifles growth and reduces competitiveness of insurance firms and leads to their ultimate demise when faced with hyperinflation induced hostile environments (NB: entrepreneurial intensity mean comparison was carried out on the dimensions of growth)</p>	0.000		<p>Reject H₀ and conclude that Lack of entrepreneurial intensity stifles growth and reduces competitiveness of insurance firms and leads to their ultimate demise when faced with hyperinflation induced hostile environments</p>

6.10.1 Creativity and innovation

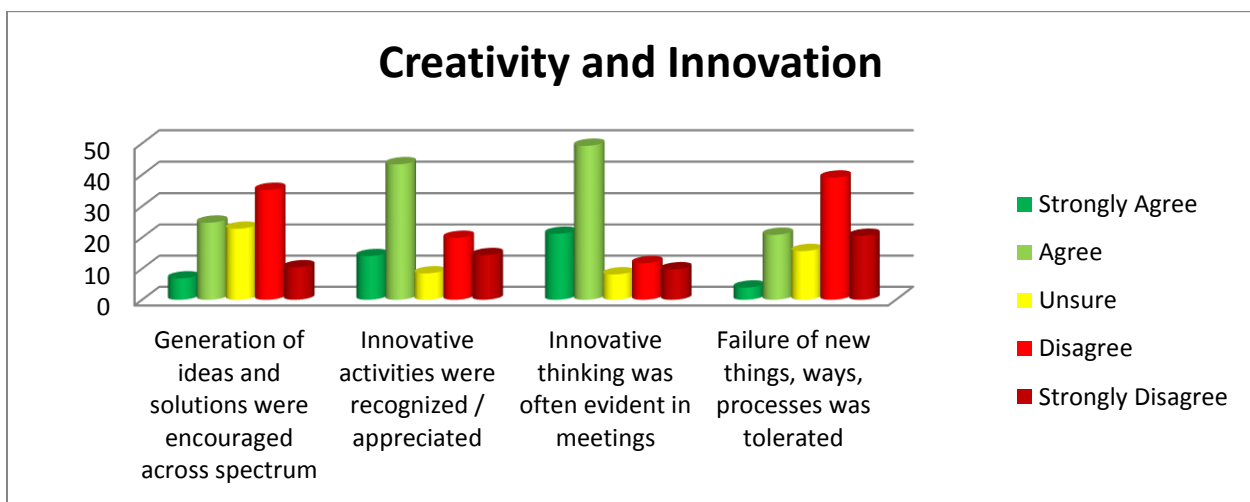


Figure 6.14: Creativity and innovation

There was significant agreement that innovative activities were recognised and appreciated and that innovative thinking was often evident in meetings. On the other hand, there was significant disagreement that generation of ideas and solutions was encouraged across the spectrum and that the failure of new things, ways and processes was tolerated (Figure 6.14 and Appendix E).

Ho12. Insurance companies that were innovative and creative had better chances of surviving the inflation.

It was hypothesised that insurance companies that were innovative and creative had better chances of surviving the inflation. Nevertheless, an **innovative** mean comparison was performed on the **new lines of products and services**. Table 6.24 above shows the summary of the findings. It revealed a statistically significant **difference in mean innovativeness and creativity** on profitability ($M_1 = 2.53$, $s_1 = 0.78$; $M_2 = 2.94$, $s_2 = 0.75$; $M_3 = 3.52$, $s_3 = 0.87$). $F_{obt} = 22.57$ and is associated with $p = 0.000$; we therefore reject the H_0 and conclude that at least one of the profitability categories has an **innovative and creativity** mean significantly different from the other categories ($F_{obt} (2; 304) = 22.57$, $p = .000$, $\alpha = .05$) (Appendix D). At this juncture, it is important to comprehend that each of the items for this construct was scored with a (reverse) 5 Likert score (strongly agree (1); agree (2); unsure (3); disagree (4); strongly disagree (5)). This is indicative of the fact that the higher the number, the lower the level of new lines of products and services and creativity. It can be concluded that innovativeness and creativity was relatively higher in insurance companies that survived hyperinflation since the Tukey HSD Post Hoc Tests revealed that the category of 'break-even' was significantly lower than 'loss' and significantly higher than 'profit'. The post hoc test revealed that there was a trichotomous significant variation, with each category forming a significant distinct category (**Table 6.24 and Appendix D**). Therefore, profitability increased as the companies engaged in more and more **new lines of products and services** and creativity. With regard to the computations of the post hoc tests, the group sizes are unequal and as a result, the harmonic mean of the group sizes was used for groups in homogeneous subsets.

6.10.2 Innovations introduced to the business

Table 6.25: Innovations introduced to the business

Descriptive Statistics					
	N	Min.	Max.	Mean	Std. Deviation
In your own view, how frequently were these innovations undertaken in a year?	307	.00	32.00	2.8730	4.47945
Valid N (list-wise)	307				

Innovations introduced averaged 2.9 per year. The frequencies of innovations in the year are summarised in a word cloud below, (Figure 6.15), with the boldest representing the most popular innovations:



Figure 6.15: Major innovations during the hyperinflation

Some of the dominant innovations that happened during the hyperinflation include: starting the medical insurance business; inflation adjusted premiums; forex indexing;

funeral business; ecolife; mobile insurance; student health insurance and managed annuities.

6.10.3 Risk orientation

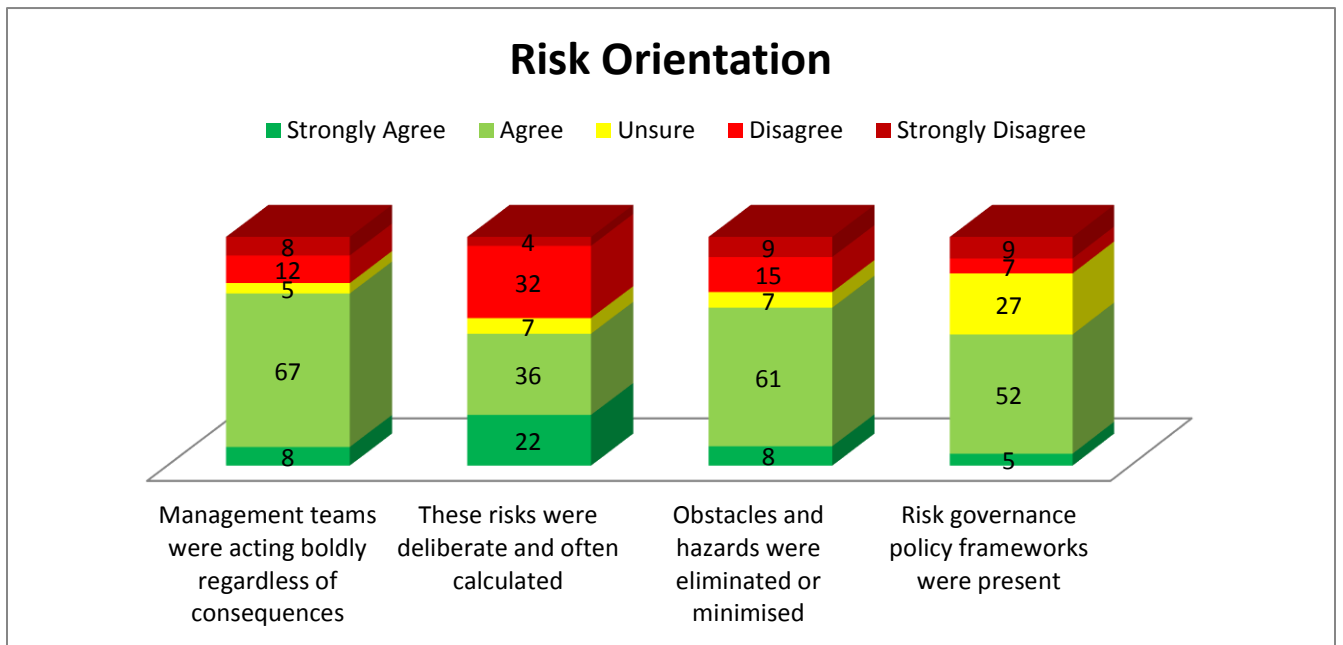


Figure 6.16: Risk orientation

H9. Insurance companies that took risks had much better chances of growing than those that were risk averse

On all dimensions of risk orientation, significantly more participants agreed that there was risk orientation (Figure 6.16 and Appendix E). It was hypothesised that insurance companies that **took risks** had much better chances of **growing** than those that were risk averse. **Risk orientation** mean comparison was calculated on the dimensions of growth using a one-way ANOVA. At this juncture, it is important to comprehend that each of the items for this construct was scored with a (reverse) 5 Likert score (strongly agree (1); agree (2); unsure (3); disagree (4); strongly disagree (5)). This is indicative of the fact that the higher the number the lower the level of **risk orientation**.

As shown in Table 6.24 and Appendix D, there was a statistically significant **difference in mean risk orientation** of growth ($M_1 = 2.32, s_1 = 0.84; M_2 = 2.66, s_2 = 0.77; M_3 = 3.23, s_3 = 1.16$). $F_{obt} = 10.49$ and is associated with $p = 0.000$; we therefore reject the H_0 and conclude that at least one of the growth categories has a **risk orientation** mean significantly different from the other categories ($F_{obt} (2; 304) = 10.49, p = .000, \alpha = .05$) (**Appendix D**). It can be concluded that insurance companies that **took risks** had much better chances of **growing** than those that were risk averse since the Tukey HSD Post Hoc Tests revealed that the categories of ‘growth into top 2 on the market’ and ‘stabilisation’ were a homogenous subset ($p = 0.22$) significantly lower from the category of ‘deterioration from outside top 2 on the market’. From the mean differences, it is apparent that the means for growth into the top 2 and stabilisation are significantly lower than that of deterioration from outside the top 2 on the market.

6.10.4 Risks taken

Risks taken in a year were elicited by question V33 and complemented qualitatively by V32 which asked respondents to state at least one risk taken.

Table 6.26: Risks taken

Descriptive Statistics					
	N	Min.	Max.	Mean	Std. Deviation
In your, opinion, how frequently were these risks taken in a year?	307	.00	30.00	3.8176	5.38024
Valid N (list-wise)	307				

Major risks taken are summarised in the word cloud below (Figure 6.17):

6.10.5 Proactiveness

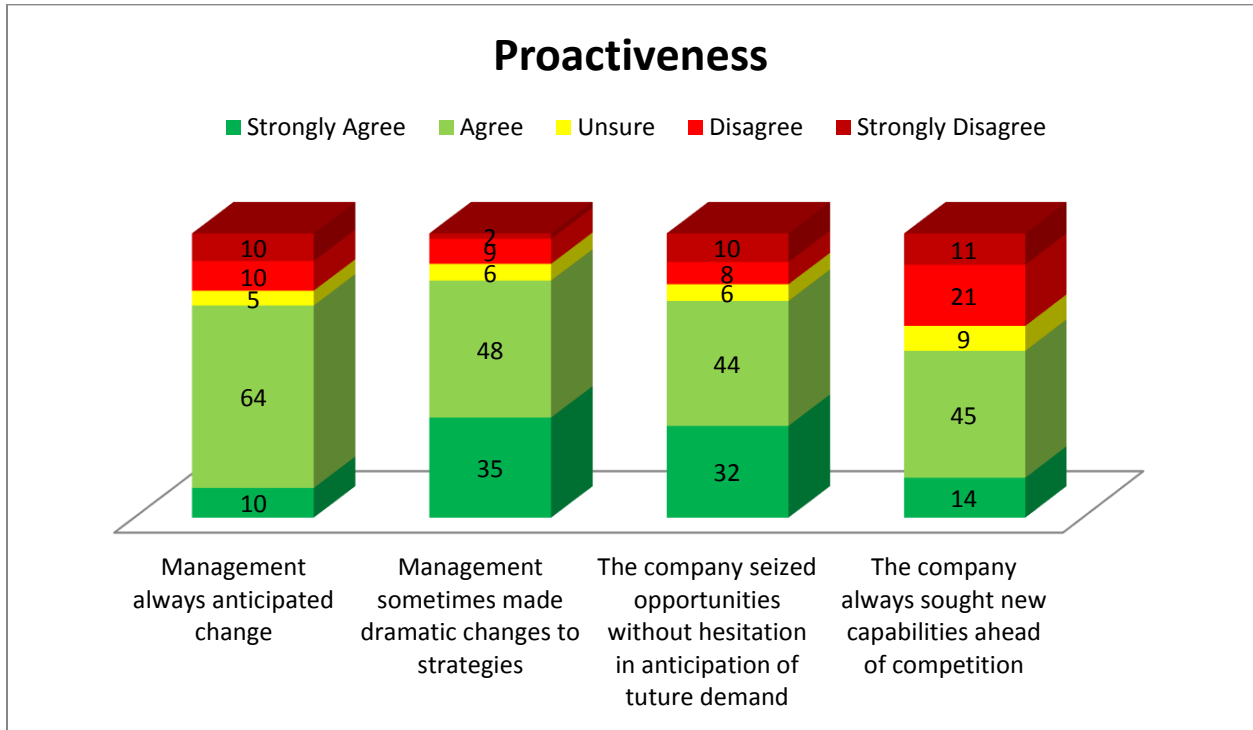


Figure 6.18: Proactiveness

Ho10. Insurance companies that were proactive had much better chances of surviving the inflation than companies that were not

The respondents were significantly in support of proactiveness as a critical variable to surviving inflation. All the dimensions of proactiveness were significantly more in agreement for pro-activeness (Figure 6.18 and Appendix E). To respond to this hypothesis, a pro-activeness mean comparison was performed on the dimensions of profitability using a one-way ANOVA. Like all the other items on entrepreneurial intensity, it is important to comprehend that each of the items for this construct was scored with a (reverse) 5 Likert score (strongly agree (1); agree (2); unsure (3); disagree (4); strongly disagree (5)). This is indicative of the fact that the higher the number, the lower the level of pro-activeness.

As shown in Table 6.24 and Appendix D, a significant **difference in mean** proactiveness on profitability was found ($M_1 = 2.02$, $s_1 = 0.69$; $M_2 = 2.24$, $s_2 = 0.73$; $M_3 = 2.94$, $s_3 = 1.13$). $F_{obt} = 20.61$ and is associated with $p = 0.000$; we therefore reject the H_0 and conclude that at least one of the profitability categories is significantly different from the other categories ($F_{obt} (2; 304) = 20.61$, $p = .000$, $\alpha = .05$.) (**Appendix D**). It can be concluded that insurance companies that were proactive had much better chances of surviving the inflation than companies that were not since the Tukey HSD Post Hoc Tests revealed that the categories of 'profit' and 'break-even' were a homogenous subset ($p = 0.07$) significantly different from the category of 'loss'. From the mean differences, it is apparent that the means for profit and 'break-even' are relatively lower than that of loss category. Therefore, it can be concluded that entrepreneurial proactiveness was relatively higher in insurance companies that survived hyperinflation. The levels of pro-activeness for the 'profit' and 'break-even' categories were found to be comparably similar.

6.10.6 Competitive aggressiveness

Ho11. Insurance companies that were aggressively competitive had chances of surviving the hyperinflation

There was significant agreement that the company was in the top 3 in its chosen insurance business line, was vigorous in defending its market turf and that the marketing aggressiveness led to market competitiveness (Figure 6.19 and Appendix E). However, there was no significant difference between those who agreed and did not, on whether the company sometimes undercut prices to gain new markets ($p=0.21$, see Appendix E).

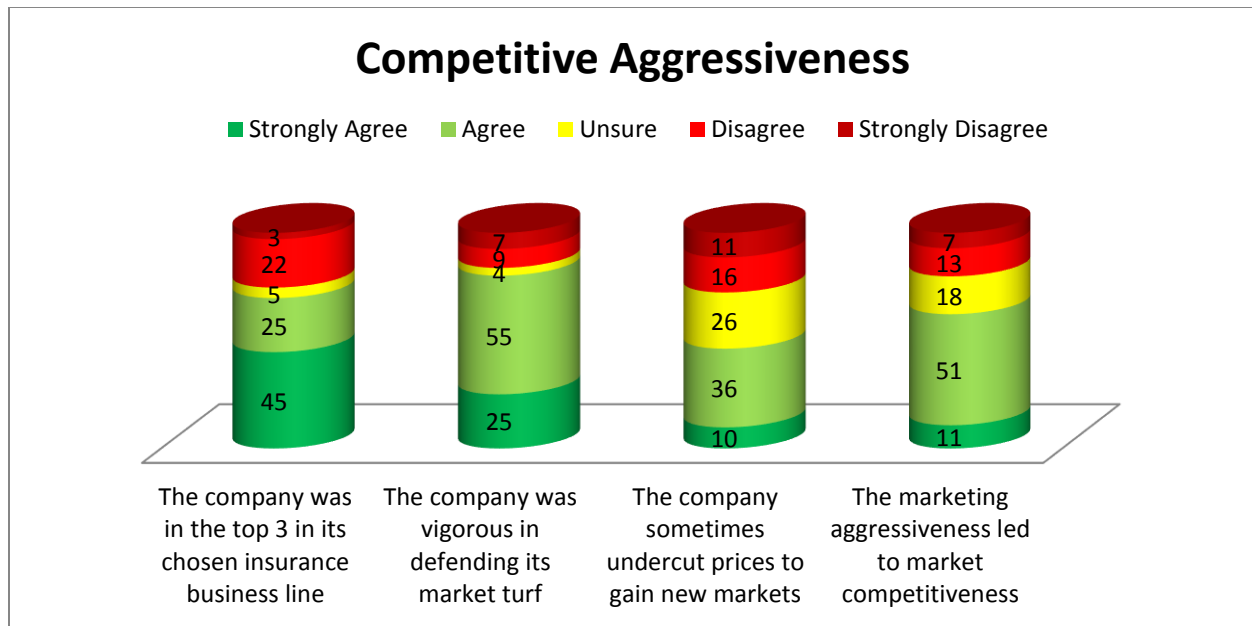


Figure 6.19: Competitive aggressiveness

It was hypothesised that insurance companies that were **aggressively competitive** had better chances of **surviving the hyperinflation**. Therefore, a competitive aggressiveness mean comparison was carried out on the dimensions of profitability using a one-way ANOVA. Like all other items on entrepreneurial intensity, it is important to comprehend that each of the items for this construct was scored with a (reverse) 5 Likert score (strongly agree (1); agree (2); unsure (3); disagree (4); strongly disagree (5)). This is indicative of the fact that the higher the number, the lower the level of competitive aggressiveness.

As shown in Table 6.24 and Appendix D, there was a statistically significant **difference in mean** competitive aggressiveness on profitability ($M_1 = 2.09$, $s_1 = 0.71$; $M_2 = 2.41$, $s_2 = 0.62$; $M_3 = 2.82$, $s_3 = 0.89$). $F_{obt} = 15.19$ and is associated with $p = 0.000$; we therefore reject the H_0 and conclude that at least one of the profitability categories has a competitive aggressiveness significantly different from the other categories ($F_{obt} (2; 304) = 15.19$, $p = .000$, $\alpha = .05$) (Appendix D). It can be concluded that competitive aggressiveness **was significantly higher in insurance companies that survived hyperinflation** since the Tukey HSD Post Hoc Tests revealed that the category of 'break-even' was significantly lower than 'loss' and significantly higher than 'profit'. The

post hoc test revealed that there was a trichotomous significant variation, with each category forming a significant distinct category. Therefore, profitability increased as the companies engaged in more and more competitive aggressiveness.

6.10.7 Assessment of overall dimensions of entrepreneurial intensity

H1. Insurance firms that survived the hyperinflationary environment exhibited entrepreneurial intensity to mitigate vagaries thereof.

As variously shown on the dimensions of entrepreneurial intensity above, those who survived the inflation and achieved growth, seemed to have higher levels of entrepreneurial intensity. To assess this overall hypothesis, an entrepreneurial intensity mean comparison was calculated on the dimensions of profitability using a one-way ANOVA. It is important to comprehend that entrepreneurial intensity was scored with a (reverse) 5 Likert score (strongly agree (1); agree (2); unsure (3); disagree (4); strongly disagree (5)). This is indicative of the fact that the higher the number, the lower the level of entrepreneurial intensity. It revealed a statistically significant **difference in mean entrepreneurial intensity** on profitability ($M_1 = 2.17, s_1 = 0.57; M_2 = 2.54, s_2 = 0.56; M_3 = 3.10, s_3 = 0.68$). $F_{obt} = 31.09$ and is associated with $p = 0.000$; we consequently reject the H_0 and conclude that at least one of the profitability categories has an entrepreneurial intensity significantly different from the other categories ($F_{obt} (2; 304) = 31.09, p = .000, \alpha = .05$) (Appendix D). It can be concluded that entrepreneurial intensity was significantly higher in insurance companies that survived hyperinflation since the Tukey HSD Post Hoc Tests revealed that the category of 'break-even' was significantly lower than 'loss' and significantly higher than 'profit'. The post hoc test revealed that there was a trichotomous significant variation, with each category forming a significant distinct sub-set. Therefore, profitability increased as the companies sought reliance on entrepreneurial intensity. This is indicative of the fact that insurance firms that survived the hyperinflationary environment exhibited entrepreneurial intensity to mitigate vagaries thereof. Therefore, insurance firms that survived the hyperinflationary environment should have exhibited entrepreneurial intensity.

H2. Lack of entrepreneurial intensity stifles growth and reduces competitiveness of insurance firms and leads to their ultimate demise when faced with hyperinflation induced hostile environments

It was also hypothesised that entrepreneurial intensity stifles growth and reduces competitiveness. To assess this overall hypothesis, an entrepreneurial intensity mean comparison was carried out on the dimensions of growth using a one-way ANOVA. The rest of the procedure applicable to H1 became relevant; therefore, we reject the H_0 and conclude that at least one of the growth categories has an **entrepreneurial intensity** significantly different from the other categories ($F_{obt}(2; 304) = 12.36, p = .000, \alpha = .05.$) **(Table 6.24 and Appendix D)**. From the data presented, it can be equally concluded that **lack of entrepreneurial intensity stifles growth and reduces competitiveness of insurance firms and leads to their ultimate demise when faced with hyperinflation induced hostile environments**. In order to effectively arrest venture failures (Evans & Leighton, 1990; Hage 2011:217), enterprise leaders should exhibit levels of entrepreneurial prowess that lead to sufficient entrepreneurial intensity to enable the companies to compete favourably on the insurance market.

6.11 Entrepreneurial Strategies: Mitigation of challenges in the environment (2007-2010)

The construct of entrepreneurial strategies was assessed using 10 items **(Table 6.30 below)** and had a high reliability score **(Cronbach's Alpha = 0.85)**.

Table 6.27: Reliability statistics for entrepreneurial strategies

Cronbach's Alpha		Cronbach's Alpha Based on Standardised Items								N of Items
.852		.854								10
Inter-Item Correlation Matrix										
	Creativity	Product Innovation	Service Innovation	Process Innovation	Diffusion of products and services	Committing to exploiting opportunities regardless of consequences	Monitoring industry trends and future needs to inform decisions	Starting new ventures as an option to sustainability	Diversification into non-core business / activities	It was compelling to launch new products
Creativity	1.000	.523	.485	.322	.305	.265	.259	.125	.185	.192
Product innovation	.523	1.000	.601	.534	.309	.122	.303	.048	.000	.043
Service innovation	.485	.601	1.000	.480	.492	.270	.361	.194	.246	.333
Process innovation	.322	.534	.480	1.000	.590	.452	.506	.255	.158	.124
Diffusion of products and services	.305	.309	.492	.590	1.000	.739	.540	.429	.377	.336
Committing to exploit opportunities regardless of consequences	.265	.122	.270	.452	.739	1.000	.626	.547	.399	.277
Monitoring industry trends and future needs to inform decisions	.259	.303	.361	.506	.540	.626	1.000	.654	.439	.231
Starting new ventures as an option to sustainability	.125	.048	.194	.255	.429	.547	.654	1.000	.736	.534
Diversification into non-core business / activities	.185	.000	.246	.158	.377	.399	.439	.736	1.000	.637
It was compelling to launch new products	.192	.043	.333	.124	.336	.277	.231	.534	.637	1.000

Creativity, product innovation, service innovation and committing to exploiting opportunities regardless of consequences were, significantly, found (very) important in mitigating the challenges of the operating environment ($p = 0.000$) (Table 6.27). On the other hand, starting new ventures as an option to sustainability, diversification into non-core business / activities and cohesion to launch new products were significantly found not, and or less, important in mitigating the challenges of the operating environment (Table 6.27). There was ambivalence on the importance of diffusion of products and services ($p=0.09$) and monitoring industry trends and future needs to inform decisions ($p=0.21$). About half find them important while the other half find these two less and not important (Table 6.27).

Table 6.28: Binomial tests on entrepreneurial strategies

Various Dimensions of Entrepreneurial Strategies						
Group 1= Not & Less Important Group 2= (Very) Important		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
Creativity	Group 1	Not & less important	43	.14	.50	.000
	Group 2	(Very) important	264	.86		
	Total		307	1.00		
Product innovation	Group 1	Not & less important	44	.14	.50	.000
	Group 2	(Very) important	263	.86		
	Total		307	1.00		
Service innovation	Group 1	Not & less important	87	.28	.50	.000
	Group 2	(Very) important	220	.72		
	Total		307	1.00		
Process innovation	Group 1	Not & less important	74	.24	.50	.000
	Group 2	(Very) important	233	.76		
	Total		307	1.00		
Diffusion of products and services	Group 1	Not & less important	138	.45	.50	.087
	Group 2	(Very) important	169	.55		
	Total		307	1.00		
Committing to exploiting opportunities regardless of consequences	Group 1	Not & less important	127	.41	.50	.003
	Group 2	(Very) important	180	.59		
	Total		307	1.00		
Monitoring industry trends and future needs to inform decisions	Group 1	Not & less important	165	.54	.50	.209
	Group 2	(Very) important	142	.46		
	Total		307	1.00		
Starting new ventures as an option to sustainability	Group 1	Not & less important	222	.72	.50	.000
	Group 2	(Very) important	85	.28		
	Total		307	1.00		
Diversification into non-core business / activities	Group 1	Not & less important	233	.76	.50	.000
	Group 2	(Very) important	74	.24		
	Total		307	1.00		
It was compelling to launch new products	Group 1	Not & less important	216	.70	.50	.000
	Group 2	(Very) important	91	.30		
	Total		307	1.00		

Ho7. Some entrepreneurial strategies taken ended with good consequences for some insurance companies

...and...

Ho8. Some entrepreneurial strategies ended with detrimental outcomes for some insurance companies

It was hypothesised that some **entrepreneurial strategies** taken ended with good consequences for some insurance companies whilst some **entrepreneurial strategies** ended with **detrimental outcomes** for some insurance companies. To test these twin suggestions, a series of independent-samples Kruskal-Wallis tests were run for the ten strategies (data collected using ordinal scale); the results are summarised in Table 6.29 below.

Table 6.29: Kruskal-Wallis test summary on entrepreneurial strategies

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Creativity is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.022	Reject the null hypothesis.
2	The distribution of Product Innovation is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.064	Retain the null hypothesis.
3	The distribution of Service Innovation is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.008	Reject the null hypothesis.
4	The distribution of Process Innovation is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.000	Reject the null hypothesis.
5	The distribution of Diffusion of products and services is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.223	Retain the null hypothesis.
6	The distribution of Committing to exploiting opportunities regardless of consequences is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.251	Retain the null hypothesis.
7	The distribution of Monitoring industry trends and future needs to inform decisions is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.005	Reject the null hypothesis.
8	The distribution of Starting new ventures as an option to sustainability is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.909	Retain the null hypothesis.
9	The distribution of Diversification into non-core business / activities is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.091	Retain the null hypothesis.
10	The distribution of It was compelling to launch new products is the same across categories of How do you describe the average financial performance of the company.	Independent-Samples Kruskal-Wallis Test	.006	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

For the five of the ten items that failed to reject the null hypotheses, the distribution of the variables was comparably the same across the categories of profitability. For the other five, we rejected the null hypothesis; for these it is worthwhile to explore them further.

Firstly, it was revealed that creativity was a significant variable to influence profitability ($\chi_{obt}(2) = 7.67, p = 0.022$). The independent-samples Kruskal-Wallis pairwise comparisons indicated that the 'loss' position was the one significantly different from both profit ($p = 0.029$) and break-even ($p = 0.48$).

Pairwise Comparisons of : How do you describe the average financial performance of the company ?



Each node shows the sample average rank of How do you describe the average financial performance of the company.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Loss Position-Break Even	27.490	11.403	2.411	.016	.048
Loss Position-Profit	36.548	14.129	2.587	.010	.029
Break Even-Profit	9.058	11.159	.812	.417	1.000

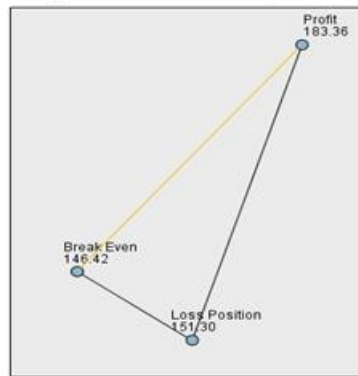
Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same. Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Figure 6.20: Creativity: pairwise comparison of average financial performance

Therefore, it can be concluded that creativity led to profitability for those who made profits and broke even while lack of it led to loss for those who were in a loss position. Those who made profits were not significantly different from those who broke even in terms of the variable of process innovation.

Secondly, it was revealed that service innovation was a significant variable across the levels of profitability ($\chi_{obt}(2) = 9.56, p = 0.008$). The independent-samples Kruskal-

Wallis pairwise comparisons indicated that the 'profit' position was significantly different from break-even ($p = 0.006$) but not significantly different from loss ($p = 0.104$). It was also revealed that 'break-even' was also not significantly different from loss ($p = 1.00$).



Each node shows the sample average rank of How do you describe the average financial performance of the company.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Break Even-Loss Position	-4.883	12.256	-.398	.690	1.000
Break Even-Profit	36.938	11.994	3.080	.002	.006
Loss Position-Profit	32.055	15.187	2.111	.035	.104

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same. Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Figure 6.21: Service innovation versus financial performance

These results suggest that service innovation yielded good consequences for some insurance companies and **detrimental outcomes** for some insurance companies. Some still made losses even if they had service innovation comparable to those who made profits.

Thirdly, it was revealed that process innovation was significantly a variable across the levels of profitability ($\chi_{obt}(2) = 18.89, p = 0.000$). The independent-samples Kruskal-Wallis pairwise comparisons indicated that the 'loss' position was the one significantly different from both profit ($p = 0.000$) and break-even ($p = 0.000$).



Each node shows the sample average rank of How do you describe the average financial performance of the company.

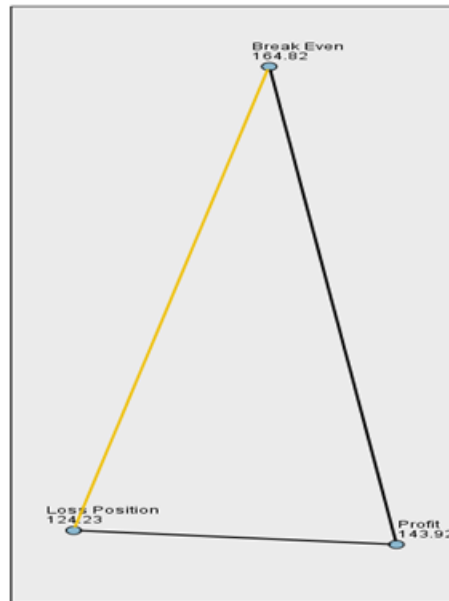
Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Loss Position-Break Even	47.764	11.822	4.040	.000	.000
Loss Position-Profit	55.785	14.648	3.808	.000	.000
Break Even-Profit	8.021	11.569	.693	.488	1.000

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same. Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Figure 6.22: Process innovation versus financial performance

Therefore, it can be concluded that process innovation led to profitability for those who made profits and broke even whereas lack of it led to loss for those who were in a loss position. Those who made profits were not significantly different from those who realised a break-even position in terms of their process innovations.

Fourthly, it was revealed that monitoring industry trends and future needs to inform decisions was significantly variable across the levels of profitability ($\chi_{\text{obt}}(2) = 10.75$, $p = 0.005$). The independent-samples Kruskal-Wallis pairwise comparisons indicated that the 'loss' position was significantly different from break-even ($p = 0.005$) but not significantly different from profit ($p = 0.664$). It was also revealed that 'break-even' was also not significantly different from profit ($p = 1.00$).



Each node shows the sample average rank of How do you describe the average financial performance of the company.

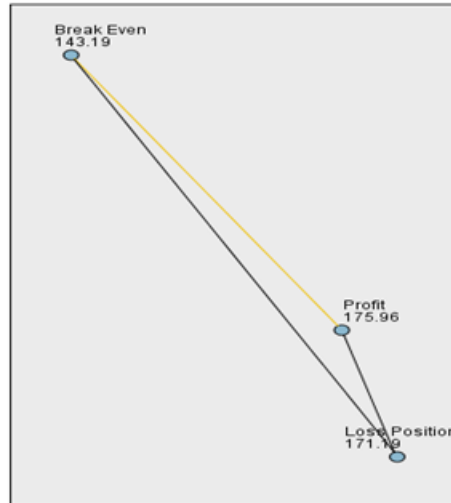
Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Loss Position-Profit	19.693	16.099	1.223	.221	.664
Loss Position-Break Even	40.594	12.992	3.124	.002	.005
Profit-Break Even	-20.901	12.715	-1.644	.100	.301

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same. Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Figure 6.23: Monitoring industry trends and future needs to inform decision

These results suggest that monitoring industry trends and future needs to inform decision yielded both good consequences for some insurance companies and **detrimental outcomes** for others. However, some still made profits even if they monitored the industry trends and future needs to inform their decision in a manner comparable to those who made losses.

Lastly, it was revealed that launching new products was significantly a variable across the levels of profitability ($\chi_{\text{obt}}(2) = 10.32, p = 0.006$). The independent-samples Kruskal-Wallis pairwise comparisons indicated that the 'profit' position was significantly different from break-even ($p = 0.020$) but not significantly different from loss ($p = 1.00$). It was also revealed that 'break-even' was also not significantly different from the loss position ($p = 0.070$).



Each node shows the sample average rank of How do you describe the average financial performance of the company.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Break Even-Loss Position	-28.002	12.352	-2.267	.023	.070
Break Even-Profit	32.777	12.088	2.712	.007	.020
Loss Position-Profit	4.776	15.306	.312	.755	1.000

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same. Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Figure 6.24: Compelling to launch new products for profitability

These results suggest that launching new products yielded good consequences for some insurance companies but **detrimental outcomes** for some as well. Some still made losses even if they felt compelled by the hyperinflationary environment to launch new products in a way comparable to those who made profits, in the belief that they would be sustained through the hyperinflation.

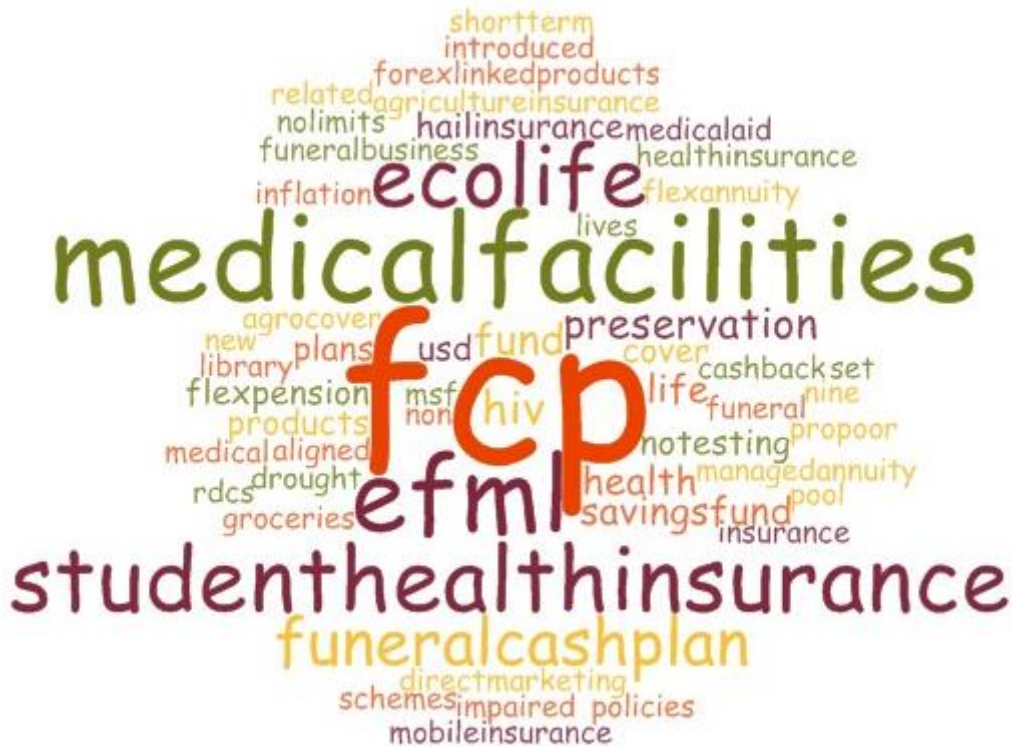


Figure 6.25: Word cloud on new products introduced

As shown in the cloud in **Figure 6.25** above, medical and funeral business products dominated during the hyperinflation with the Funeral Cash Plan (FCP) outdoing the other products unleashed on the market during the period. Ecolife, a funeral product with mobile telecommunication provider, Econet, was also significant during the period. Student health insurance and flexi pension were some of the products that made a significant impact, as noted by respondents.

H19. Insurance companies that deviated into non-core business activities had better chances of surviving than those that stuck to the core business of insurance.

It was also hypothesised that insurance companies that **deviated into non-core business activities** had **better chances of surviving** than those that stuck to the core business of insurance. Questionnaire's **V 27 (j)** was used to elicit responses and in order to test whether survival was independent of diversification into non-core business, a chi-square for independence was computed. The results indicate that there was no statistically significant relationship between the survival and diversification into other non-core business ($\chi_{\text{obt}}(6) = 11.87, p = 0.065$).

Table 6.30: Diversification into non-core activities

		How do you describe the average financial performance of the company?			Total
		Profit	Break-even	Loss position	
Diversification into non-core business / activities	Not important	30	130	28	188
	Less important	8	25	12	45
	Important	7	28	9	44
	Very important	11	15	4	30
Total		56	198	53	307

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.873 ^a	6	.065
Likelihood Ratio	10.427	6	.108
Linear-by-Linear Association	.999	1	.317
N of Valid Cases	307		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.18.



Figure 6.26: A word cloud on non-core activities / businesses

Micro finance was the most common non-core activity mentioned. The bigger the word, the more frequent the activity. Some of the most frequent activities include: training business; property development; money lending business such as Bethel Finance; money market investments and commodity broking.

6.12 Entrepreneurial outcomes

Entrepreneurial outcomes were assessed through different items, such as employment creation, growth, profitability, new products and new innovations. Both qualitative and quantitative enquiries were made.

6.12.1 Employment creation

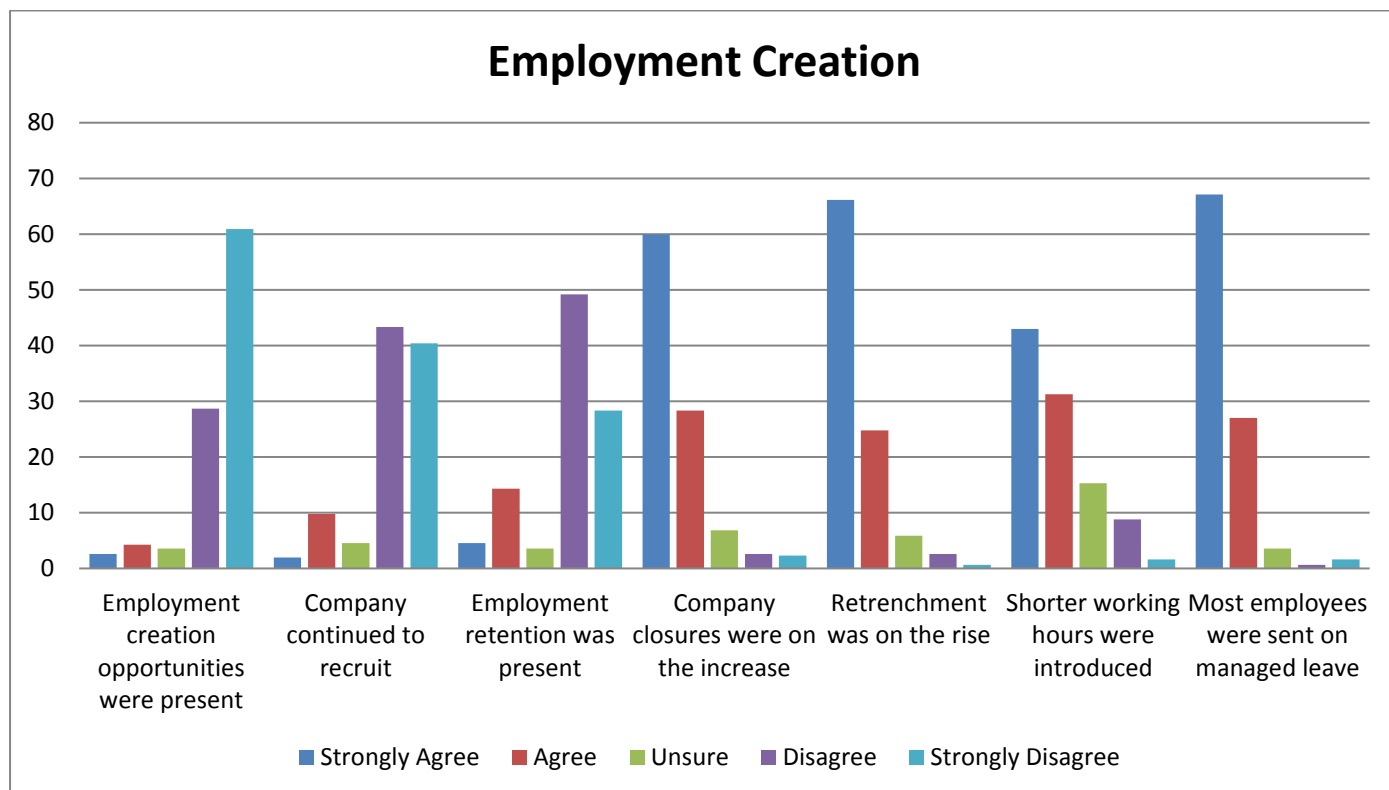


Figure 6.27: Employment creation

The first three dimensions were positively scored while the other four were negatively scored. For the calculation of the overall score, the negative scores were reversed to score in the positive direction. On all dimensions, the participants significantly revealed that there was no employment creation during the hyperinflation (Table 6.31).



Table 6.31: Binomial test on employment creation

Group 1= Not & less important Group 2= (Very) important		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
Employment creation opportunities were present	Group 1	(Strongly) Agree & Unsure	32	.10	.50	.000
	Group 2	(Strongly) Disagree	275	.90		
	Total		307	1.00		
The company continued to recruit	Group 1	(Strongly) Agree & Unsure	50	.16	.50	.000
	Group 2	(Strongly) Disagree	257	.84		
	Total		307	1.00		
Employment retention was present	Group 1	(Strongly) Agree & Unsure	69	.22	.50	.000
	Group 2	(Strongly) Disagree	238	.78		
	Total		307	1.00		
The company closures were on the increase	Group 1	(Strongly) Agree	271	.88	.50	.000
	Group 2	(Strongly) Disagree & Unsure	36	.12		
	Total		307	1.00		
Retrenchment was on the rise	Group 1	(Strongly) Agree	279	.91	.50	.000
	Group 2	(Strongly) Disagree & Unsure	28	.09		
	Total		307	1.00		
Shorter working hours were introduced	Group 1	(Strongly) Agree	228	.74	.50	.000
	Group 2	(Strongly) Disagree & Unsure	79	.26		
	Total		307	1.00		
Most employees were sent on managed leave	Group 1	(Strongly) Agree	289	.94	.50	.000
	Group 2	(Strongly) Disagree & Unsure	18	.06		
	Total		307	1.00		
Overall assessment of employment creation						
Average score on employment creation	Group 1	(Strongly) Agree & Unsure	15	.05	.50	.000
	Group 2	(Strongly) Disagree	292	.95		
	Total		307	1.00		

Overall the results indicate that the environment did not encourage job creation ($p=0.000$). On the contrary, job losses were on the rise.

6.12.2 Company performance during the hyper inflationary era in terms of market share

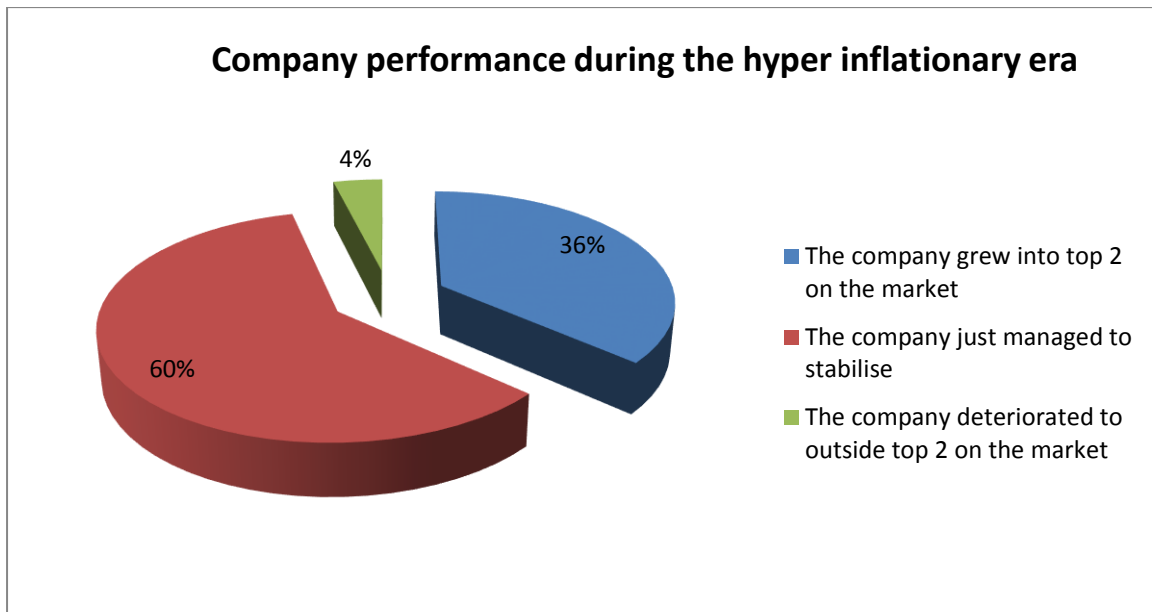


Figure 6.28: Company performance versus market share

These results show that at least one of the dimensions was significantly more or less than others ($\chi_{\text{obt}}(2) = 144.241$, $p = 0.00$): ‘the company just managed to stabilise’ was the best descriptor of the performance during the hyper inflationary era.

Table 6.32: Market performance using Chi-Square Test

	Observed N	Expected N	Residual
The company grew into top 2 on the market	112	102.3	9.7
The company just managed to stabilize	183	102.3	80.7
The company deteriorated to outside top 2 on the market	12	102.3	-90.3
Total	307		
Test Statistics			
	How has this company performed during the hyper inflationary era?		
Chi-Square			144.241 ^a
df			2
Asymp. Sig.			.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 102.3.

6.12.3 Average financial performance of the company over the period (2007-2010)

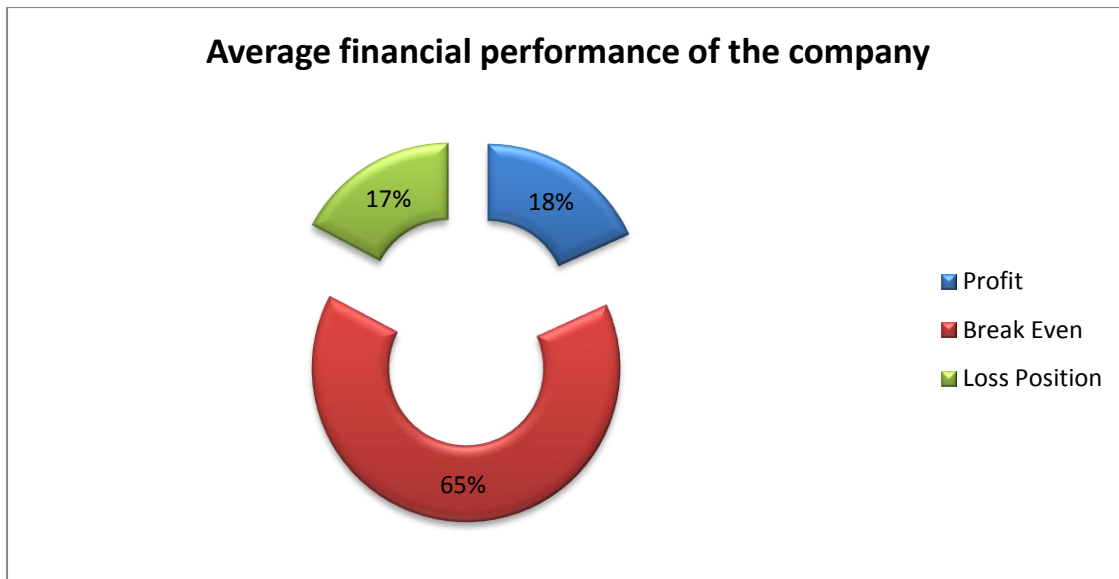


Figure 6.29: Average financial performance

V29 sought to find out how the companies performed financially during the hyperinflationary period. Options were given as: profitability, break-even and a loss position for the respondents to choose from. Sixty-five percent (65%) thought that their companies just managed to break even and kept their heads above the water during the challenging environment, whilst 18% thought profitability was realised and 17% responded that a loss position was inevitable.

6.12.4 New markets

As shown below, the churches, the informal sector and Botswana are the major new markets.

Table 6.33: Reliability statistics for human factor antecedents

Reliability Statistics for Human Factor antecedents								
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items						N of Items	
.911	.918						8	
Inter-Item Correlation Matrix								
	Aesthetic	Moral Capital	Conscientiousness	Human Capital	Human Potential	Focus and Commitment	Agreeableness	Extraversion
Aesthetic	1.000	.708	.765	.673	.541	.653	.566	.418
Moral Capital	.708	1.000	.788	.641	.515	.644	.583	.395
Conscientiousness	.765	.788	1.000	.705	.554	.756	.614	.502
Human Capital	.673	.641	.705	1.000	.497	.652	.568	.449
Human Potential	.541	.515	.554	.497	1.000	.415	.675	.402
Focus and Commitment	.653	.644	.756	.652	.415	1.000	.594	.488
Agreeableness	.566	.583	.614	.568	.675	.594	1.000	.574
Extraversion	.418	.395	.502	.449	.402	.488	.574	1.000

The descriptive statistics for the human factor antecedents are summarised below;

Table 6.34: Positive human factors

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Aesthetic	307	6.00	4.00	10.00	8.59	1.43	2.05
Moral Capital	307	10.00	0.00	10.00	8.46	1.68	2.84
Conscientiousness	307	8.00	2.00	10.00	8.49	1.52	2.31
Human Capital	307	8.00	2.00	10.00	8.41	1.62	2.63
Human Potential	307	9.00	1.00	10.00	7.90	1.78	3.15
Focus and Commitment	307	9.00	1.00	10.00	8.41	1.62	2.63
Agreeableness	307	10.00	0.00	10.00	7.94	1.71	2.93
Extraversion	307	10.00	0.00	10.00	7.64	2.14	4.56
Valid N (list-wise)	307						

Using V43-V50 respondents were asked to rate (out of 10) the role of the eight selected human factors helpful to surviving the hyperinflation. The scale of assessment was decoded into 5 discrete ranges. These ranges were given ordinal qualitative descriptors. The ranges are: values less or equal to 2 ($1 \leq x \leq 2$) were decoded as not important; values greater or equal to three but less or equal to 4 ($3 \leq x \leq 4$) were decoded as less important; values greater or equal to five but less

or equal to six ($5 \leq x \leq 6$) were decoded as important; values greater or equal to seven but less or equal to eight ($7 \leq x \leq 8$) were decoded as very important; values greater or equal to nine but less or equal to ten ($9 \leq x \leq 10$) were decoded as extremely important. Each range was given its average score based on the average score of the extreme values, that is the lowest and the highest possible. For example, the average of the 'not important' range was 1.5.

It was hypothesised that paying attention to positive human factors is crucial to surviving the hyperinflation. For the assessment of this hypothesis, the importance of positive human factor antecedents was construed as the ratings given by participants. The group mean scores were compared with the range average scores using a single sample T-test. The single sample T-test was run to test the $H_0: \mu = 5.5$ (the group mean is not significantly different from a value of 5.5 (important)). Failing to reject this H_0 or rejecting it on condition of the group mean being significantly greater is consonant with our research hypothesis. The results for this test are shown in the table below:

Table 6.35: One-sample statistics on human factors

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean		
Aesthetic	307	8.5928	1.43042	.08164		
Moral Capital	307	8.4625	1.68453	.09614		
Conscientiousness	307	8.4853	1.51968	.08673		
Human Capital	307	8.4104	1.62324	.09264		
Human Potential	307	7.9023	1.77590	.10136		
Focus and Commitment	307	8.4137	1.62141	.09254		
Agreeableness	307	7.9446	1.71123	.09766		
Extraversion	307	7.6384	2.13504	.12185		
Average for human factor antecedents (entrepreneurial behaviours)	307	8.2313	1.33477	.07618		
One-Sample Test						
	Test Value = 9.5					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Aesthetic	-11.112	306	.000	-.90717	-1.0678	-.7465
Moral Capital	-10.791	306	.000	-1.03746	-1.2266	-.8483
Conscientiousness	-11.699	306	.000	-1.01466	-1.1853	-.8440
Human Capital	-11.761	306	.000	-1.08958	-1.2719	-.9073
Human Potential	-15.763	306	.000	-1.59772	-1.7972	-1.3983
Focus and Commitment	-11.739	306	.000	-1.08632	-1.2684	-.9042
Agreeableness	-15.926	306	.000	-1.55537	-1.7476	-1.3632
Extraversion	-15.277	306	.000	-1.86156	-2.1013	-1.6218
Average for human factor antecedents (entrepreneurial behaviours)	-16.654	306	.000	-1.26873	-1.4186	-1.1188
One-Sample Test						
	Test Value = 7.5					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Aesthetic	13.386	306	.000	1.09283	.9322	1.2535
Moral Capital	10.012	306	.000	.96254	.7734	1.1517
Conscientiousness	11.361	306	.000	.98534	.8147	1.1560
Human Capital	9.827	306	.000	.91042	.7281	1.0927
Human Potential	3.969	306	.000	.40228	.2028	.6017
Focus and Commitment	9.874	306	.000	.91368	.7316	1.0958
Agreeableness	4.553	306	.000	.44463	.2524	.6368
Extraversion	1.136	306	.257	.13844	-.1013	.3782
Average for human factor antecedents (entrepreneurial behaviours)	9.599	306	.000	.73127	.5814	.8812

Although the scores are significantly lower than a value of 9.5 (extremely important), they are (all except extraversion) significantly greater than a value of 7.5 (very important). Therefore, it can be concluded that the human factor antecedents (apart from extraversion) were significantly found to be above 'very important'. Extraversion was found to be higher but not significantly different from 7.5 (very important). Therefore, 'very important' can be said to be a best descriptor of extraversion. It is therefore concluded that paying attention to positive human factors is crucial to surviving the hyperinflation. Retaining this research hypothesis and rejecting the null hypothesis aligns with the notion that decayed human factors lead to collapse of the institution and fosters the theory advanced by Sharit, (1998) in Salvendy (2006:708), that whilst human fallibility is common, especially in difficult environments such as the Zimbabwean situation under discussion, if properly managed it can bring enhanced success to many organisations. Adjibolosoo (1993:142) concurs that in fact, no business or organisation can function effectively without being upheld by a network of committed persons with positive human factors.

6.14 Conclusion

This chapter sought to validate some assumptions made in the review of literature pertaining to entrepreneurial intensity, its relevance and presence in the insurance industry in the hyperinflationary Zimbabwe. The assumptions were expressed statistically through hypotheses and a few were qualitatively expressed. Data gathered by means of a questionnaire were then subjected to various tests in an effort to discover if the stated positions were validated or disproved. Binomial tests, ANOVA, Chi-square, Tukey HSD Post hoc and t-tests were applied to the data where relevant and most appropriate.

Demographic data was also analysed to provide a broader appreciation of the general diverse construction and opinions of the respondents. Frequencies were therefore mostly relevant for this type of data.

Whilst twenty hypotheses were initially stated, the data mined required that some secondary hypotheses be constructed to cater for the emerging constructs and variables that enabled a thorough analysis of the primary hypotheses in pursuit of

the research objectives of the study. Tables and figures were instrumental in clearly articulating the data and what it reflected as regards the broader hypotheses with minimum ambiguity, and the decisions on the latter arising from the various tests.

CHAPTER 7

DISCUSSION OF FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

*'There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things'.
Niccolo Machiavelli in (Johnson & Peterson 2005:89)*

7.1 Introduction

In the preceding chapters this study has articulated the central role of EI in crisis ridden economic environments in general and in particular, the hyperinflationary conditions in Zimbabwe. In the first instance, the rationale and impetus were justified by a literature review. Concepts and theories were explored and models were discussed to give credence to prior assumptions and the perceived importance of the concept of EI. Other concepts were logically and strategically linked to give weight to this emerging critical concept in the field of entrepreneurship.

Extracted data was systematically analysed in the previous chapter. Various relevant analytical techniques were deployed. Critical tests such as Binomial tests, ANOVA, Chi-square, Tukey HSD Post hoc, Kruskal Wallis and t-tests were considered where appropriate. The analysis of data was meant to statistically buttress prior assumptions made by the literature concerning EI and related concepts as regards entrepreneurial performance in a firm.

This chapter intensively and extensively addresses the empirical findings, to the extent that these align and resonate with research objectives as previously stated via the research hypotheses as postulated and examined in Chapter 6. While maintaining this focus, the study attempted to fully grasp the entrepreneurial dynamics and intensity in the context of companies in the insurance industry in the face of economic and challenging business environments, hence the topic 'Exploring the nature and extent of EI in the insurance industry in hyper-inflationary Zimbabwe 2007-2010'.

7.2 Research Objectives

7.2.1 Objectives

(i) Primary Objective

1. Broadly, the research aimed at finding how vibrant entrepreneurship within the insurance companies was able to assist the business to achieve excellence and foster business growth in the face of harsh economic environments.

(ii) Secondary Objectives

2. To explore the degree of EI in insurance companies in Zimbabwe during the hyperinflation that prevailed in Zimbabwe
3. To explore the frequency of EI in insurance companies in Zimbabwe in the hyperinflation that prevailed in Zimbabwe
4. To explore people orientation and relevant factors and antecedents in enhancing the survival of the organisations in a chaotic environment
5. To suggest favourable entrepreneurial endeavours that could be undertaken to enhance competitiveness and sustainability in the ever-sensitive insurance industry market.

7.2.2 Research questions

(i) Main research question

Did entrepreneurial intensity mitigate the hyperinflation challenges in the insurance industry in Zimbabwe? And did it subsequently influence a desired business growth-trajectory?

(ii) Sub-questions

1. With what frequency was EI practised in the insurance industry in Zimbabwe?
2. To what degree was the EI present in the insurance industry in Zimbabwe?
3. What were the relevant entrepreneur orientation factors and antecedents in driving EI and ensuring survival in challenging business operating environments?
4. What entrepreneurial strategies can be relied upon and should be recommended to enhance enterprise competitiveness and sustainability for the insurance market?

7.3 Summary of Literature

Exploration of the literature began in Chapter 2 where the field of entrepreneurship was extensively discussed, beginning with the historical emergence of the concept. Literature supported the notion that entrepreneurship makes a significant difference in peoples' lives, their societies and the economy at large (OCED Report, 2007; Landes, Mokyr & Baumol, 2010). The research also suggests that entrepreneurship as a concept remains a mystery, elusive and complex and as such, a single definition for it would not do justice to a field as broad as this. Therefore, many definitions were scrutinised. However, Nieman's and Nieuwenhuizen's (2009:9) definition of the entrepreneur can best give a view into what entrepreneurship is about. An entrepreneur is defined as a person who recognises an opportunity in the market, mobilises the resources required and goes ahead to create and grow the business with the intention of satisfying the market. In so doing, that person takes the respective risks as well as the rewards associated with the venture, should it fail or succeed. This became a critical working definition for this research

This definition has won plaudits for being inclusive of most of the variables known to make up the concept of entrepreneurship as propounded by earlier scholars in the field from time to time.

The inclusion of such critical variables as **opportunity exploration, gathering of resources, market satisfaction, venture creation, growth, risks and rewards** has been separately projected by various authors but in this definition alone they appear to have found congruence and to have been aptly captured to project a fairly understood and harmonious concept of entrepreneurship. The contemporary variables of innovation, previously championed by Schumpeter (1934), and the growth element have been prominent in the Nieman (2009) definition. Also present in it are the 'opportunity' elements identified by scholars such as Venkataraman (1997), Baron and Venkataraman (2000), Ganter (2005), Timmons (1999) and Venter, Urban and Rwigwena, (2008). These opportunities are not ubiquitous as stated, *inter alia*, by Venter *et al* (2008). Scholars such as Knight (1934) also referred to the elements of risk and reward.

This definition was imperative to give direction to this study. It also enabled the study to make a link between the field of entrepreneurship and its critical construct of EI, which is central to this research as well as other related concepts, such as entrepreneurial activity, entrepreneurial orientation and corporate entrepreneurship (CE), without which the proper discussion on EI or lack of it, might not have sufficed.

The concept of human factor content (Adjibolosoo 1993; 1994; 1995; Schneider & Smith, 2004; Brice, 2006:2) in the field of entrepreneurship was discussed. The projection and articulation of entrepreneurs as critical in driving entrepreneurial performance was also explored.

Conceptual frameworks were attended to in Chapter 3 and the critical elements of theories of entrepreneurship, critical concepts and related models that explain entrepreneurship were also discussed there. Table 7.1 below, provides a summary of conceptual frameworks explored.

Table 7.1: Conceptual frameworks: a summary

Concept	Authors
Corporate entrepreneurship	<ul style="list-style-type: none"> • Antoncic & Hisrich (2004) • Kuratko <i>et al</i> (2007) • Clohessy, Holt & Rutherford (2007) • Morris, Kuratko & Covin (2008) • Morrisette & Oberman (2013) • Wolcott & Lippitz (2007) • Ireland, <i>et al</i> (2006a) • Sathe (2003) • Dess, Lumpkin & Eisner (2010) • Philips & Messersmith 2013) • Guth and Ginsberg (1990) • Osiri, Macarty, Davis & Osiri (2013) • Birkinshaw (2003) • Kuratko & Hodgetts (2004) • Russo (2010). • Dess <i>et al</i> (2010) • Hisrich, Peters and Shepherd (2008) • Witham (2010) • Morris & Kuratko (2002) • Luke, Verreyne, Martie-Louise & Kearins (2010)
Entrepreneurial activity	<ul style="list-style-type: none"> • Audretsch, Carree, van Stel & Thurik (2004) • Ahmad and Hoffman (1993) • Lerner (2009) • Ahmad and Seymour (2005) • Zimmerman (2010)
Entrepreneurial orientation	<ul style="list-style-type: none"> • Wiklund & Shepherd (2005). • Dess <i>et al.</i> (2010) • Liao, Murphy & Welsch (2005) • David (2013). • Dess & Lumpkin (2001)
Entrepreneurial Leadership and Effective Teamwork	<ul style="list-style-type: none"> • Prieto (2010). • Kamm, Shuman, Seeger, and Nurick (1990) • Cooper <i>et al</i> (2006) • Nieman <i>et al</i> (2009) • Wren (1994) • Valdiserri (2010). • Shokri (2012). • Schuler (1998) • Business Case Studies LLP (2013)

7.4 Critical Theories

Relevant theories underpinning this study were explored. Most of these theories were advanced to explain EI and related phenomena. Table 7.2 below presents a summary of the theories and their advocates, while Table 7.3 provides a summary of models examined and their main proponents.

Table 7.2: A summary of theories

Theory	Proponents	Year
The Eclectic Theory	Audretsch <i>et al</i>	2002
Resource Based Theory	Alvarez and Busenitz	2001
Knowledge Spill-over Theory of Entrepreneurship	Acs, Braunerhjelm, Audretsch	2009
Theory of Entrepreneurial Cognition	Mitchell, Busenitz and Lant	2009
Theory of Planned Behaviour	Ajzen	1991
Transaction Cognition Theory (TCT)	Mitchell, Morse & Sharma	2003
Critical Management Theory	Hjorth <i>et al</i>	2009

Conceptual models were also discussed in Chapter 3 to complement prior theories discussed (that generally, entrepreneurship is a field that is continually being reconstructed with the advent of new knowledge) and in particular, to guide explanations and provide frameworks for informed discussions, concerning the concept of EI.



Table 7.3: A summary of models

Model	Research Proponents	Year
A Conceptual Model of Corporate Entrepreneurship	Covin & Slevin	1991
A Conceptual Model of Entrepreneurship as a Firm Behaviour	Covin & Slevin	1991
A Model for Middle-Level Managers' Entrepreneurial Behaviour	Kuratko, <i>et al</i>	2005b
A Model of Entrepreneurial Motivation	Naffziger, Hornsby, and Kuratko	1994
A Model of Employee Engagement	Esty and Gewirtz	2008
A Conceptual Model of Entrepreneurial Success	Kumar	2007
A Model of Strategic Entrepreneurship	Ireland <i>et al</i>	2003
A Model of Strategic Entrepreneurial Management	Hitt and Ireland Hitt, Ireland, Camp & Sexton Strickland <i>et al</i>	2000 2001 2007
Porter's Five Forces Model of Industry Competition	Dess <i>et al</i>	2009
A Model of Strategic Corporate Entrepreneurship	Morris <i>et al</i>	2011



Model of Corporate Venturing	Guth and Ginsberg Covin, Ireland, and Kuratko Kuratko <i>et al</i> McGrath <i>et al</i> 2006;	1990 2003 2009
A Model of Strategic Integration of Entrepreneurship	Covin and Slevin Zahra Morris, <i>et al</i>	1991 1993 2008
A Model of Opportunity Recognition	Shane & Venkataraman Osiri, McCarty, Davis & Osiri	2007 2013
The Creativity Model	Cougar Nieman <i>et al</i>	1995 2009
Entrepreneurial Alertness	Kirzner Mitchell & Busenitz <i>et al</i> Gaglio & Katz	1985 2007 2001
Model of Entrepreneurial Intentions Construct Relationships	Bird Lee <i>et al</i>	1988 2011
Model for Entrepreneurship Development	Nieman <i>et al</i>	2009
Entrepreneurial Performance Training Model	Van Vuuren & Nieman	1999

Whilst these models serve as a guide to understanding EI, they were not exclusively propounded to explain the concept itself but rather the broader field of entrepreneurship and in particular, its more prominent conceptual pillar of CE, itself a window to understanding the EI concept. The models have in turn been explained,

inferred and generalised to explain EI given the relationship that exists between the two concepts of CE and EI in understanding the field of entrepreneurship. All the models put forward were deemed to complement each other in fostering entrepreneurship and in particular, EI. Fostering EI and related developments in the field of entrepreneurship were also discussed in Chapter 3, as was the connection between entrepreneurial orientations and EI.

Chapter 4 dealt with an array of instruments that would measure entrepreneurial excellence. A few models were discussed in relation to entrepreneurial performance. The Valence Model of the Expectancy Theory and the Causal Model were advanced to explain performance, complemented by the Balanced Scorecard. Key CE dimensions of Risk Taking, Proactiveness, Competitiveness and Innovation were linked to the concept of EI to fostering firm performance.

Further, literature that dealt with measuring instruments for intra firm entrepreneurship, such as entrepreneurial audit, Entrepreneurial Performance Index, ENTRESALE, Carland Entrepreneurship Index, Corporate Entrepreneurship Health Audit, Corporate Entrepreneurial Assessment Instrument and the Intrapreneurial Intensity Index was examined. The Balanced Scorecard was also proposed and deemed to measure entrepreneurial firm performance in its current state. All these instruments in their various ways influenced the structure of the research instrument that was used to extract data for this study.

It is exciting and promising to realise that new research paradigms continue to emerge in the field of entrepreneurship, with newer knowledge and scholars in the field continuing to evolve stronger models, empirically questioning current trends, theories and concepts and merging the traditional models with emerging theories.

7.5 Empirical Findings

7.5.1 Data measures

As a case study, this study focused on First Mutual Holdings Limited (formerly called Afre Corporation) and its subsidiary insurance companies i.e. First Mutual Life

Assurance Company, TristarInsurance, First Mutual Health, African Actuarial Company, FMRe (Property & Casualty) and FMRe (Life). All the companies were either in existence during the hyperinflation or were created during it, whether as departments housed in a subsidiary company or as a fully-fledged company on their own. The sample made up of executives, senior managers, middle managers and professional or technical specialists was therefore drawn from these companies and the holding company which daily services and supports all these entities. Initially intended to cover 1-4 levels on the Broadband grading system, which was in use then, the grades were extended by one rung to Grade 5, to increase the sample to 307.

The dominance of the managerial strata is most telling as Antoncic & Hisrich (2004:534) have suggested that leadership and managerial support are very important to achieving organisational performance. This literature is buttressed by Kuratko, *et al* (2009), who, in their Model for Middle-Level Managers' Entrepreneurial Behaviour, have suggested that middle-level managers' entrepreneurial behaviour is more inclined to successful CE since it is the role of top-level managers to make effective strategic decisions. Furthermore, most of these managers had long experience, which put them in good stead to authoritatively respond to the environment and be accountable to certain decisions that were taken then. According to Cooper *et al* (2006:86), with such managerial experience they know what they are doing, they have institutional memory so that they commit fewer mistakes than before, in the firm, and would have created many networks to benefit the business.

7.5.2 Summary of hypotheses tested

Previously stated hypotheses were tested in Chapter 6. Whilst EI is generally determined by the frequency and the degree of entrepreneurship, several more dimensions such as innovation, competitiveness, risk taking, leadership orientation and entrepreneurial thinking, which make up entrepreneurship were treated as independent variables against dependent variables such as entrepreneurial

excellence / performance, further broken down to dependent variables (DVs) such as profitability, job creation, growth, products created and new innovations.

Table 7.4 below provides a summary of the decisions on the stated hypotheses:

Table 7.4: Summary of decisions on stated hypotheses

Hypothesis No.	Research Hypothesis	Statistical Hypothesis		Decision
		H ₀	H ₁	
1	The insurance firms that survived the hyperinflationary environment exhibited EI to mitigate vagaries thereof	There is no significant difference on the exhibition of EI among the insurance firms that survived or did not survive the hyperinflationary environment	The insurance firms that survived the hyperinflationary environment exhibited EI to mitigate vagaries thereof	Rejected H ₀ and conclude that insurance firms that survived the hyperinflationary environment exhibited EI to mitigate vagaries thereof
2	Lack of EI stifles growth and reduces competitiveness of insurance firms and leads to their ultimate demise when faced with hyperinflation induced hostile environments	There is no significant difference on the exhibition of EI among the insurance firms that experienced growth/competitiveness and those that did not	Lack of EI stifles growth and reduces competitiveness of insurance firms and leads to their ultimate demise when faced with hyperinflation induced hostile environments	Rejected the H ₀ and conclude that lack of EI stifles growth and reduces competitiveness of insurance firms and leads to their ultimate demise when faced with hyperinflation induced hostile environments
3	Entrepreneurial leadership support was low in insurance companies that succumbed to hyperinflation	Entrepreneurial leadership support was the same for the companies that survived and those that succumbed to hyperinflation	Entrepreneurial leadership support was low in some insurance companies that succumbed to hyperinflation	Rejected the H ₀ and conclude that entrepreneurial leadership support was low in some insurance companies that succumbed to hyperinflation
4	Entrepreneurial leadership orientation was high in insurance companies that survived the hyperinflation	Entrepreneurial leadership orientation was the same for the companies that survived and those that succumbed to hyperinflation	Entrepreneurial leadership orientation was high in insurance companies that survived the hyperinflation	Rejected the H ₀ and conclude that entrepreneurial leadership orientation was high in insurance companies that survived the hyperinflation
5	The degree of entrepreneurship was high in the companies that survived the hyperinflation	The degree of entrepreneurship was the same for companies that	The degree of entrepreneurship was high in the companies that	Rejected the H ₀ and conclude that the degree of entrepreneurship was high

6		survived the hyperinflation or did not	survived the hyperinflation	in the companies that survived the hyperinflation	
		The frequency of entrepreneurship was high in the insurance companies that survived the hyperinflation and low in the insurance companies that succumbed to the same	The frequency of entrepreneurship was the same for insurance companies that survived the hyperinflation and those that did not	The frequency of entrepreneurship was high in the insurance companies that survived the hyperinflation and low in the insurance companies that succumbed to the same	Rejected the H_0 and concluded that the frequency of entrepreneurship was high in the companies that survived the hyperinflation
	6.1	Frequency of risk was high in the insurance companies that survived the hyperinflation	Frequency of risk was the same for insurance companies that survived the hyperinflation and did not	Frequency of risk was high in the companies that survived the hyperinflation	Failed to reject the H_0 and concluded that frequency of risk was the same for companies that survived the hyperinflation and did not
	6.2	Frequency of innovation was high in the insurance companies that survived the hyperinflation	Frequency of innovation was the same for insurance companies that survived the hyperinflation and those that did not	Frequency of innovation was high in the companies that survived the hyperinflation	Rejected the H_0 and concluded that the frequency of innovation was high in the companies that survived the hyperinflation
	6.3	Frequency of distribution channels was high in the insurance companies that survived the hyperinflation	Frequency of distribution channels was the same for insurance companies that survived the hyperinflation and those that did not	Frequency of distribution channels was high in the companies that survived the hyperinflation	Rejected the H_0 and concluded that the frequency of distribution channels was high in the companies that survived the hyperinflation
	7	Some entrepreneurial strategies taken ended with good consequences to some insurance companies	All entrepreneurial strategies taken ended with same consequences to all insurance companies	Some entrepreneurial strategies taken ended with good consequences to some insurance companies	Rejected the H_0 and concluded that some entrepreneurial strategies taken ended with good consequences to some insurance companies
	7.1	Creativity had good consequences to some insurance companies	Creativity had the same consequences to all insurance	Creativity had good consequences to some	Rejected the H_0 and concluded that creativity

	companies	insurance companies	had good consequences to some insurance companies
7.2	Product innovation had good consequences to some insurance companies	Product innovation had the same consequences to all insurance companies	Failed to reject the H_0 and concluded that product innovation had the same consequences to all insurance companies
7.3	Service innovation had good consequences to some insurance companies	Service innovation had the same consequences to all insurance companies	Rejected the H_0 and concluded that service innovation had good consequences to some insurance companies
7.4	Process innovation had good consequences to some insurance companies	Process innovation had the same consequences to all insurance companies	Rejected the H_0 and concluded that process innovation had good consequences to some insurance companies
7.5	Diffusion of product and services had good consequences to some insurance companies	Diffusion of product and services had the same consequences to all insurance companies	Failed to reject the H_0 and concluded that diffusion of product and services had the same consequences to all insurance companies
7.6	Committing to exploiting opportunities regardless of consequences had good consequences to some insurance companies	Committing to exploiting opportunities regardless of consequences had the same consequences to all insurance companies	Failed to reject the H_0 and concluded that committing to exploiting opportunities regardless of consequences had the same consequences to all insurance companies
7.7	Monitoring industry trends and future needs for decision making had good consequences to some insurance companies	Monitoring industry trends and future needs for decision making had the same consequences to all insurance companies	Rejected the H_0 and concluded that monitoring industry trends and future needs for decision making had good consequences to some insurance companies

7.8	Starting new ventures as a way to sustainability had good consequences to some insurance companies	Starting new ventures as a way to sustainability had the same consequences to all insurance companies	Starting new ventures as a way to sustainability had good consequences to some insurance companies	Failed to reject the H_0 and concluded that starting new ventures as a way to sustainability had the same consequences to all insurance companies
7.9	Diversification into non-core/activities had good consequences to some insurance companies	Diversification into non-core/activities had the same consequences to all insurance companies	Diversification into non-core/activities had good consequences to some insurance companies	Failed to reject the H_0 and concluded that diversification into non-core/activities had the same consequences to all insurance companies
7.10	The extent to which it was compelling to launch new products had good consequences to some insurance companies	The extent to which it was compelling to launch new products had the same consequences to all insurance companies	The extent to which it was compelling to launch new products had good consequences to some insurance companies	Rejected the H_0 and concluded that the extent to which it was compelling to launch new products had good consequences to some insurance companies
8	Some entrepreneurial strategies taken ended with detrimental outcomes to some insurance companies	All entrepreneurial strategies taken ended with same consequences to all insurance companies	Some entrepreneurial strategies taken ended with detrimental outcomes to some insurance companies	Rejected the H_0 and concluded that some entrepreneurial strategies taken ended with detrimental outcomes to some insurance companies
9	Insurance companies that took risks had much better chances of growing than those that were risk averse	Insurance companies that took risks had the same chances of growing than those that were risk averse	Insurance companies that took risks had much better chances of growing than those that were risk averse	Rejected the H_0 and concluded that insurance companies that took risks had much better chances of growing than those that were risk averse
10	Insurance companies that were proactive had much better chances of surviving the inflation than companies that were not	Insurance companies that were proactive had the same chances of surviving the inflation as those that were not	Insurance companies that were proactive had much better chances of surviving the inflation than companies that were not	Rejected the H_0 and concluded that insurance companies that were proactive had much better chances of surviving the

				inflation than companies that were not
11	Insurance companies that were aggressively competitive had chances of surviving the hyperinflation	Insurance companies that were aggressively competitive had the same chances as others of surviving the hyperinflation	Insurance companies that were aggressively competitive had chances of surviving the hyperinflation	Rejected the H_0 and concluded that insurance companies that were aggressively competitive had chances of surviving the hyperinflation
12	Insurance companies that were innovative and creative had better chances of surviving the inflation	Insurance companies that were innovative and creative had the same chances of surviving the inflation as those that were not	Insurance companies that were innovative and creative had better chances of surviving the inflation	Rejected the H_0 and concluded that Insurance companies that were innovative and creative had better chances of surviving the inflation
13	Insurance companies that introduced new lines of products and services had better chances of surviving the hyperinflation	Qualitative assumption		It seems that insurance companies that introduced new lines of products and services had better chances of surviving the hyperinflation
14	Insurance companies that introduced new distribution channels had better chances of surviving the hyperinflation	Qualitative assumption		It seems that the insurance companies that introduced new distribution channels had better chances of surviving the hyperinflation
15	Insurance companies that sought and exploited new opportunities had better chances of surviving the hyperinflation	Insurance companies that sought and exploited new opportunities had the same chances of surviving the hyperinflation as those that did not	Insurance companies that sought and exploited new opportunities had better chances of surviving the hyperinflation	Rejected the H_0 and concluded that insurance companies that sought and exploited new opportunities had better chances of surviving the hyperinflation
16	Insurance companies that encouraged entrepreneurial thinking had better chances of growth	Insurance companies that encouraged entrepreneurial thinking had the same chances of growth as those that did not	Insurance companies that encouraged entrepreneurial thinking had better chances of	Rejected the H_0 and concluded that insurance companies that encouraged entrepreneurial thinking had

17	Insurance companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for growth and profitability	Entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had same chances of successfully implementing those strategies for growth and profitability as those who did not	growth Entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those Rejected the H_0 and concluded that insurance companies strategies for growth and profitability	better chances of growth Rejected the H_0 and concluded that entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for growth and profitability
17.1	Insurance companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for growth	Entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had same chances of successfully implementing those strategies for growth as those who did not	Entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for growth	Failed to reject the H_0 and concluded that entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had same chances of successfully implementing those strategies for growth as those who did not
17.2	Insurance companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for profitability	Entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had same chances of successfully implementing those strategies for profitability as those who did not	Entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies for profitability	Rejected the H_0 and concluded that entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies and profitability
18	Insurance companies that encouraged the acquisition of entrepreneurial skills had better chances of building a focused and committed team of entrepreneurs	insurance companies that encouraged entrepreneurial skills acquisition had the same chances of building a motivated team of	insurance companies that encouraged entrepreneurial skills acquisition had better chances of building a	that encouraged entrepreneurial skills acquisition had better chances of building a motivated team of

	that guided the organisation through the hyperinflation	entrepreneurs that guided the organisation through the hyperinflation	motivated team of entrepreneurs that guided the organisation through the hyperinflation	entrepreneurs that guided the organisation through the hyperinflation
19	Insurance companies that deviated into non-core business activities had better chances of surviving than those that stuck to the core business of insurance	There is no relationship between deviation into non-core business activities and surviving the hyperinflation	Insurance companies that deviated into non-core business activities had better chances of surviving than those that stuck to the core business of insurance	Failed to reject the H_0 and concluded that there is no relationship between deviation into non-core business activities and surviving the hyperinflation
20	The degree of entrepreneurial manifestation was high in the insurance companies that survived the hyperinflation	The degree of entrepreneurial manifestation was the same for those who survived the hyperinflation and those who did not	The degree of entrepreneurial manifestation was high in the companies that survived the hyperinflation	Rejected the H_0 and concluded that the degree of entrepreneurial manifestation was high in the companies that survived the hyperinflation
21	Insurance companies that exhibited more entrepreneurial manifestation had better chances of coming up with growth strategies	Insurance companies that exhibited more entrepreneurial manifestation had same chances of coming up with growth strategies as those who did not	Insurance companies that exhibited more entrepreneurial manifestation had better chances of coming up with growth strategies	Failed to reject the H_0 and concluded that Insurance companies that exhibited more entrepreneurial manifestation had same chances of coming up with growth strategies as those who did not
22	Attention to positive human factor antecedents (entrepreneurial behaviours) is crucial to surviving the hyperinflation	The ratings of attention to positive human factor antecedents (entrepreneurial behaviours) are not significantly different from a rating of 5.5 (important)	Attention to positive human factor antecedents (entrepreneurial behaviours) were highly rated as crucial to surviving the hyperinflation	Rejected the H_0 and concluded that the ratings for the attention to positive human factor antecedents (entrepreneurial behaviours) were significantly higher than 5.5; therefore they were found to be crucial to surviving the hyperinflation

As indicated in **Table 7.4** above, the research hypotheses stated in Chapter 1 were reconstructed for clarity in Chapter 6 and to provide statistical hypotheses for testability in the form of H0 and H1. Where a hypothesis needed more than one dependent variable to adequately test it, the hypothesis was broken down into sub hypotheses that would eventually feed into the main hypothesis for a subsequent statistical decision. From the findings following a rigorous analysis, which included various tests such as ANOVA to determine significant differences between IVs and DVs, it would appear that EI was present in most instances during the hyperinflation, which would explain why most of those companies survived the extreme economic downturn

7.6 Key Lessons from the Research

Critical learnings can be drawn from this study. What is apparent is that EI may not be easy to gauge in a chaotic environment such as the Zimbabwe economy, which economy has continued to defy odds and norms since the onset of the hyperinflation. Relevant measurement instruments applicable to other economic environments may not have articulately engaged with the dynamic and yet complex entrepreneurship phenomena in Zimbabwe. This may or may not be the reason why Global Entrepreneurship Monitor (GEM) has not included Zimbabwe in their research so far, but what may be deduced is that measuring EI in Zimbabwe, not to mention entrepreneurship, is an onerous challenge. Innovative instruments had to be developed and used. Perhaps a blend of the numerous instruments that have been successful elsewhere, such as Entrescale, CECI, Balanced Scorecard and others could have been relevant. However, a unique instrument was designed to address the unique Zimbabwe situation as the conventional ones would not have adequately captured the hyperinflationary circumstances under which the insurance industry in operated.

It is also apparent that for EI to manifest, both the external and the internal environment must also be conducive and complementary to allow for unrestricted entrepreneurial strategies and activities to flourish and yield expected results. Innovation and related entrepreneurial activities need not only be resourced but must be encouraged and rewarded to inculcate an entrepreneurial spirit adequate to drive

excellence from a corporate perspective, even in difficult times. The human factor content emerged as a crucial element of entrepreneurial success. Previous research had limited human factor concepts to other disciplines in science, sociology and economics, but has perhaps, through this study, made a formal entry into the extensive field of entrepreneurship.

7.6.1 An emerging theory from the research

The research has come up with a model of Positive Human Factors for EI in an attempt to reach consensus with the findings that the human factor concept is relevant in boosting entrepreneurship. The model was influenced by the measurement result elicited for human factor variables from **V42-V50**, and the said positive human factors are graphically represented as a model in Figure 7.1 below.

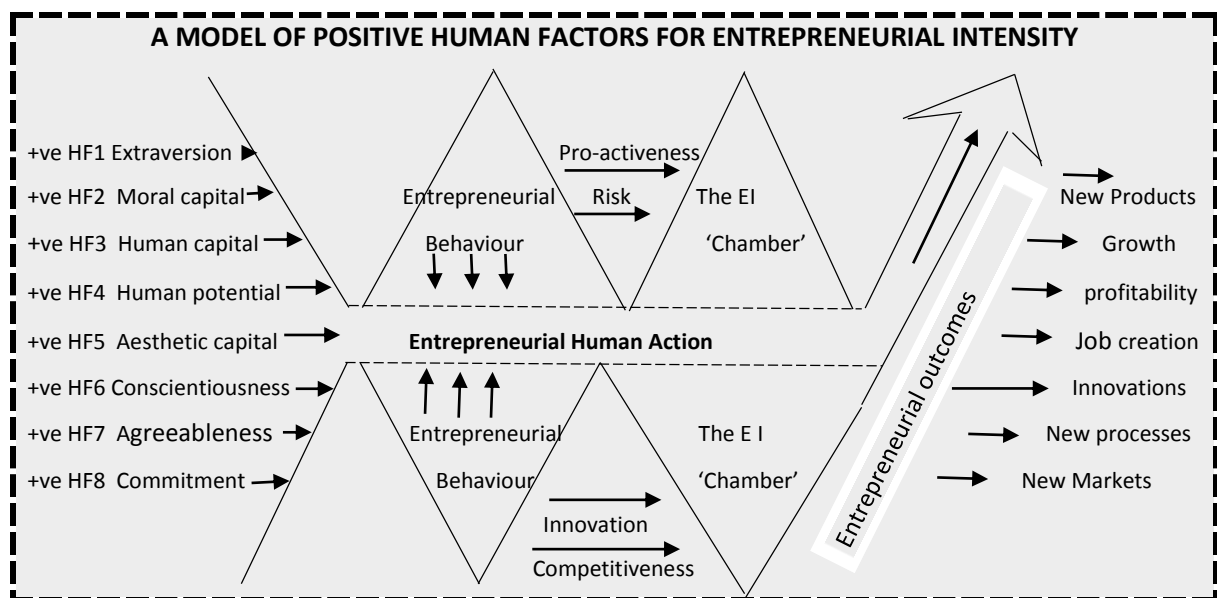


Figure 7.1: A proposed model of positive human factors for entrepreneurial intensity

This research propounds a model of positive human factors for EI and advocates that the following factors are critical for entrepreneurial performance and prosperity, notwithstanding the harsh operating environment:

- Aesthetic Capital (Imagination, creativeness and innovativeness)

- Moral Capital (Sound business ethics, corporate governance)
- Conscientiousness (spiritual capital- self-discipline, diligence)
- Human Capital (relevant industry skills and knowledge)
- Human Potential (harnessing and developing talents)
- Focus and Commitment to business mandate (vision, strategy)
- Agreeableness (friendly, compassionate, tolerance and trust)
- Extraversion (personal aspiration, motivation).

The human factors are positively and entrepreneurially channelled through a continuum of human action (what the entrepreneur needs to be doing) where they are converted into an entrepreneurial behaviour – an entrepreneurial culture as influenced by the entrepreneur dimensions of innovation, competitiveness, risk taking and proactiveness along the way. The human factors, constantly ‘watered’ and ‘fertilised’ by the aforementioned entrepreneurial dimensions, influence the subsequent entrepreneurial behaviour necessary for instigating EI in ‘The Chamber’ where equally positive entrepreneurial results are produced as depicted by the outcome trajectory.

The model propagates that if these human factors are in the positive and fully developed, they will result in not only growth and profitability, but also an array of other entrepreneurial outcomes such as: innovations, technological or otherwise, new markets, new products, new distribution channels, new processes and employment creation or sustainability.

7.7 Significance of Research Findings

The significance of the findings is more clearly observable when discussed in the context of the major constructs of the research topic, which consequently informed the study and its research problems, as explained in points 7.6.1 and 7.6.2 below.

7.7.1 Nature of entrepreneurship

Entrepreneurship in hyperinflation took various forms, from organisation to organisation and even from industry to industry. Entrepreneurship would have

adopted the form of numerous new products for some, innovations and changes in the processes, risks taken, new distribution channels, new markets, proactiveness strategies and diverse forms of entrepreneurial manifestations as addressed in Chapter 6.

7.7.2 Extent of entrepreneurship

The extent of entrepreneurship refers to the degree with which it was practiced in the insurance industry during the period under review. This was expressed through the rate and frequency of entrepreneurship practices: how often this happened. Results discussed in Chapter 6 indicated that the degree with which entrepreneurship was depended upon and practiced, was reasonably higher during the period under review, although it did not really compare with any other context outside of the hyperinflation period. Risks were frequently taken, new markets were identified and exploited frequently and many new products were generated.

7.8 Significant Findings

Significant findings brought to the fore by the research, which include;

- EI as a concept can be relied upon not simply to influence entrepreneurial performance in chaotic environments such as Zimbabwe during the hyperinflation period, but also to encourage growth and sustainable profitability through innovative means – new ventures, new products, new markets, new processes
- Entrepreneurial education becomes critical to the development of acquired skills necessary to complement inherent skills and mould a ‘whole’ entrepreneur, adequately equipped to drive firm entrepreneurship. Skills acquisition is therefore found to be critical as well. Businesses that ignore the development of their entrepreneurs ultimately have impaired growth and finally, total demise, especially when faced with daunting economic environments

- Appropriate talent /human factors constitute the inherent stockpile of entrepreneurial skills necessary to advance the growth cause of the company. Any business that prioritises development of talent and positive human factors will be placed on a sound footing for economic growth while a negative human factor content, or under developed HF, will negate venture prosperity (Adjibolosoo, 1994)
- Resourcing entrepreneurship, tangible and intangible including human capabilities, is important to propagate EI and mitigate vagaries inherent in chaotic economies and environments
- Leadership and management support are critical in encouraging entrepreneurial performance
- Innovations, risk taking, proactiveness, seeking competitiveness, opportunity identification and exploitation are critical dimensions of entrepreneurship and for entrepreneurial high performance
- Many insurance commonages resorted to non-core activities such as commodity broking, training as well as manufacturing and also engaged in vertical integration in an effort to survive. It may therefore be relevant to engage in non-core activities should the core business be performing poorly owing to harsh economic environments.

7.9 Findings with Regard to Research Questions

7.9.1 Main question

Did entrepreneurial intensity mitigate the hyperinflation challenges in the insurance industry in Zimbabwe? And did it subsequently influence a desired business growth-trajectory?

Following the hypotheses crafted to respond to these questions, it was overwhelmingly found that EI in its broadest sense can be a mitigating factor in a dire

economic situation, including hyperinflation induced challenges. This was also true in the case of the insurance industry. Both the literature review and the research findings have decisively confirmed this assertion. Enterprises can rely on their entrepreneurs to embody the spirit of entrepreneurship and formulate and implement entrepreneurial strategies, should challenges on the scale of hyperinflation emerge.

This main question was supported by the following sub-questions:

(i) With what frequency was entrepreneurship intensity practised in the insurance industry in Zimbabwe?

Literature has indicated that the rate at which entrepreneurship happens in the firm is critical to influencing the entrepreneurship trajectory in that firm. Empirical research has found that the rate of entrepreneurship in the insurance industry in Zimbabwe was relatively high and could be the reason why those companies that survived, did so.

(ii) To what degree was the entrepreneurship present in the insurance industry in Zimbabwe?

The question also sought to discover the extent of entrepreneurship in the insurance industry. Findings pointed to a significant presence of entrepreneurship practice in the insurance industry in Zimbabwe, with significant innovations, new markets being created, new products being channelled, new distribution channels being opened as well as new ventures.

(iii) What were the relevant entrepreneurial orientation factors and antecedents in driving EI and ensuring survival in challenging business operating environments?

The research then sought to establish entrepreneurial orientation factors and relevant antecedents necessary to driving entrepreneurship. The human factor concept was invoked by the researcher and detailed eight human factors, which, if positively unlocked and developed, would influence the spirit of entrepreneurship in

employees, expanding within a firm's entrepreneurial activity especially during the hyperinflation and circumventing related challenges.

(iv) What entrepreneurial strategies can be relied upon and should be recommended to enhance enterprise competitiveness and sustainability for the insurance market?

The literature emphasised that corporate venturing, mergers and acquisitions have become some of the more recent and deliberate entrepreneurial success strategies by managers. Research has also confirmed the need for broader innovation strategies, including service innovation, process innovation, product innovation, deviation into non-core activities, new markets, new distribution channels and product diffusion strategies to ensure the growth as well as long term profitability of the firm. It could be strategic to start up non-core revenue streams to augment the core business in challenging times.

7.10 Implications of Research

7.10.1 The academic

It was envisaged that this research would add value and fresh impetus to the field of entrepreneurship via the angle of EI. New paradigms of thinking and knowledge have emerged in the discipline of entrepreneurship, not just in Zimbabwe, but in Africa and beyond. What has been revealed by this study is expected to lay a solid foundation for future entrepreneurship research.

- Prior research might have indicated that EI has been tackled before and previously studied in the context of insurance industries but never in the context of both the insurance industry and the hyperinflationary environment, let alone in the context of an economically fragile Zimbabwe.
- Furthermore, whilst previous research has extensively discussed entrepreneurial behaviours and traits, this research has diverged and introduced a new perspective on the human factor content of entrepreneurs,

previously applied only in the fields of psychology and sociology. This study has deliberately attempted to marry this aspect of human factors, aptly coined human factor antecedents, with the field of entrepreneurship. This concept would be useful for finding out why some entrepreneurs fail whilst others flourish: it should come down to the state of their human factor content, its development or underdevelopment.

7.10.2 Commerce and Industry

When dire times occur, a firm finds itself doing business in an unfamiliar and uncondusive environment, such as the period Zimbabwe businesses went through, there could be a pronounced need to be responsive to such unpleasant situations. The form, rate and extent of responsiveness varies from organisation to organisation and invariably elicits varied degrees and forms of outcomes. Some would collapse whilst others would flourish in the same environment of economic severity and negative economic factors. Therefore, businesses must of essence continually evaluate their EI *vis-a-vis* the entrepreneurial climate and be accordingly responsive.

7.10.3 Management and business leaders

The old adage ‘the fish rots from the head’ is most relevant here. A business can therefore be as entrepreneurial or lacking therein as its leadership. The study also acknowledged and concurred with Adjibolosoo (1993; 1994; 1995), recognising the significance of knowledge and information acquisition and the application thereof, the demonstration of responsibility in leadership, dedication through commitment, resourcefulness in the utilisation of available resources, resilience and tolerance in the face of adversity, inventiveness and innovativeness, all of which amongst other embedded traits form useful parcels of the human factor content, the absence of which may make it difficult to take any venture to the growth phase. Those corporate entrepreneurs entrusted with leading organisations, particularly those in the insurance field, would find the outcomes of this research useful. The findings may appeal to corporate management to diligently research, craft and implement strategies prudently if their organisations and the stakeholders in the entire corporate value continuum are going to derive maximum benefits from their ventures.

Assessment of the relevance of EI by testing related hypotheses has revealed that in crisis-ridden environments, managements are encouraged to resort to intensified entrepreneurship to ward off the attendant challenges. The research similarly concluded that insurance firms that survived the hyperinflationary environment exhibited EI to mitigate the challenges of that time. The study also discovered that the absence of EI stifles growth and reduces competitiveness. In essence, management should resort to the force of entrepreneurship (Morris 1998) which becomes necessary to overcome challenges posed by such crises as the hyperinflation.

According to both the literature review and the empirical results of this study, managers should be thinkers. As discussed in Chapter 3, the emergence of the school of cognition in entrepreneurship, and in entrepreneurial thinking, has become a critical construct of entrepreneurial performance to which managements of businesses and even non-profit making entities like the public service should consider resorting in difficult operating environments. Prosek (2012:32) suggests that entrepreneurial thinking is a critical element of creativity that allows even big firms to compete and succeed against other giants. According to Johnston & Bate (2013:104) it is a quest for fresh ideas and captures the spirit of initiatives, a key element in driving venture organisations upon which managers can rely.

The research also sought to assign the success or failure to survive hyperinflation to management. The research hypothesis postulated in this instance led to the conclusion that entrepreneurial leadership support was relatively higher in insurance companies that survived hyperinflation and that entrepreneurial leadership support was in fact low in some insurance companies that succumbed to hyperinflation. Management of business entities would therefore be encouraged to render maximum support to the vision, mission, strategies, activities and processes of the business to ensure success.

The same management is also encouraged to influence higher levels as well as frequency of entrepreneurship if they entertain chances of surviving difficult situations as a business because research outcomes showed that the degree of entrepreneurship was evidently sufficient to deal with the effects of hyperinflation.

According to Heilbrun (2006:39) the number of entrepreneurial events happening in an organisation in any given period determines the extent of deflating the effects of the harsh economic environments. It follows therefore that management would do well to frequently introduce new products, new markets, new distribution channels, frequent risks and innovations. Research results have actually encouraged companies not to shy away from risks since risk taking was regarded as important for realising improved chances of growth, more than if managers were risk averse.

Business leaders are also encouraged to proactively drive innovations when the business environments become harsher as tests have revealed that the category of profitability was significantly higher than the category of losses for those companies that encouraged innovations. This is supported by Hisrich *et al.* (2008:14) who seem to suggest that without vibrant innovations it would be difficult to stimulate the targets and business objectives of the firms. Innovation and creativity were deemed critical aspects of entrepreneurship; therefore, assessing their presence would indicate their importance in dealing with situations of desperation during economic crisis. According to Thornberry (2006) and Smith, Smith and Bliss (2011:686) innovation is essential in turning ideas into economic value by enhancing effective competition.

It is also vital for management to resort to proactiveness as research had discovered that insurance companies that were proactive had much better chances of surviving the inflation than companies that were not. This statistical finding is confirmed by various scholars such as Dess *et al.* (2010:16); Hisrich, Peters and Shepherd (2008:69); Witham (2010:175); Scheepers and Hough (2007:3) who have noted that CE tends to be reflected in proactive behaviour as residing in top management. Prieto (2010:107) agrees that proactive individuals may be more successful in entrepreneurial leadership and may contribute more to the organisation in terms of its entrepreneurial performance. Morris (1998) in Kuratko *et al* (2007:57) concedes that EI involves taking a proactive approach to the innovative pursuits of organisations; hence the conclusion that those companies that may have inculcated the proactive orientation across the board may have found it much easier to succeed where those without that behavioural aspect would have failed. Prior entrepreneurship literature findings have indicated that firm managers that are

proactive in pursuit of competitive strategies are likely to achieve better financial performance and growth (Pearce & Carland 1996: Anonymous 2010:818).

It is also imperative for management to strive to be highly competitive during difficult economic environments. This is echoed by renowned authors on entrepreneurship such as Sathe (2003:2); Dess, Lumpkin & Eisner (2010:16); Philips & Messersmith (2013:1) and Shaw (2006:23) who have advanced the importance of gaining a competitive advantage strategy over rivals, with Rigby (2003) saying that competitiveness is critical to remaining in the marketplace. Strickland *et al.* (2006:13) opine that securing a sustainable competitive advantage requires a well-conceived strategy. This becomes even more necessary when the business is operating in a difficult economic environment such as that which characterised Zimbabwe, even in post hyperinflation.

The study also encourages management to toughen up and seek opportunities when business conditions become tough. According to Baron and Venkataraman (2000) opportunity recognition is a critical element for vibrant entrepreneurship. As advanced by Strickland (2007) exploitation of such new opportunities becomes a significant strategy, especially in difficult environments such as the one investigated.

The shareholders and their proxies in the Boards, chief executives and senior management are advised to adequately resource the businesses to shield them from the effects of a bad business environment. Results concluded that entrepreneurial companies that resourced and financed entrepreneurial strategies and activities had better chances of successfully implementing those strategies with regard to the aspect of profitability. Concerning Resource Based Theory, the literature seems to suggest that resourcing entrepreneurship leads to intended outcomes on the dimensions of growth and profitability, among other benefits. Coleman and Robb (2010:12) have suggested that just those entities which are adequately resourced would enjoy superior performance with Gillis, Combs and Ketchen (2014) emphasising the Resource Based Theory, arguing that resources and capabilities generate performance differences among firms. However, empirical research is not all that unanimous on that assertion, instead revealing that whilst profitability was

determined by the amount of resources put into the business, this was not the case for the growth variable. It follows therefore, that resources may not always encourage growth. Ireland, *et al* (2006a:1) concur with the finding that resourcing entrepreneurship may not necessarily lead to growth, even suggesting rather that CE allows individuals within a firm to explore and exploit opportunities and innovate notwithstanding the unavailability of resources. However, management should ensure that resources are appropriately distributed and take note that usually the difficulty with resources and the growth imperative lies in what Sirmon, Hitt & Ireland (2007) consider to be inappropriately deployed resources to elicit the relevant competitive advantage for the enterprise. Growth is usually long term, whilst profitability can be short term, so that inappropriately allocated resources may realise profitability, but not growth; management should be appropriately advised of this.

The results also suggest that management should seriously consider skills acquisition and development for the difficult situations where skills will ultimately make the difference between failure and success. This signifies that insurance companies which encouraged entrepreneurial skills acquisition had better chances of building a motivated team of entrepreneurs who guided the organisation through the hyperinflation period. Developing entrepreneurial skills has been advocated as critical to motivating employees to be entrepreneurial and capacitating the firm for challenging times.

The study deemed positive human factor content to be crucial in surviving hyperinflation by enhancing entrepreneurial activities and therefore to be worth paying attention to. The concept advances the notion that deteriorating human factors lead to collapse of the institution and fosters the belief advanced by Sharit (1998) in Salvendy (2006:708) that whilst human fallibility is common, especially in difficult environments such as the hyperinflation that Zimbabwe experienced, if properly managed the human factor can bring enhanced success to many organisations. Adjibolosoo (1993:142) concurs that in fact, no business or organisation can function effectively without being upheld by a network of committed persons with positive human factors. This is what management crucially needs when the business environment becomes harsher and more difficult to navigate.

7.11 Conclusions and Recommendations

Empirical research was carried out, reliable statistics were computed and results found that entrepreneurship not only existed in Zimbabwe during the hyperinflationary period, but was intensely practised and depended upon. Insurance industry practitioners and other entrepreneurs may not have known then nor deliberately implemented conscious entrepreneurial decisions and strategies, but looking back now, perhaps unbeknown to them, the very survival of their entities was heavily dependent upon their EI. Notwithstanding the few sub hypotheses which the research rejected, and H21 that was also not accepted, this meant that all the stated hypotheses were embraced through the rejection of their null hypotheses.

This research intended to explore the form and extent of EI in the insurance industry in Zimbabwe. Regardless of the weaknesses associated with this study, especially to do with the research context and respondents, overall the research was able to establish the form and extent of entrepreneurship during the hyperinflationary period in Zimbabwe.

It has also been noted that whilst there is much literature, research, related theories and conceptual frameworks in numerous constructs linked to entrepreneurship, the same cannot be said of EI where the information is meagre and lacks depth. It therefore becomes imperative that there is continued and vibrant research into the concept of EI and related models that will make it easy to fully grasp and appreciate what it entails. Currently, EI as a concept cannot be fully and singly be discussed without reference to related concepts of entrepreneurial activity, entrepreneurial orientation or CE. It can therefore be concluded that EI as currently researched, structured and packaged lacks a strong identity of its own. In the future, further research must be able to create measurement tools that are applicable and specifically created to measure entrepreneurial intensity as a separate and identifiable concept.

7.11.1 Recommendations for future research

- A national baseline need to be established for the whole of the financial services industry in Zimbabwe to obtain a solid indication of whether entrepreneurship is mitigating certain operational challenges
- Contemporary conceptual frameworks need to be empirically tested whilst the older models need continuous tightening up and adjustment by relentlessly critiquing them to ensure relevance and empirical fitness
- Research should define entrepreneurial excellence and determine internationally accepted frameworks and standards for excellence. This envisaged standardised level of excellence might apply to a region or a continent and so on. For instance, Southern Africa may devise a standardised entrepreneurial excellence level of its own which might perhaps differ from West Africa. In some instances, perhaps the equally standardised measuring instruments can be suggested when the economic and political climate is almost the same as well as the challenges and the push and pull factors too
- A cross sectional study on the various economic sectors should be carried out to ensure that beyond the case study, the business world is adequately equipped, entrepreneurially speaking, to deal with any unfavourable situations inclusive of a repeat hyperinflationary situation, should it arise.

7.12 Limitations of the Study

This research encountered many challenges, which limited its scope and direction: challenges which, properly exploited, could be the launching pad for numerous new perspectives of vigorous research.

- Initially intended to cover 1-4 levels on the Broadband grading system which was in use then, the grades were extended by one rung to cover level 5, to increase the sample to 307. The rationale for the levels 1-4 was to ensure that the sample comprised the management and senior technical employees (or

those on a supervisory grade) who could reasonably articulate the entrepreneurial issues arising at the material time. However, since the feedback realised was insufficient the researcher opted to include another rung lower, level 5, comprising relatively junior professionals such as Accounting assistants, Claims assessors and Administrators who may not have conceptualised the research theme and focus adequately and who also may not have been able to comprehend the questions put across in the questionnaire, in which case their responses would have diluted the research outcome somewhat

- Models that were relied upon largely belonged to the other aspects and concepts of entrepreneurship rather than EI. There are evidently fewer theories and models to support EI than there are in the other concepts of entrepreneurial activity, entrepreneurial orientation and CE, for instance.
- The measurement instrument needed some improvements. While it was structured from a number of previously tried and tested performance measurement instruments, such as the Entrepreneurial Performance Index, ENTRESALE, Carland's Entrepreneurship Index, the Corporate Entrepreneurship Health Audit, Corporate Entrepreneurial Assessment Instrument, Intrapreneurial Intensity Index and the Balanced Scorecard, and was guided by such models as The Valence Model of the Expectancy Theory and the Causal Model, evidently there are some critical areas that it may have improved upon. Some relevant data were qualitatively extracted when the data could have been useful when statistically obtained, thereby rendering certain hypotheses difficult to test. This is truer for hypotheses 13 and 14.

7.13 Summary and Conclusion

Overall, the study has explored the presence of EI in the insurance industry, particularly to determine if that approach did enough to deter the slide caused by the hyperinflation in their respective firms. Hypotheses were restated and summarised by way of a table and discussions were presented on how the decisions to accept and reject the hypotheses were arrived at. Largely, the results indicate that the

presence of EI accounts for the sustained operations of most insurance companies in Zimbabwe during the hyperinflationary period.

Findings from the overall research and especially those demanded by the research questions which the hypotheses sought to explore, were also summarised. Benefits of the research accruing to both the corporate world and the academic arena were discussed, as were the implications thereof. Recommendations for further research were offered and areas of interest and difficulty pertaining to the study articulated. These limitations were expected to provide motivation for future research. Ultimately, the results confirmed the presence of entrepreneurship – its nature and form in the insurance industry in hyperinflationary Zimbabwe, particularly in the years 2007-2010.

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Appendices

APPENDIX A: Title approval

**FACULTY OF ECONOMIC AND
MANAGEMENT SCIENCES**

POSTGRADUATE COMMITTEE

Tel: +27 12 420 5439

Email: stella.nkomo@up.ac.za

10 September 2013

Prof JJ van Vuuren
Department of Business Management

Dear Professor van Vuuren

TITLE REGISTRATION: O KAPEPA, STUDENT NO. 28439482

This serves to advise that the following title, submitted for the research of the above candidate, was approved at the Postgraduate Committee's meeting on 6 September 2013:

Exploring the nature and extent of entrepreneurial intensity in the insurance industry in hyper-inflationary Zimbabwe 2007-2010

We wish you success with the project.

Sincerely

**PROF SM NKOMO
CHAIR: POSTGRADUATE COMMITTEE**

cc: Dr C Eresia-Eke
Prof AF Grobler



APPENDIX B: First Mutual Holdings Limited approval letter



APPENDIX C: Questionnaire

Oliver Kapepa is a PhD candidate at the University of Pretoria, South Africa, currently carrying out a research titled ‘**EXPLORING THE NATURE AND EXTENT OF ENTREPRENEURIAL INTENSITY IN THE INSURANCE INDUSTRY IN HYPER - INFLATIONARY ZIMBABWE (2007 -2010)**’ which is in partial fulfillment for the attainment of a PhD in Entrepreneurship.

You are kindly requested to complete the questionnaire. The questionnaire is being administered to all First Mutual Holdings subsidiary companies and employees strictly for academic purposes and the confidentiality of information obtained is guaranteed.

The questionnaires are meant for members of management, professional and technical (Patterson C-F band, or Broadband 1-5 or equivalent) employees who were working for such FMHL insurance companies during the period **2007 – 2010** when the country experienced hyperinflation or who had other stakeholder relationship with such companies. Unless otherwise stated, responses are supposed to cover the indicated period in time. Respondents are free to remain anonymous.

SECTION A :Respondent Information

- A. Name
.....
- B. Indicate years in service
- C. Position
.....
- D. Name of Company
.....
- E. Location
.....
- F. Date Business Started (*optional*)
.....
- G. Number of Employees
(*optional*).....
- H. Annual Turnover (*optional*)
.....

For office use only

V0

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SECTION B: Background Information

1. Which Insurance Business were you mainly involved in during the period 2007-2010? (*Tick just 1.*)

a)	Life	1
b)	Short Term	2
c)	Reinsurance	3
d)	Brokers	4
e)	Funeral assurers	5

V1



2. What was the nature of the ownership structure of your Insurance company?
(Maximum of 2)

a)	Promoter dominated	1
b)	Publicly Owned	2
c)	Limited Liability	3
d)	Policy holders	4
e)	A hybrid of the above	5

V2a

V2b

3. In what organizational stratum is your current position?

a)	Executive Management	1
b)	Senior Management	2
c)	Middle Management	3
d)	Technical / professionals	4

V3

4. In what organizational stratum was your position during the period 2007-2010?

a)	Executive Management	1
b)	Senior Management	2
c)	Middle Management	3
d)	Technical / professionals	4

V4

5. Indicate Gender Male Female

V5

6. How old are you? (Years)

V6

7. Academic and Professional qualifications **(Maximum of 2)**

a)	Certificate	1
b)	Diploma	2
c)	University Degree	3
d)	Masters	4
e)	Other	5

V7a

V7b

8. Which of the following do you sit in? **(Maximum of 2)**

a)	Board/ Board Committees	1
b)	Exco	2
c)	Manco	3
d)	Other	4
e)	None at all	5

V8a

V8b

SECTION C: ENTREPRENEURIAL THINKING

Looking back at how entrepreneurship manifested itself during the period **(2007-2010)** give your views with regards to the following groups of employees/ stakeholders; Indicate YES, NO or Unsure with an **X** in the corresponding boxes.

9. Did they appear to be motivated to add value to the business?

	YES	NO	Unsur e
a) Board Members	1	2	3
b) Exco Members	1	2	3
c) Manco members	1	2	3
d) Technical/ professional employees	1	2	3
e) General employees / support staff	1	2	3

V9a

V9b

V9c

V9d

V9e

10. Did they recognize business opportunities?

<input type="text"/>	YES	NO	unsure
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a) Board Members	1	2	3		V10a	<input type="text"/>
b) Exco Members	1	2	3		V10b	<input type="text"/>
c) Manco Members	1	2	3		V10c	<input type="text"/>
d) Technical/ Professional employees	1	2	3		V10d	<input type="text"/>
e) General employees / Support staff	1	2	3		V10e	<input type="text"/>

11. Did they exhibit innovation and creativity?

	YES	NO	Unsure			
a) Board Members	1	2	3		V11a	<input type="text"/>
b) Exco Members	1	2	3		V11b	<input type="text"/>
c) Manco Members	1	2	3		V11c	<input type="text"/>
d) Technical/ Professional employees	1	2	3		V11d	<input type="text"/>
e) General employees / Support staff	1	2	3		V11e	<input type="text"/>

12. Did they mobilise resources to exploit business opportunities?

	YES	NO	Unsure			
a) Board Members	1	2	3		V12a	<input type="text"/>
b) Exco Members	1	2	3		V12b	<input type="text"/>
c) Manco members	1	2	3		V12c	<input type="text"/>
d) Technical/ professional employees	1	2	3		V12d	<input type="text"/>
e) General employees / support staff	1	2	3		V12e	<input type="text"/>

13. Did they strategically manage the business units?

	YES	NO	Unsure			
a) Board Members	1	2	3		V13a	<input type="text"/>
b) Exco Members	1	2	3		V13b	<input type="text"/>
c) Manco members	1	2	3		V13c	<input type="text"/>
d) Technical/ professional employees	1	2	3		V13d	<input type="text"/>
e) General employees / support staff	1	2	3		V13e	<input type="text"/>

14. Was growing the business and profitability a priority?

	YES	NO	Unsure			
a) Board Members	1	2	3		V14a	<input type="text"/>
b) Exco Members	1	2	3		V14b	<input type="text"/>
c) Manco members	1	2	3			
d) Technical/ professional employees	1	2	3			



e) General employees / support staff	1	2	3
--------------------------------------	---	---	---

V14c

V14d

V14e

SECTION D: ENTREPRENEURIAL MANIFESTATIONS

Considering the above entrepreneurial tendencies/ manifestations and looking back at how entrepreneurship manifested itself (2007- 2010), indicate your view with regards to the following departments by appending an X in the corresponding boxes below to indicate YES or NO or Unsure;

15. Did they exhibit motivation?

	YES	NO	UNSURE
a) Finance department	1	2	3
b) Support service departments	1	2	3
c) Operations	1	2	3
d) Marketing & Business Development	1	2	3
e) Underwriting Department	1	2	3

V15a

V15b

V15c

V15d

V15e

16. Did they recognise business opportunities?

	YES	NO	UNSURE
a) Finance department	1	2	3
b) Support service departments	1	2	3
c) Operations	1	2	3
d) Marketing & Business Development	1	2	3
e) Underwriting Department	1	2	3

V16a

V16b

V16c

V16d

V16e

17. Did they exhibit innovation and creativity?

	YES	NO	UNSURE
a) Finance department	1	2	3
b) Support service departments	1	2	3
c) Operations	1	2	3
d) Marketing & Business Development	1	2	3
e) Underwriting Department	1	2	3

V17a

V17b

V17c

V17d

V17e

18. Did they mobilise resources to exploit business opportunities?



	YES	NO	UNSURE	
a) Finance department	1	2	3	V18a <input type="checkbox"/>
b) Support service departments	1	2	3	V18b <input type="checkbox"/>
c) Operations	1	2	3	V18c <input type="checkbox"/>
d) Marketing & Business Development	1	2	3	V18d <input type="checkbox"/>
e) Underwriting Department	1	2	3	V18e <input type="checkbox"/>

19. Did they strategically manage the business units?

	YES	NO	UNSURE	
a) Finance department	1	2	3	V19a <input type="checkbox"/>
b) Support service departments	1	2	3	V19b <input type="checkbox"/>
c) Operations	1	2	3	V19c <input type="checkbox"/>
d) Marketing & Business Development	1	2	3	V19d <input type="checkbox"/>
e) Underwriting Department	1	2	3	V19e <input type="checkbox"/>

20. Were they creating new revenue streams?

	YES	NO	UNSURE	
f) Finance department	1	2	3	V20a <input type="checkbox"/>
g) Support service departments	1	2	3	V20b <input type="checkbox"/>
h) Operations	1	2	3	V20c <input type="checkbox"/>
i) Marketing & Business Development	1	2	3	V20d <input type="checkbox"/>
j) Underwriting Department	1	2	3	V20e <input type="checkbox"/>

21. **LEADERSHIP SUPPORT**
Reflecting back at the general behaviour of your company in the period 2007-2010, express your views on what you think by ticking in the boxes provided below;.

	Strongly agree	Agree	Disagree	Strongly disagree	Unsure	
a) The internal environment allowed for entrepreneurship to blossom	1	2	3	4	5	V21a <input type="checkbox"/>
b) Management was generally tactical in running the business	1	2	3	4	5	V21b <input type="checkbox"/>
c) Entrepreneurial culture was nurtured across the board	1	2	3	4	5	V21c <input type="checkbox"/>
d) Entrepreneurial education and skills acquisition was encouraged	1	2	3	4	5	V21d <input type="checkbox"/>
e) Failure was tolerated	1	2	3	4	5	V21e <input type="checkbox"/>
f) Resources were mobilized and made available	1	2	3	4	5	V21f <input type="checkbox"/>

SECTION E: DIMENSIONS OF ENTREPRENEURIAL INTENSITY

Based on the following dimensions, how do you rate the company?

22. **Creativity and innovation**



	Strongly agree	Agree	Disagree	Strongly disagree	Unsure	
a) Generation of ideas and solutions were encouraged across spectrum	1	2	3	4	5	V22a <input type="text"/>
b) Innovative activities were recognized /appreciated	1	2	3	4	5	V22b <input type="text"/>
c) Innovative thinking was often evident in meetings	1	2	3	4	5	V22c <input type="text"/>
d) Failure of new things, ways, processes was tolerated	1	2	3	4	5	V22d <input type="text"/>
23. Risk Orientation						
	Strongly agree	Agree	Disagree	Strongly disagree	Unsure	
a) Management teams were acting boldly regardless of consequences	1	2	3	4	5	V23a <input type="text"/>
b) These risks were deliberate and often calculated	1	2	3	4	5	V23b <input type="text"/>
c) Obstacles and hazards were eliminated or minimised	1	2	3	4	5	V23c <input type="text"/>
d) Risk governance policy frameworks were present	1	2	3	4	5	V23d <input type="text"/>
24. Proactiveness						
	Strongly agree	Agree	Disagree	Strongly disagree	Unsure	
a) Management always anticipated change	1	2	3	4	5	V24a <input type="text"/>
b) Management sometimes made dramatic changes to strategies	1	2	3	4	5	V24b <input type="text"/>
c) The company seized opportunities without hesitation in anticipation of future demand	1	2	3	4	5	V24c <input type="text"/>
d) The company always sought new capabilities ahead of competition	1	2	3	4	5	V24d <input type="text"/>
25. Competitive Aggressiveness						



	Strongly agree	Agree	Disagree	Strongly disagree	Unsure
a) The company was in the top 3 in its chosen insurance business line	1	2	3	4	5
b) The company was vigorous in defending its market turf	1	2	3	4	5
c) The company sometimes undercut prices to gain new markets	1	2	3	4	5
d) The marketing aggressiveness led to market competitiveness	1	2	3	4	5

V25a

V25b

V25c

V25d

SECTION F

26. Looking back to the hyper inflationary environment in 2007 -2010, how do you feel the following activities were viewed and prioritized in mitigating the challenges of the operating environment (1= Not important – 4 Very important)

	Not important	Less important	Important	Very Important
a) Creativity- free generation of ideas across the enterprise	1	2	3	4
b) Product Innovation – unique improvements to the products	1	2	3	4
c) Service Innovation – unique improvements how you serviced your customers	1	2	3	4
d) Process Innovation- unique improvements to your back office proficiencies	1	2	3	4
e) Diffusion of products and services - commercialisation and product acceptance	1	2	3	4
f) Committing to exploiting opportunities regardless of consequences	1	2	3	4
g) Monitoring industry trends and future needs to inform decisions	1	2	3	4
h) Starting new ventures as an option to sustainability	1	2	3	4
i) Diversification into non-core businesses/ activities	1	2	3	4
j) It was compelling to launch new products	1	2	3	4

V26a

V26b

V26c

V26d

V26e

V26f

V26g

V26h

V26i

V26j

SECTION I: ENTREPRENEURIAL OUTCOMES

Looking back to the period under review, discuss some of the outcomes of the activities undertaken in the company

27. Employment Creation

	Strongly agree	Agree	Disagree	Strongly disagree	Unsure
a) Employment creation opportunities were present	1	2	3	4	5

V27a



b) The company continued to recruit					
c) Employment retention was present- Not many employees left for greener pastures/	1	2	3	4	5
d) Company closures were on the increase	1	2	3	4	5
e) Retrenchment was on the rise	1	2	3	4	5
f) Shorter working hours were introduced	1	2	3	4	5
g) Most employees were sent on managed leave	1	2	3	4	5

V27b

V27c

V27d

V27e

V27f

V27g

28. In your own view, how has this company performed during the hyper inflationary era in terms of market share? **Select just 1**

a)	The company grew into top 2 on the market share	1
b)	The company just managed to stabilise (did not change)	2
c)	The company deteriorated to outside top 2 on the market	3

V28

29. In your on view, how do you describe the average financial performance of the company over the period (2007-2010)

a)	Profit position	1
b)	Break even	2
c)	Loss position	3

V29

30. Do you think the hyperinflationary presented unique opportunities?

Yes	1
No	2

V30

31. If yes, list any one opportunity identified and or exploited

a)

.....

V31

32. List any one major risk taken in the period under review in the business

a)

.....

V32

33. In your opinion, how frequent were these risks taken in a year?

V33

34. List any one innovation introduced to the business in the period under review

a)

.....

V34

V35

35. In your own view, how frequent were these innovations taken in a year?

V36

36. List any one of the new products introduced in the hyperinflation period

a)



.....	V37	<input type="checkbox"/>				
37. Approximately, how many distribution channels have been created for your products to date since _____ 2008?	V38	<input type="checkbox"/>				
38. List any one of these distribution channels a)	V39	<input type="checkbox"/>				
.....	V40	<input type="checkbox"/>				
39. List any new market (local or regional) a)	V41	<input type="checkbox"/>				
40. Was it necessary to create new ventures/entities to create new revenue streams?	V42	<input type="checkbox"/>				
<table border="1"> <tr> <td>Yes</td> <td><input type="checkbox"/></td> </tr> <tr> <td>No</td> <td><input type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
Yes	<input type="checkbox"/>					
No	<input type="checkbox"/>					
41. If the answer to 40 is yes, how many ventures/entities were created during the same <input type="text"/> period?						
42. What non-core activities / businesses if any did the company engage in (List one) a)	V43	<input type="checkbox"/>				
.....	V44	<input type="checkbox"/>				
SECTION J: HUMAN FACTOR ANTECEDENTS	V45	<input type="checkbox"/>				
How would you rate the role of the following selected human factors (out of 10) to surviving the hyperinflation?	V46	<input type="checkbox"/>				
43. Anesthetic Capital (Imagination, creativeness and innovativeness) <input type="text"/>	V47	<input type="checkbox"/>				
44. Moral Capital (Sound business ethics, corporate governance) <input type="text"/>	V48	<input type="checkbox"/>				
45. Conscientiousness (spiritual capital- self-discipline, , <input type="text"/> diligence) <input type="text"/>	V49	<input type="checkbox"/>				
46. Human Capital (relevant industry skills and knowledge)	V50	<input type="checkbox"/>				
47. Human Potential (harnessing and developing talents) <input type="text"/>						
48. Focus and Commitment to business mandate (vision, <input type="text"/> strategy) <input type="text"/>						
49. Agreeableness (friendly, compassionate, tolerance and trust) <input type="text"/>						
50. Extraversion (personal aspiration, motivation) <input type="text"/>						



APPENDIX D: ANOVA on the dimensions of Entrepreneurial Intensity

HYPOTHESIS 12: One-way ANOVA for Creativity and innovation on dimensions of Profitability								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	2.5268	.77706	.10384	2.3187	2.7349	1.00	4.25
Break Even	198	2.9394	.75366	.05356	2.8338	3.0450	1.00	5.00
Loss Position	53	3.5236	.87192	.11977	3.2833	3.7639	1.50	5.00
Total	307	2.9650	.83247	.04751	2.8715	3.0585	1.00	5.00

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	27.421	2	13.710	22.573	.000
Within Groups	184.641	304	.607		
Total	212.061	306			

Post Hoc Tests: Multiple Comparisons (Tukey HSD)						
(I) How do you describe the average financial performance of the company	(J) How do you describe the average financial performance of the company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Profit	Break Even	-.41261*	.11796	.002	-.6904	-.1348
	Loss Position	-.99680*	.14935	.000	-1.3486	-.6450
Break Even	Profit	.41261*	.11796	.002	.1348	.6904
	Loss Position	-.58419*	.12053	.000	-.8681	-.3003
Loss Position	Profit	.99680*	.14935	.000	.6450	1.3486
	Break Even	.58419*	.12053	.000	.3003	.8681

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets Tukey HSD ^{a,b}				
How do you describe the average financial performance of the company	N	Subset for alpha = 0.05		
		1	2	3
Profit	56	2.5268		
Break Even	198	2.9394		
Loss Position	53	3.5236		
Sig.		1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 71.812.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

HYPOTHESIS 09: Oneway ANOVA for Risk Orientation on dimensions of Growth								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
The company grew into top 2 on the market	112	2.3170	.83557	.07895	2.1605	2.4734	1.00	5.00
The company just managed to stabilise	183	2.6598	.76993	.05691	2.5475	2.7721	1.00	5.00
The company deteriorated to outside top 2 on the market	12	3.2292	1.15532	.33351	2.4951	3.9632	1.00	5.00
Total	307	2.5570	.83603	.04771	2.4631	2.6509	1.00	5.00

ANOVA					
	Sum of Squares	Df	Mean Square	F	Sig.



Between Groups	13.810	2	6.905	10.492	.000
Within Groups	200.067	304	.658		
Total	213.877	306			

Post Hoc Tests: Multiple Comparisons (Tukey HSD)

(I) How has this company performed during the hyper inflationary era	(J) How has this company performed during the hyper inflationary era	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
The company grew into top 2 on the market	The company just managed to stabilize	-.34287*	.09733	.001	-.5721	-.1136
	The company deteriorated to outside top 2 on the market	-.91220*	.24641	.001	-1.4926	-.3318
The company just managed to stabilise	The company grew into top 2 on the market	.34287*	.09733	.001	.1136	.5721
	The company deteriorated to outside top 2 on the market	-.56933	.24174	.050	-1.1387	.0000
The company deteriorated to outside top 2 on the market	The company grew into top 2 on the market	.91220*	.24641	.001	.3318	1.4926
	The company just managed to stabilize	.56933	.24174	.050	.0000	1.1387

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets (Tukey HSD^{a,b})

How has this company performed during the hyper inflationary era	N	Subset for alpha = 0.05	
		1	2
The company grew into top 2 on the market	112	2.3170	
The company just managed to stabilize	183	2.6598	
The company deteriorated to outside top 2 on the market	12		3.2292
Sig.		.224	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 30.698.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

HYPOTHESIS 10: Oneway ANOVA for Pro-activeness on dimensions of Profitability

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	2.0223	.69295	.09260	1.8367	2.2079	1.00	4.25
Break Even	198	2.2437	.72546	.05156	2.1420	2.3454	1.00	5.00
Loss Position	53	2.9434	1.13260	.15558	2.6312	3.2556	1.00	5.00
Total	307	2.3241	.85463	.04878	2.2281	2.4201	1.00	5.00

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	26.707	2	13.354	20.628	.000
Within Groups	196.794	304	.647		
Total	223.502	306			

Post Hoc Tests: Multiple Comparisons (Tukey HSD)

(I) How do you describe the average financial performance of the company	(J) How do you describe the average financial performance of the company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Profit	Break Even	-.22137	.12178	.165	-.5082	.0654
	Loss Position	-.92107*	.15419	.000	-1.2842	-.5579
Break Even	Profit	.22137	.12178	.165	-.0654	.5082



Loss Position	Loss Position	-.69971*	.12443	.000	-.9928	-.4066
	Profit	.92107*	.15419	.000	.5579	1.2842
	Break Even	.69971*	.12443	.000	.4066	.9928

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets-Tukey HSD^{a,b}

How do you describe the average financial performance of the company	N	Subset for alpha = 0.05	
		1	2
Profit	56	2.0223	
Break Even	198	2.2437	
Loss Position	53		2.9434
Sig.		.227	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 71.812.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

HYPOTHESIS 11: Oneway ANOVA for competitive aggressiveness on dimensions of Profitability

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	2.0938	.70640	.09440	1.9046	2.2829	1.00	5.00
Break Even	198	2.4129	.62289	.04427	2.3256	2.5002	1.00	4.50
Loss Position	53	2.8208	.88711	.12185	2.5762	3.0653	1.25	4.50
Total	307	2.4251	.72147	.04118	2.3441	2.5061	1.00	5.00

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.475	2	7.237	15.194	.000
Within Groups	144.802	304	.476		
Total	159.277	306			

Post Hoc Tests: Multiple Comparisons (Tukey HSD)

(I) How do you describe the average financial performance of the company	(J) How do you describe the average financial performance of the company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Profit	Break Even	-.31913*	.10446	.007	-.5652	-.0731
	Loss Position	-.72700*	.13226	.000	-1.0385	-.4155
Break Even	Profit	.31913*	.10446	.007	.0731	.5652
	Loss Position	-.40788*	.10674	.000	-.6593	-.1565
Loss Position	Profit	.72700*	.13226	.000	.4155	1.0385
	Break Even	.40788*	.10674	.000	.1565	.6593

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets-Tukey HSD^{a,b}

How do you describe the average financial performance of the company	N	Subset for alpha = 0.05		
		1	2	3
Profit	56	2.0938		
Break Even	198		2.4129	
Loss Position	53			2.8208
Sig.		1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 71.812.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

APPENIX 01: Oneway ANOVA for Entrepreneurial Intensity on dimensions of Profitability



	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Profit	56	2.1674	.57209	.07645	2.0142	2.3206	1.00	4.13
Break Even	198	2.5382	.56451	.04012	2.4591	2.6173	1.63	4.75
Loss Position	53	3.1014	.85188	.11701	2.8666	3.3362	1.50	4.75
Total	307	2.5678	.68303	.03898	2.4911	2.6445	1.00	4.75

ANOVA						
	Sum of Squares	df	Mean Square	F	Sig.	
Between Groups	24.242	2	12.121	31.092	.000	
Within Groups	118.515	304	.390			
Total	142.757	306				

Post Hoc Tests: Multiple Comparisons-Tukey HSD

(I) How do you describe the average financial performance of the company	(J) How do you describe the average financial performance of the company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Profit	Break Even	-.37078 [*]	.09450	.000	-.5934	-.1482
	Loss Position	-.93400 [*]	.11965	.000	-1.2158	-.6522
Break Even	Profit	.37078 [*]	.09450	.000	.1482	.5934
	Loss Position	-.56322 [*]	.09656	.000	-.7907	-.3358
Loss Position	Profit	.93400 [*]	.11965	.000	.6522	1.2158
	Break Even	.56322 [*]	.09656	.000	.3358	.7907

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets-Tukey HSD^{a,b}

How do you describe the average financial performance of the company	N	Subset for alpha = 0.05		
		1	2	3
Profit	56	2.1674		
Break Even	198		2.5382	
Loss Position	53			3.1014
Sig.		1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 71.812.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

HYPOTHESIS 02: Oneway ANOVA for Entrepreneurial Intensity on dimensions of Growth

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
The company grew into top 2 on the market	112	2.3700	.72525	.06853	2.2342	2.5058	1.00	4.75
The company just managed to stabilise	183	2.6455	.59877	.04426	2.5582	2.7328	1.50	4.75
The company deteriorated to outside top 2 on the market	12	3.2292	.87310	.25204	2.6744	3.7839	1.75	4.38
Total	307	2.5678	.68303	.03898	2.4911	2.6445	1.00	4.75

ANOVA						
	Sum of Squares	Df	Mean Square	F	Sig.	
Between Groups	10.736	2	5.368	12.361	.000	
Within Groups	132.021	304	.434			
Total	142.757	306				

Post Hoc Tests Multiple Comparisons



(I) How has this company performed during the hyper inflationary era	(J) How has this company performed during the hyper inflationary era	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
The company grew into top 2 on the market	The company just managed to stabilise	-.27551*	.07906	.002	-.4617	-.0893
	The company deteriorated to outside top 2 on the market	-.85919*	.20017	.000	-1.3306	-.3877
The company just managed to stabilise	The company grew into top 2 on the market	.27551*	.07906	.002	.0893	.4617
	The company deteriorated to outside top 2 on the market	-.58367*	.19637	.009	-1.0462	-.1212
The company deteriorated to outside top 2 on the market	The company grew into top 2 on the market	.85919*	.20017	.000	.3877	1.3306
	The company just managed to stabilise	.58367*	.19637	.009	.1212	1.0462

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets Tukey HSD^{a,b}

How has this company performed during the hyper inflationary era	N	Subset for alpha = 0.05	
		1	2
The company grew into top 2 on the market	112	2.3700	
The company just managed to stabilize	183	2.6455	
The company deteriorated to outside top 2 on the market	12		3.2292
Sig.		.231	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 30.698.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.



APPENDIX E: Binomial tests on entrepreneurial intensity

Creativity and innovation						
Group 1= (Strongly) Agree Group 2= (Strongly) Disagree & Unsure		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
Generation of ideas and solutions were encouraged across spectrum	Group 1	(Strongly) Agree	97	.32	.50	.000
	Group 2	(Strongly) Disagree & Unsure	210	.68		
	Total		307	1.00		
Innovative activities were recognized / appreciated	Group 1	(Strongly) Agree	176	.57	.50	.012
	Group 2	(Strongly) Disagree & Unsure	131	.43		
	Total		307	1.00		
Innovative thinking was often evident in meetings	Group 1	(Strongly) Agree	216	.70	.50	.000
	Group 2	(Strongly) Disagree & Unsure	91	.30		
	Total		307	1.00		
Failure of new things, ways, processes was tolerated	Group 1	(Strongly) Agree	76	.25	.50	.000
	Group 2	(Strongly) Disagree & Unsure	231	.75		
	Total		307	1.00		
Creativity and Innovation and Average score	Group 1	(Strongly) Agree	59	.19	.50	.000
	Group 2	(Strongly) Disagree & Unsure	248	.81		
	Total		307	1.00		
Risk Orientation						
Management teams were acting boldly regardless of consequences	Group 1	(Strongly) Agree	231	.75	.50	.000
	Group 2	(Strongly) Disagree & Unsure	76	.25		
	Total		307	1.00		
These risks were deliberate and often calculated	Group 1	(Strongly) Agree	177	.58	.50	.009
	Group 2	(Strongly) Disagree & Unsure	130	.42		
	Total		307	1.00		
Obstacles and hazards were eliminated or minimised	Group 1	(Strongly) Agree	212	.69	.50	.000
	Group 2	(Strongly) Disagree & Unsure	95	.31		
	Total		307	1.00		
Risk governance policy frameworks were present	Group 1	(Strongly) Agree	176	.57	.50	.012
	Group 2	(Strongly) Disagree & Unsure	131	.43		
	Total		307	1.00		
Risk orientation Average score	Group 1	(Strongly) Agree	127	.41	.50	.003
	Group 2	(Strongly) Disagree & Unsure	180	.59		
	Total		307	1.00		
Pro-Activeness						
Management always anticipated change	Group 1	(Strongly) Agree	229	.75	.50	.000
	Group 2	(Strongly) Disagree & Unsure	78	.25		
	Total		307	1.00		
Management sometimes made dramatic changes to strategies	Group 1	(Strongly) Agree	256	.83	.50	.000
	Group 2	(Strongly) Disagree & Unsure	51	.17		
	Total		307	1.00		



	Total		307	1.00		
The Company seized opportunities without hesitation in anticipation of future demand	Group 1	(Strongly) Agree	234	.76	.50	.000
	Group 2	(Strongly) Disagree & Unsure	73	.24		
	Total		307	1.00		
The company always sought new capabilities ahead of competition	Group 1	(Strongly) Agree	180	.59	.50	.003
	Group 2	(Strongly) Disagree & Unsure	127	.41		
	Total		307	1.00		
Pro-activeness Average score	Group 1	(Strongly) Agree	183	.60	.50	.001
	Group 2	(Strongly) Disagree & Unsure	124	.40		
	Total		307	1.00		
Competitive Aggressiveness						
The company was in the top 3 in its chosen insurance business line	Group 1	(Strongly) Agree	214	.70	.50	.000
	Group 2	(Strongly) Disagree & Unsure	93	.30		
	Total		307	1.00		
The company was vigorous in defending its market turf	Group 1	(Strongly) Agree	246	.80	.50	.000
	Group 2	(Strongly) Disagree & Unsure	61	.20		
	Total		307	1.00		
The company sometimes undercut prices to gain new markets	Group 1	(Strongly) Agree	142	.46	.50	.209
	Group 2	(Strongly) Disagree & Unsure	165	.54		
	Total		307	1.00		
The marketing aggressiveness led to market competitiveness	Group 1	(Strongly) Agree	191	.62	.50	.000
	Group 2	(Strongly) Disagree & Unsure	116	.38		
	Total		307	1.00		
Competitive Aggressiveness Average score	Group 1	(Strongly) Agree	123	.40	.50	.001
	Group 2	(Strongly) Disagree & Unsure	184	.60		
	Total		307	1.00		
Assessment of overall Entrepreneurial Intensity						
Entrepreneurial intensity Average score	Group 1	(Strongly) Agree	72	.23	.50	.000
	Group 2	(Strongly) Disagree & Unsure	235	.77		
	Total		307	1.00		



APPENDIX F: Binomial tests on entrepreneurial thinking

Motivated to add value to the business						
Group 1= No and Unsure Group 2= Yes	Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)	
Board Members	Group 1	No & Unsure	205	.67	.50	.000
	Group 2	Yes	102	.33		
	Total		307	1.00		
Exco Members	Group 1	No & Unsure	122	.40	.50	.000
	Group 2	Yes	185	.60		
	Total		307	1.00		
Manco Members	Group 1	No & Unsure	128	.42	.50	.004
	Group 2	Yes	179	.58		
	Total		307	1.00		
Technical / professional employees	Group 1	No & Unsure	129	.42	.50	.006
	Group 2	Yes	178	.58		
	Total		307	1.00		
General employees /support staff	Group 1	No & Unsure	172	.56	.50	.040
	Group 2	Yes	135	.44		
	Total		307	1.00		
Average score on motivation to add value to business	Group 1	No & Unsure	101	.33	.50	.000
	Group 2	Yes	206	.67		
	Total		307	1.00		
Recognition of business opportunities						
Board Members	Group 1	No & Unsure	205	.67	.50	.000
	Group 2	Yes	102	.33		
	Total		307	1.00		
Exco Members	Group 1	No & Unsure	123	.40	.50	.001
	Group 2	Yes	184	.60		
	Total		307	1.00		
Manco Members	Group 1	No & Unsure	109	.36	.50	.000
	Group 2	Yes	198	.64		
	Total		307	1.00		
Technical / professional employees	Group 1	No & Unsure	136	.44	.50	.052
	Group 2	Yes	171	.56		
	Total		307	1.00		
General employees /support staff	Group 1	No & Unsure	221	.72	.50	.000
	Group 2	Yes	86	.28		
	Total		307	1.00		
Average score on Recognition of Business opportunities	Group 1	No & Unsure	91	.30	.50	.000
	Group 2	Yes	216	.70		
	Total		307	1.00		
Exhibition of innovation and creativity						
Board Members	Group 1	No & Unsure	198	.64	.50	.000
	Group 2	Yes	109	.36		
	Total		307	1.00		
Exco Members	Group 1	No & Unsure	129	.42	.50	.006
	Group 2	Yes	178	.58		
	Total		307	1.00		
Manco Members	Group 1	No & Unsure	126	.41	.50	.002
	Group 2	Yes	181	.59		
	Total		307	1.00		



Technical / professional employees	Group 1	No & Unsure	159	.52	.50	.568
	Group 2	Yes	148	.48		
	Total		307	1.00		
General employees /support staff	Group 1	No & Unsure	228	.74	.50	.000
	Group 2	Yes	79	.26		
	Total		307	1.00		
Average Score on exhibition of Innovation and Creativity	Group 1	No & Unsure	119	.39	.50	.000
	Group 2	Yes	188	.61		
	Total		307	1.00		
Mobilisation of resources to exploit business opportunities						
Board Members	Group 1	No & Unsure	182	.59	.50	.001
	Group 2	Yes	125	.41		
	Total		307	1.00		
Exco Members	Group 1	No & Unsure	155	.50	.50	.909
	Group 2	Yes	152	.50		
	Total		307	1.00		
Manco Members	Group 1	No & Unsure	190	.62	.50	.000
	Group 2	Yes	117	.38		
	Total		307	1.00		
Technical / professional employees	Group 1	No & Unsure	235	.77	.50	.000
	Group 2	Yes	72	.23		
	Total		307	1.00		
General employees /support staff	Group 1	No & Unsure	263	.86	.50	.000
	Group 2	Yes	44	.14		
	Total		307	1.00		
Average Score on mobilization of resources	Group 1	No & Unsure	171	.56	.50	.052
	Group 2	Yes	136	.44		
	Total		307	1.00		
Strategic management of the business units						
Board Members	Group 1	No & Unsure	208	.68	.50	.000
	Group 2	Yes	99	.32		
	Total		307	1.00		
Exco Members	Group 1	No & Unsure	120	.39	.50	.000
	Group 2	Yes	187	.61		
	Total		307	1.00		
Manco Members	Group 1	No & Unsure	104	.34	.50	.000
	Group 2	Yes	203	.66		
	Total		307	1.00		
Technical / professional employees	Group 1	No & Unsure	206	.67	.50	.000
	Group 2	Yes	101	.33		
	Total		307	1.00		
General employees /support staff	Group 1	No & Unsure	258	.84	.50	.000
	Group 2	Yes	49	.16		
	Total		307	1.00		
Average Score on Strategic Management	Group 1	No & Unsure	134	.44	.50	.030
	Group 2	Yes	173	.56		
	Total		307	1.00		
Prioritization of growing the business and profitability						
Board Members	Group 1	No & Unsure	150	.49	.50	.732
	Group 2	Yes	157	.51		
	Total		307	1.00		



Exco Members	Group 1	No & Unsure	119	.39	.50	.000
	Group 2	Yes	188	.61		
	Total		307	1.00		
Manco Members	Group 1	No & Unsure	69	.22	.50	.000
	Group 2	Yes	238	.78		
	Total		307	1.00		
Technical / professional employees	Group 1	No & Unsure	95	.31	.50	.000
	Group 2	Yes	212	.69		
	Total		307	1.00		
General employees /support staff	Group 1	No & Unsure	193	.63	.50	.000
	Group 2	Yes	114	.37		
	Total		307	1.00		
Average Score on Strategic Management	Group 1	No & Unsure	49	.16	.50	.000
	Group 2	Yes	258	.84		
	Total		307	1.00		
Assessment of overall entrepreneurial thinking						
Average Score on Entrepreneurial Thinking	Group 1	No & Unsure	76	.25	.50	.000
	Group 2	Yes	231	.75		
	Total		307	1.00		



APPENDIX G: Binomial tests on leadership

Various Dimensions of Leadership						
Group 1= (Strongly) Agree Group 2= (Strongly) Disagree & Unsure		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
The internal environment allowed for entrepreneurship to blossom	Group 1	(Strongly) Agree	156	.51	.50	.819
	Group 2	(Strongly) Disagree & Unsure	151	.49		
	Total		307	1.00		
Management was general tactical in running the business	Group 1	(Strongly) Agree	228	.74	.50	.000
	Group 2	(Strongly) Disagree & Unsure	79	.26		
	Total		307	1.00		
Entrepreneurial was nurtured across the board	Group 1	(Strongly) Agree	87	.28	.50	.000
	Group 2	(Strongly) Disagree & Unsure	220	.72		
	Total		307	1.00		
Entrepreneurial education and skills acquisition	Group 1	(Strongly) Agree	126	.41	.50	.002
	Group 2	(Strongly) Disagree & Unsure	181	.59		
	Total		307	1.00		
Failure was tolerated	Group 1	(Strongly) Agree	70	.23	.50	.000
	Group 2	(Strongly) Disagree & Unsure	237	.77		
	Total		307	1.00		
Resources were mobilized and made available	Group 1	(Strongly) Agree	196	.64	.50	.000
	Group 2	(Strongly) Disagree & Unsure	111	.36		
	Total		307	1.00		
Assessment of overall Leadership						
leadership Average score	Group 1	(Strongly) Agree	32	.10	.50	.000
	Group 2	(Strongly) Disagree & Unsure	275	.90		
	Total		307	1.00		



<i>APPENDIX H: Binomial tests on entrepreneurial manifestations</i>						
Exhibition of motivation						
Group 1= No and Unsure Group 2= Yes		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
Finance Department	Group 1	No & Unsure	153	.50	.50	1.000
	Group 2	Yes	154	.50		
	Total		307	1.00		
Support service dpt	Group 1	No & Unsure	169	.55	.50	.087
	Group 2	Yes	138	.45		
	Total		307	1.00		
Operations	Group 1	No & Unsure	116	.38	.50	.000
	Group 2	Yes	191	.62		
	Total		307	1.00		
Marketing and Business Development	Group 1	No & Unsure	122	.40	.50	.000
	Group 2	Yes	185	.60		
	Total		307	1.00		
Underwriting Dpt	Group 1	No & Unsure	124	.40	.50	.001
	Group 2	Yes	183	.60		
	Total		307	1.00		
Average score on exhibition of motivation	Group 1	No & Unsure	96	.31	.50	.000
	Group 2	Yes	211	.69		
	Total		307	1.00		
Recognition of business opportunities						
Finance Department	Group 1	No & Unsure	173	.56	.50	.030
	Group 2	Yes	134	.44		
	Total		307	1.00		
Support service dpt	Group 1	No & Unsure	236	.77	.50	.000
	Group 2	Yes	71	.23		
	Total		307	1.00		
Operations	Group 1	No & Unsure	141	.46	.50	.171
	Group 2	Yes	166	.54		
	Total		307	1.00		
Marketing and Business Development	Group 1	No & Unsure	154	.50	.50	1.000
	Group 2	Yes	153	.50		
	Total		307	1.00		
Underwriting Dpt	Group 1	No & Unsure	166	.54	.50	.171
	Group 2	Yes	141	.46		
	Total		307	1.00		
Average score on Recognition of business opportunities	Group 1	No & Unsure	123	.40	.50	.001
	Group 2	Yes	184	.60		
	Total		307	1.00		
Exhibition of innovation and creativity						
Finance Department	Group 1	No & Unsure	185	.60	.50	.000
	Group 2	Yes	122	.40		
	Total		307	1.00		
Support service dpt	Group 1	No & Unsure	216	.70	.50	.000
	Group 2	Yes	91	.30		
	Total		307	1.00		
Operations	Group 1	No & Unsure	161	.52	.50	.424



	Group 2	Yes	146	.48		
	Total		307	1.00		
Marketing and Business Development	Group 1	No & Unsure	131	.43	.50	.012
	Group 2	Yes	176	.57		
	Total		307	1.00		
Underwriting Dpt	Group 1	No & Unsure	146	.48	.50	.424
	Group 2	Yes	161	.52		
	Total		307	1.00		
Average score on Exhibition of innovation and creativity	Group 1	No & Unsure	128	.42	.50	.004
	Group 2	Yes	179	.58		
	Total		307	1.00		

Mobilisation of resources to exploit business opportunities

Finance Department	Group 1	No & Unsure	129	.42	.50	.006
	Group 2	Yes	178	.58		
	Total		307	1.00		
Support service dpt	Group 1	No & Unsure	266	.87	.50	.000
	Group 2	Yes	41	.13		
	Total		307	1.00		
Operations	Group 1	No & Unsure	210	.68	.50	.000
	Group 2	Yes	97	.32		
	Total		307	1.00		
Marketing and Business Development	Group 1	No & Unsure	248	.81	.50	.000
	Group 2	Yes	59	.19		
	Total		307	1.00		
Underwriting Dpt	Group 1	No & Unsure	215	.70	.50	.000
	Group 2	Yes	92	.30		
	Total		307	1.00		
Average Score on mobilization of resources	Group 1	No & Unsure	222	.72	.50	.000
	Group 2	Yes	85	.28		
	Total		307	1.00		

Strategic management of the business units

Finance Department	Group 1	No & Unsure	114	.37	.50	.000
	Group 2	Yes	193	.63		
	Total		307	1.00		
Support service dpt	Group 1	No & Unsure	135	.44	.50	.040
	Group 2	Yes	172	.56		
	Total		307	1.00		
Operations	Group 1	No & Unsure	79	.26	.50	.000
	Group 2	Yes	228	.74		
	Total		307	1.00		
Marketing and Business Development	Group 1	No & Unsure	111	.36	.50	.000
	Group 2	Yes	196	.64		
	Total		307	1.00		
Underwriting Dpt	Group 1	No & Unsure	165	.54	.50	.209
	Group 2	Yes	142	.46		
	Total		307	1.00		
Average Score on Strategic	Group 1	No & Unsure	66	.21	.50	.000



Management	Group 2	Yes	241	.79		
	Total		307	1.00		
Creation of new revenue streams						
Finance Department	Group 1	No & Unsure	258	.84	.50	.000
	Group 2	Yes	49	.16		
	Total		307	1.00		
Support service dpt	Group 1	No & Unsure	262	.85	.50	.000
	Group 2	Yes	45	.15		
	Total		307	1.00		
Operations	Group 1	No & Unsure	187	.61	.50	.000
	Group 2	Yes	120	.39		
	Total		307	1.00		
Marketing and Business Development	Group 1	No & Unsure	200	.65	.50	.000
	Group 2	Yes	107	.35		
	Total		307	1.00		
Underwriting Dpt	Group 1	No & Unsure	178	.58	.50	.006
	Group 2	Yes	129	.42		
	Total		307	1.00		
Average Score on Creation of new revenue streams	Group 1	No & Unsure	208	.68	.50	.000
	Group 2	Yes	99	.32		
	Total		307	1.00		
Assessment of overall Entrepreneurial Manifestations						
Average Score on Entrepreneurial Manifestations	Group 1	No & Unsure	115	.37	.50	.000
	Group 2	Yes	192	.63		
	Total		307	1.00		