

**THE INFLUENCE OF ORGANISATIONAL BEHAVIOUR VARIABLES ON CORPORATE
ENTREPRENEURSHIP**

by

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ABSTRACT

Comprehensive research has been done on organisational behaviour, entrepreneurial spirit, entrepreneur, entrepreneurship and corporate entrepreneurship. Literature is however less clear on which organisational behaviour components influence corporate entrepreneurship. This creates a problem for managers and business leaders when they want to influence the entrepreneurial spirit within an organisation. This study summaries the literature on organisational behaviour variables and corporate entrepreneurship, as well as the limited findings linking the two concepts. The empirical study focuses four areas: testing validity and reliability of the measurements used in the study; the correlation between organisational behaviour components and corporate entrepreneurship; the ability of organisational behaviour components to predict corporate entrepreneurship; and finally testing if the grouping of organisational behaviour variables is justified. This cross sectional study was done in 12 non-listed and 5 listed companies in South Africa. Randomly selected employees completed 862 questionnaires. They represented all the local ethnic groups, both genders, and were from all organisational levels. The results of the empirical study indicated that the measurements used in the study were all acceptable being reliable and valid. The correlation between the selected organisational behaviour components and corporate entrepreneurship were all strong and significant, with goal setting the strongest, followed by performance management, then transformational leadership, and communication. The correlation with shared decision making, organisational culture, and power were less strong but still significant. The organisational behaviour components together declare a 46.5% variance in corporate entrepreneurship with organisational culture and goal setting contributing significantly and uniquely. Grouping the organisational behaviour variables in individual level, group level and organisational level, as suggested by many authors, did not provide a satisfactory solution. Suggestions to managers on where to focus when they want to foster corporate entrepreneurship were made. The limitations as well as suggestions for future research were discussed in the final instance.

Keywords: Organisational Behaviour, Corporate Entrepreneurship

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CHAPTER 1

INTRODUCTION

1.1 BACKGROUND

In today's competitive world, successful organisations have realised that entrepreneurial spirit is important to ensure innovation and economic growth. Kuratko and Hodgetts (1989) acknowledged that entrepreneurs date back to the eighteenth century when economist Richard Cantillon (1680 – 1734) associated the “risk-bearing” activity in the economy with the entrepreneur. He introduced the concept “entrepreneur” and was the first to acknowledge that an entrepreneurial function exists within an economic system. During the same period, the Industrial Revolution took place in England, with the entrepreneur playing a visible role in risk-taking and the transformation of resources. The association of entrepreneurship and economic growth is therefore a norm which has been accepted for a long time. In fact, until the 1950's the majority of definitions and references to entrepreneurship came from economists. In addition to Cantillon, Jean Baptiste Say (1803), the renowned French economist, and Joseph Schumpeter (1934), a twentieth century economic genius, all made inquiries into entrepreneurship and its impact on economic development. The economists of the eighteenth century introduced entrepreneurship as a topic for discussion and analysis, and it continued to attract the interest of economists during the nineteenth century. In the present century, entrepreneurship has become synonymous with free enterprise and capitalism. In addition, it is generally recognised that entrepreneurs serve as agents of change, provide creative, innovative ideas for business enterprises, and help business grow and become profitable. Kuratko and Hodgetts's (1989) attributed the existence of some myths about entrepreneurship to the lack of research done in the field.

Siropolis (1994) defined the line of demarcation between entrepreneur and entrepreneurship as being that an entrepreneur launches new ventures, while entrepreneurship is a process of creating value by bringing together a unique

combination of resources to exploit an opportunity widely practiced in businesses of all types and sizes.

Wickham (2004) stated that an entrepreneur's fundamental task in an organisation is to create or change the status quo. The entrepreneurial organisation is best thought of as a network of relationships defined through markets and formal hierarchies. In an entrepreneurial organisation the organisation controls the resources. An entrepreneur can only control so much resources, hence the need for an organisation where other people manage and control some of the resources to enable the organisation to grow.

Hitt and Ireland (2011) defined entrepreneurship as the involvement to identify opportunities, and exploiting them. It also includes focusing on new products, processes, and markets. An entrepreneur is associated with the concept of entrepreneurship with taking on the odds in translating a vision into a successful business enterprise.

Van der Merwe (2007) asserted that entrepreneurship refers to the undertaking of all the functions, attitudes and actions aimed at the harnessing, utilising and seizing of opportunities recognised and/or created for economic gain. The anchor for all of these is innovation, either in an individual capacity or in an organisational context. Siropolis (1994) viewed entrepreneurship as the capacity for innovation, investment, and expansion in new markets, products, and techniques.

Kuratko, Morris, and Covin (2011) defined corporate entrepreneurship as the behaviour inside established mid-sized and large organisations. Entrepreneurship has long been associated with bold individuals who operate against the odds to create new ventures. Wickham (2004) emphasized that managers have to understand how corporate entrepreneurship differs from entrepreneurship. By understanding and managing these differences, entrepreneurship should be sustainable in a corporate company. In a corporate company, the company assumes the risk; the company owns the concept; the entrepreneur may not have an equity in the company; limits are put to rewards, but an entrepreneur can earn incentives; there is more room for error; more insulated forms of influence, rules, procedures

and bureaucracy hinder entrepreneurs' ability to manoeuvre; long approval cycles are prevalent, but there is job security and finance can be accessed more freely. The growth cycle is also quicker. In an established company entrepreneurship can manifest in many ways. It might come from above, from below, or from a separate unit.

Hornsby, Kuratko, and Zahra (2002) concluded that a model for corporate entrepreneurship was required to better understand entrepreneurial spirit. Management has some control over each of the factors mentioned in this paragraph. The first factor is management support. This is the way management structures itself to make employees believe that innovation is part of the organisation. The second factor is work discretion. Workers have the discretion to make decisions to the extent that they are able to make decisions about performing their own work in the way that they believe is most effective. The third factor is rewards. Rewards enhance the motivation of individuals to engage in innovative behaviour. The fourth factor is availability of time. The fostering of new and innovative ideas requires that individuals have time to incubate these ideas. Management should moderate the load of work to allow employees to engage in problem solving. Organisational boundaries constitute the last factor. Real and imaginative boundaries prevent employees to solve problems outside their own jobs.

An understanding of organisational behaviour may be important for optimising corporate entrepreneurship. Bagrami, Cunningham, Potgieter, and Viedge (2007) explain that the study of organisational behaviour provides a guideline that both managers and workers can use to understand the many forces that affect behaviour, and to make correct decisions about how to motivate and coordinate people and other resources to achieve organisational goals. Vecchio (1991) believes that the study of organisational behaviour leads to a better understanding of peers, superiors and subordinates within the organisation. The understanding of the dynamic interaction between the various components leads to personal growth and knowledge for one's own sake.

According to Robbins and Judge (2010) an organisation consists of components that are independent of each other and are grouped into three levels. The first level is the

individual level in which perception, individual decision-making, learning and motivation are grouped together. In the group level that is built from the individual level the team, leadership, conflict, communication and power are grouped together. The last level groups together the structure and the design of the formal organisation; the organisation's internal culture; and the organisation's human resource policies and practices (that is, selection processes, training and development programmes, and performance evaluation methods).

Hornsby, Kuratko, and Montagno (1999) observed that scholars and authors converge on five internal factors as a parsimonious description of the internal organisation's factors that influence employee's decisions to behave entrepreneurially within established firms. These factors as described in the above-mentioned literature are: management support, work discretion, rewards, time availability, and organisational boundaries. Kuratko et al. (2011) also mentioned the internal and external factors, but also included: a flatter organisational structure, control systems which contain a measure of slack, appraisal system which includes innovation and risk-taking criteria, jobs which have a broader scope, reward systems which encourage individual achievement, and cultures which emphasise a balance of individualism and group orientation. Nieman, Hough, and Nieuwenhuizen (2003) put more emphasis on internal organisational factors to ensure that an entrepreneurial culture does exist in an organisation. The internal organisational pillars they identified are: management must identify opportunities, develop and train individuals with potential in corporate entrepreneurship, offer reward for entrepreneurship, and clarify the roles and structures of entrepreneurial teams.

The organisational culture should place the emphasis on new products, innovation, and new business as a central aim ensuring that business units support the innovative abilities. Kamffer (2004) further puts emphasis on several critical success factors for exhibiting entrepreneurial spirit in large organisations. These critical success factors are: the organisation must be at the forefront of technological development, encouragement of new ideas, encouragement of experimentation, tolerance of failure, have no boundaries for opportunities, observance of a multi-disciplinary approach, voluntary participation in programmes, and availability of sponsors and champions.

The importance of having an entrepreneurial spirit climate within an organisation to ensure growth in the economy is critical and therefore supports the objective of this research.

1.2 PROBLEM STATEMENT

Comprehensive research has been done on organisational behaviour, entrepreneurial spirit, entrepreneur, entrepreneurship and corporate entrepreneurship. Such research guides managers on how organisations are structured and create appreciation for the importance of entrepreneurship. What literature is less clear on is which organisational behaviour components influence corporate entrepreneurship. This creates a problem for managers and business leaders when they want to encourage entrepreneurial spirit within an organisation.

1.3 OBJECTIVES OF THE STUDY

The general objective of the study was to understand how organisational variables influence corporate entrepreneurship.

The study had four empirical objectives. The first empirical objective was to test the reliability and validity of the measures used in the investigation. This was deemed as an important first step to assure the reliability and validity of the results. The second objective was to test the relationship between the independent variables of organisational behaviour and the dependent variable corporate entrepreneurship. This was seen as being important to guide managers in influencing distinctive organisational processes to optimise entrepreneurial spirit. The third objective was to find the predictive values for the combinations of organisational behaviour aspects on corporate entrepreneurship. This could assist managers in refining organisational strategies in achieving the objective of enhancing entrepreneurial spirit. The last objective was purely of a more academic nature, namely to test if the grouping of the independent variables in individual level, group level and organisational level are consistent with literature. To achieve this, a factor analysis was performed and it was envisaged that this would enrich the academic discourse around this topic.

The objectives of the empirical study, as stated above, is to test which components

of organizational behaviour influences the entrepreneurial spirit. As Hill (2009) explains entrepreneurial spirit cannot be exercised in a vacuum. There must be some enablers such as organisational culture that embraces the spirit of entrepreneurship. He postulated that the organisational culture as a pattern of shared values and beliefs help its members to understand how the organisation functions and thus provide them with (entrepreneurial) norms. Linan and Chen (2009) further claim that culture acts as a moderator between economic and institutional conditions on one side, and entrepreneurship, on the other side. In similar vein Hayton (2005) suggested that human resource management practices should influence corporate entrepreneurship through the creation of an entrepreneurial culture, that is, a loose-tight organisation that promotes entrepreneurship with intrinsic rewards, delegation of responsibility and avoiding overly rigid controls.

A review of the relevant literature contributes to achieving these objectives. In order to undertake this study in an empirical way, it was necessary to describe the list of possible variables that may influence corporate entrepreneurship in the literature review. Attention was given to decision-making, motivation, communication, leadership styles, power, organisational culture, and performance management. The definition, implications for managers, and the effect the particular variable has on entrepreneurial spirit were covered.

Followed by the organisational behaviour components entrepreneurial spirit as a phenomenon was discussed, covering the history of the entrepreneur, definitions, corporate entrepreneurial culture, theories and models.

This is in line with Moorhead and Griffin's (2008) descriptions of the primary goal of studying organisational behaviour as the relationship between two or more organisational variables. They concluded that the theories developed based on these relationships cannot accurately predict that changing a specific set of workplace variables will improve an individual's performance by a certain amount. At best it can be suggested that certain general concepts or variables tend to be related to one another in a particular setting.

1.4 RESEARCH QUESTIONS

Literature suggests that managers should understand that the entrepreneurial spirit does not work in a vacuum (Hill, 2009), and that the organisation in which the entrepreneurial spirit operates consists of individuals (that are human beings with certain emotions, needs, and feelings) that become the groups and then the organisation itself (Robbins and Judge, 2010). Understanding this, managers can influence corporate entrepreneurship by managing the independent variables in an organisation. This was achieved in this research by providing answers to the following research questions:

Main research question:

- 1 How do organisational variables influence corporate entrepreneurship?

Sub questions:

- 1 What are the reliability and validity of the measures available to use to measure the dependent and independent variables in this study?
- 2 What is the nature of relationship between the independent variables of organisational behaviour and the dependent variable corporate entrepreneurship?
- 3 How do combinations of organisational behaviour variables influence corporate entrepreneurship?
- 4 Is the conventional grouping of organisational behaviour variables in individual level, group level and organisational level consistent with the empirical evidence found in this study?

Answering these questions will result in achieving the objectives of the study.

1.5 DEFINITIONS OF THE TERMS

This section highlights the important definitions covered in the study.

Robbins and Judge (2011) define the developing of an organisational behaviour model as an attraction of reality, a simplified representation of some real world phenomenon. The three basic levels are similar to building blocks; each level is constructed on the previous level. Group concepts grow out of the foundation laid in the individual section; the structural constraints on the individual and group in order to arrive at organisational behaviour, and last, environmental forces interact within the organisation.

Robbins and Judge (2010) define motivation as the process that accounts for an individual's intensity, direction and persistence of effort toward attaining a goal.

Vecchio (1991) describes decision-making as the personal non-programmed decisions that arise during rare but significant events in an individual's life. Organisational-programmed decisions, on the other hand, pertain to relatively simple problem situations in an organisation and are handled according to established guidelines.

By defining leadership style as the ability to influence others to do what leaders want them to do, Martin and Martin (2010) provided the most general definition of leadership style which encompasses the common theme that runs across the above definitions.

Robbins and Judge (2010) defined power of influence as the ability to influence others to do what you want them to do. Power, then, is the ability to change the behaviour of others. When individual powers are combined, the power of a group starts to increase as they collide. Coalition is influenced by the size and interdependence of the group. Coalition happens when an informal group is bound together by the active pursuit of a single issue. The more routine the job is, the easier it is to collide. Vecchio (1991) also defined power in terms of the ability to change the behaviour of others. The five basic powers can be discerned as: reward

power, coercive power, legitimate power, referent power, and expert power.

Newstrom (2011) explained that organisations require consistent levels of high performance from their employees in order to survive in a highly competitive global environment. Performance appraisal/management is the process of evaluating the performance of employees, sharing that information with them, and searching for ways to improve their performance. Vecchio (1991) described performance appraisal as a tool to improve employee effectiveness, help superiors to decide on relevant compensation, evaluate subordinates, make appropriate job changes, and to open communication. In terms of Moorhead and Griffin (2008) definition of performance appraisal, it is defined as the process by which someone evaluates the employee's work behaviour by means of measures and comparison to previously established standards, documents the results, and communicates the result to the employee. This definition concurs with the views of Vecchio and Newstrom.

Moorhead and Griffin (2008) defined communication as the social process in which two or more parties exchange information and share its meaning. Colquitt, LePine, and Wesson (2009) described communication as the process by which information and its meaning gets transferred from the sender to the receiver. Bagraim et al. (2007) definition of communication as the steps between the source and receiver that lead to understanding a message is related to the two above-mentioned definitions. Kreitner and Kinicki's (2010) definition concurs with the other definitions already mentioned, defining communication as the exchange of information between the sender and a receiver; however, they add the inference or perception of meaning between the individuals involved to the definition. Newstrom's (2011) definition of communication is also in line with the other definitions but adds to the definition that communication is a way of reaching others by transmitting ideas, facts, thoughts, feelings and values.

Hitt and Ireland (2011) define entrepreneurship as the involvement to identify opportunities and to exploit them. It also includes focusing on new products, processes and markets. Entrepreneurship is associated with taking on the odds in translating a vision into a successful business enterprise.

Kuratko and Hodgetts (1989) described the meaning of the entrepreneur as 'to undertake' taken from the French origin of the word. The entrepreneur is the one who undertakes, organises, manages, and assumes the risks of a business. Today, the entrepreneur is an innovator or developer who recognises and seizes opportunities; converts those opportunities into workable ideas; adds value through time, effort, money, or skills; assumes the risks of the competitive marketplace to implement those ideas, and realises the rewards from these efforts.

Siropolis (1994) defined the line of demarcation between entrepreneur and entrepreneurship as that an entrepreneur launches new ventures, while entrepreneurship is a process of creating value by bringing together a unique combination of resources to exploit an opportunity widely practiced in businesses of all types and sizes.

Licht (2007) indicated that motivational goals guide entrepreneurs which constitute the entrepreneurial spirit. Thus, the entrepreneurial spirit stems from the attitudes of an entrepreneur.

Hornsby et al. (2002) defined the factors of corporate entrepreneurship as management support, work discretion, time available, rewards, and organisational boundaries. Management support is the way management structures itself to make employees believe that innovation is part of the organisation. Work discretion pertains to the extent that they are able to make decisions about performing their own work in the way that they believe is most effective. Rewards enhance the motivation of individuals to engage in innovative behaviour. The fostering of new and innovative ideas requires that individuals have time to incubate these ideas. Management should moderate the load of work to allow employees to engage in problem solving. Real and imaginative boundaries prevent employees to solve problems outside their own jobs.

In summary, corporate entrepreneurship as defined by Kuratko et al. (2011) means that an organisation has to have an entrepreneur who is driven by an entrepreneurial spirit supported by a culture of management support, work discretion, time available, rewards, and organisational boundaries to drive innovation and economic growth.

1.6 THEORETICAL FOUNDATION

The theoretical foundation of organisational behaviour is based on the work done by Robbins and Judge (2010). They identified three levels in an organisation, the first being the organisational level which consists of organisational structure, organisational culture, and human resource practices (performance management). The second level is the group level that consists of the teams, communication, leadership, power, politics, conflict, and negotiations. The third is the individual level that consists of emotions, moods, personality, perception, decision-making, and motivation.

The effect of decision-making on entrepreneurial spirit is supported by Buchholz and Rosenthal (2005), Sarasvathy (2004), Rindova, Barry, and Ketchen (2009) who indicated that entrepreneurs need rational, intuitive abilities, skills, traits, and improvisation in their decision-making as a multi-faceted process. To be successful, they need to be innovative in their situation.

The effect of motivation on entrepreneurial spirit is supported by Kuratko and Hodgetts (1989), and Kuratko et al. (2011) who subscribed to the importance of motivation to grow a business.

The effect of power on entrepreneurial spirit is supported by McClelland (1975) who indicated that managers are different from entrepreneurs in that managers use power and influence, whereas the only drive an entrepreneur has is to achieve set goals.

The effect of communication on entrepreneurial spirit is supported by Ulvenblad (2008) who showed that entrepreneurs with the highest growth are the ones who ask questions most frequently, and listened and acted upon the response received.

The effect of leadership styles on entrepreneurial spirit is supported by Visser, De Coning, and Smit (2004), Todorovic and Schlosser (2007), McCarthy, Puffer, and Darda (2010), DeCaro, DeCaro, and Browen-Thompson (2010) who clearly indicated that leadership styles have either a negative or a positive influence on

entrepreneurial spirit.

The effect of performance management on entrepreneurial spirit is supported by Newstrom (2011), Vecchio (1991), and Moorhead and Griffin (2008) who explained that organisations require consistent levels of high performance from their employee in order to survive in a highly competitive global environment.

The effect of organisational culture on entrepreneurial spirit is supported by Shepherd, Patzelt, and Haynie (2009), Fayolle, Basso, and Legrain (2008), and Williams and McGuire (2010) found that the founder member of an organisation has a big influence on the culture of an organisation.

The theoretical foundation of entrepreneurial spirit of this research is based on work done by Hornsby et al. (2002). They concluded that a model was required to better understand entrepreneurial spirit. The model provides a much-needed theoretical framework for understanding the entrepreneurial process. The components of the model are shown below and are described thereafter.

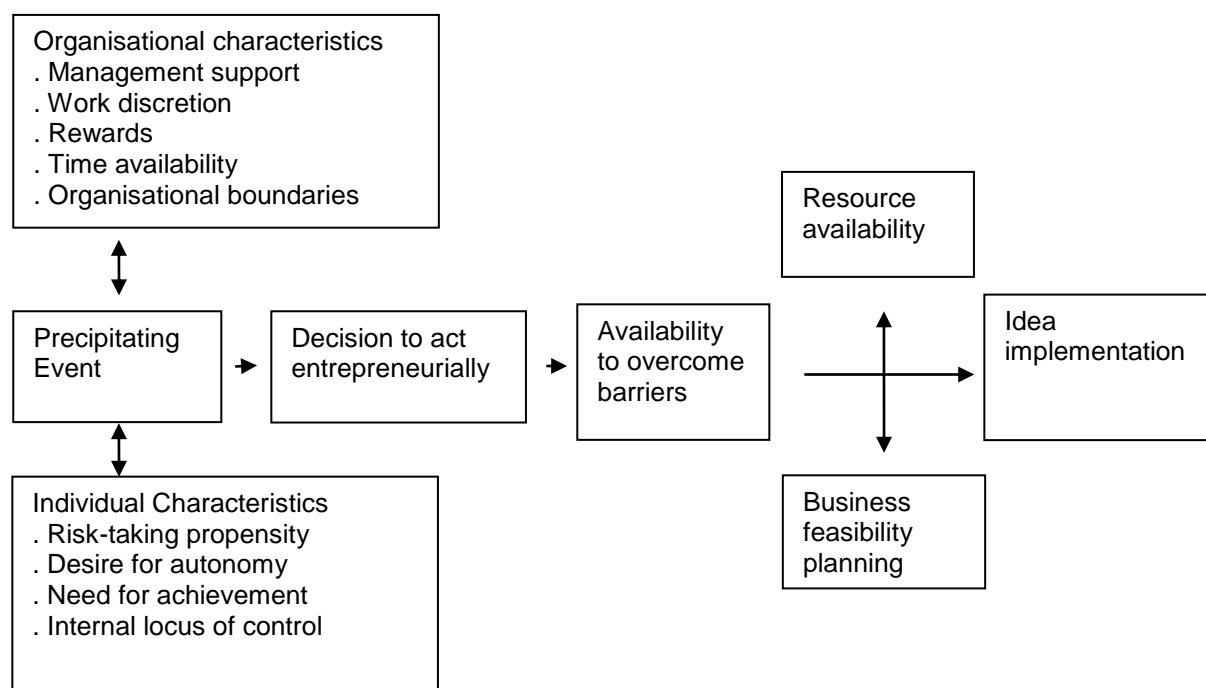


Figure 1.1 An Interactive model of corporate entrepreneuring (Hornsby et al. 1993).

In the first top left block the organisational characteristics consisting of five

subcomponents are presented. Management support is the way management structures itself to make employees believe that innovation is part of the organisation. Workers have the discretion to make decisions to the extent that they are able to make decisions about performing their own work in the way that they believe is most effective. Rewards enhance the motivation of individuals to engage in innovative behaviour. The fostering of new and innovative ideas requires that individuals have time to incubate these ideas. Management should moderate the load of work to allow employees to engage in problem solving. Organisational boundaries are the real and imaginative boundaries that prevent employees to solve problems outside their own jobs. While many organisations do not objectively assess the personality characteristics of either potential or current employees, it is important to recognise the influence of individual differences on innovative behaviour and precipitating events.

A precipitating event provides the impetus to behave entrepreneurially when other conditions are conducive to such behaviour. The authors identified a number of influencing factors in corporate entrepreneurship that can be viewed as types of precipitating events. These include environmental factors such as a change in company management; a merger or acquisition; a competitor's move to increase market share; development of new technology; change in customer demand and economic changes.

In an endeavour to illustrate the interactive nature of this model, the following propositions are in order: (1) individuals with high levels of risk-taking propensity are more likely to engage in entrepreneurial activities where there is a compelling need to develop new technology, and the workplace is characterised with high levels of internal management support for innovation; (2) substantial change in management structure and style which provides enhanced rewards for innovative behaviour reinforcement and encourages individuals with a high need for achievement to engage in entrepreneurial activity; (3) if the environmental factors force a firm to reduce costs, individuals with a desire for autonomy working under loose control systems are more likely to engage in entrepreneurial activity.

The above propositions demonstrate that the decision to act entrepreneurially is

actually the result of the interaction of organisational factors, individual characteristics, and a precipitating event. Once the decision to act entrepreneurially has been made, it is essential to develop an effective business plan, which represents a complete analysis of the new venture's feasibility. The implementation of the business plan and the ultimate success of the entrepreneurial idea depend on two factors. The first factor is the resources availability and the second is the ability to overcome both organisational and individual barriers that militate against the implementation of an idea. Resource availability is an essential organisational characteristic as far as the implementation of an entrepreneurial idea is concerned. The ability to fund and support new venture start-ups is crucial to the successful implementation of a business plan. Hornsby, Kuratko, Montago, and Naffziger (1993) pointed out that in order to have an environment that is conducive to entrepreneurship, organisations must overcome certain barriers such as the organisation's enforcement procedures for making mistakes, long-term planning activities, functional management structures, uniform compensation policies, and the promotion of compatible individuals. The implementation of an entrepreneurial idea is the outcome of the interaction of the organisational factors, individual factors, and precipitating events.

1.7 CONTRIBUTION TO THE LITERATURE

Understanding that each component of organisational behaviour effects the organisation as a whole, and considering that entrepreneurial spirit is important for the economy to grow this research is then aimed to understand which of the organisational components would affect corporate entrepreneurship. The results would give managers in listed and non-listed organisations the ability to manage the organisational behaviour components, to influence entrepreneurial spirit, which would then influence profitability according to Kuratko and Hodgetts (1989).

The three levels according to Robbins and Judge (2011) have been tested, which gives some comfort that the components exist in an organisation and that they are grouped as per literature.

The testing of the validity and reliability of the measure instruments used in the study

also give comfort that results are significant and would assist the further use of them in future studies.

1.8 ORGANISATION OF THE STUDY

This dissertation is organised into five chapters. Chapter 1 begins with an introduction, followed by the problem statement, listing the objectives of the study, dealing with research questions, definitions, foundation of literature and contribution to literature.

Chapter 2 comprehensively reviews the literature pertaining to organisational behaviour components. The literature review covers the identification of each variable, the definition of each variable, the implications for managers, and the effect of the variable on corporate entrepreneurship. The literature review broadly covers the history, definitions, entrepreneurial and corporate entrepreneurship culture, theories, and models related to entrepreneurial climate, organisational entrepreneurship, and innovation of entrepreneurial spirit, ending with a summary.

Chapter 3 covers the aim of the empirical research, respondents, design, process, measure instruments, and ethical considerations of the research methodology.

Chapter 4 focuses on the interpretation of the statistical results. In this study, the reliability and validity of the measure instruments are assessed. Followed by the strength of the relationship between the organisational behaviour components and corporate entrepreneurship, the predictive ability of the components of organisational behaviour on entrepreneurial spirit, is further explored and finally, the chapter covers the inference on whether organisational behaviour variables group together as suggested by literature.

Chapter 5 draws conclusions based on the findings. Implications are discussed. Limitations of the study and suggestions for further research are addressed as well.

1.9 SUMMARY

The first chapter of this research provided an introduction to the research topic of how organisational behaviour components influence corporate entrepreneurship. In chapter 2 the literature related to the matter will be dealt with.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The main objective of the literature review was to explain the influence of organisational behavioural variables on corporate entrepreneurship. A review of the relevant literature contributes to achieving these objectives. In order to undertake this study in an empirical way, it was necessary to describe the list of possible variables that may influence corporate entrepreneurship in the literature review. The first level is constituted by individual variables such as perception, individual decision-making, learning and motivation. The second level comprises group related activities, such as teams, leadership, conflict, communication and power. The third level is constituted by variables at organisational level, such as structure and the design of the formal organisation; the organisation's internal culture; and the organisations human resource policies and practices (which include selection processes, training and development programmes, performance evaluation methods (Robbins and Judge, 2010). Attention was given to decision-making, motivation, communication, leadership styles, power, organisational culture, and performance management covering the definitions, implications for managers, and the effect the each particular variable has on entrepreneurial spirit.

Followed by the organisational behaviour components entrepreneurial spirit as a phenomenon was discussed, covering the history of the entrepreneur, definitions, entrepreneurial culture, theories and models, antecedents of organisational behaviour and innovation.

Thus, the literature review covers both the organisational behaviour components and corporate entrepreneurship. Each organisation has three levels or groups of variables that influence the overall business. The entrepreneurial spirit which resides within an entrepreneur that is part of the organisation should influence the level of entrepreneurial spirit.

2.2 LEVEL APPROACH TO ORGANISATIONAL BEHAVIOUR

Lutthans (2011) defined organisational behaviour as the understanding, prediction, and management of human behaviour in organisations. McShane and Von Glinow (2009), placing the focus more on individuals, defined organisational behaviour as the study of what people think, feel, and do in and around organisations. Kreitner and Kinicki (2010) referred to organisational behaviour as an interdisciplinary field dedicated to better understanding and managing people. Building on the previous authors' definition, Colquitt et al. (2009) defined organisational behaviour as the field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviours of individuals and groups in organisations. Newstrom (2011) also focused on individuals and groups and defined organisational behaviour as the systematic study and careful application of knowledge about how people – as individuals and groups – act within organisations. Robbins and Judge (2010) dealt with organisational behaviour in a comprehensive way, describing it as a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation's effectiveness.

From the definition by Robbins and Judge (2011) it can be noted that organisational behaviour is described as focusing on three levels, namely the individual, group and organisational level. Bagraim et al. (2007) explained the level approach in broader terms and described organisational behaviour as the relationship between individuals and individuals, between individuals and groups and between groups and groups to provide order and systems that direct the effort of the organisation towards the achievement of its goals. Similar to Bagraim et al. (2007), Colquit, LePine, and Wesson (2009), Vecchio (1991), McShane and Von Glinow (2009), Kreitner and Kinicki (2010), Daft (2010), and Kreitner and Kinicki (2010) also used the three levels approach in defining organisational behaviour in terms of the levels of the individual, the group, and the organisation. They all devoted their field of study to understanding the attitudes and behaviours of individuals, and groups in an organisation. The next section will cover each of the three levels in detail.

2.3 INDIVIDUAL LEVEL ORGANISATIONAL BEHAVIOUR VARIABLES

In this section, the different individual level variables are discussed. All individual level variables, found in a selection of influential recent organisational behaviour textbooks, will be identified and then labelled as either common or unique. Next, definitions of the variables will be provided. Following that, the variables will be described in terms of their importance to management, with the emphasis on how managers can use them to influence behaviour and optimise business success. Lastly, literature (mainly from scientific articles), on how these variables relate to entrepreneurial spirit will be referred to. This serves as a method of identifying all possible independent variables aimed at explaining the role of organisational behaviour variables on corporate entrepreneurship.

2.3.1 Identification of individual organisational behaviour variables

Martin and Martin (2010) identified six variables namely: personality, individual differences, perception, attribution, attitude, and motivation.

Moorhead and Griffin (2008) identified seven components namely: individual behaviour, motivation, individual performance, rewards, stress, problem solving and decision-making.

Robins and Judge (2011) identified eight components falling under individual components, namely: attitudes, job satisfaction, emotions, moods, personality, perception, individual decision-making, and motivation.

Kreitner and Kinicki (2010) also identified eight components namely: values, attitudes, job satisfaction, behaviours, perception, attributes, motivation and improving job performance.

Colquitt et al. (2009) identified ten components: job satisfaction, stress, motivation, trust, justice, ethics, decision-making, personality, values and ability.

Similarly, McShane and Von Glinow (2009) identified ten components namely:

individual behaviour, personality, values, perception, learning, emotions, attitudes, stress, motivation and decision-making.

Newstrom (2011) identified eleven components namely: motivation, appraising, rewarding performance, leadership, empowerment, participation, attitudes, conflict, power and politics.

Vecchio (1991) identifies nine components namely: perception, personality, attitudes, job satisfaction, motivation, performance appraisal, power, leadership, and decision-making.

In summary, motivation is the most frequently mentioned component (9 times), followed by attitudes (6 times), personality (5 times) , perception (5 times), individual decision-making (5 times), job satisfaction (4 times), individual behaviour (4 times), emotions (2 times), values (3 times), job performance, (ones) and last stress (twice). These then constitute the common variables.

The unique elements, that is, those elements that are only mentioned once, are moods, power, leadership, appraisals, empowering, attributes, learning, politics, trust, ethics and justice.

2.3.1.2 Decision-making

2.3.1.2.1 Defining decision-making

Vecchio (1991) described individual shared decision-making as the personal non-programmed decisions that arise during rare but significant events in an individual's life. Shared group decision-making is organisational-programmed decisions which are simple as organisations handle them according to established guidelines.

Bagram et al. (2007) definition of decision-making corresponds with Vecchio's definition of organisational-programmed decision-making as the situation in which differences in power, values and attitudes give rise to disagreement, opposition or

animosity between two or more parties.

Martin and Martin's (2010) definition also corresponds with that of Vecchio, and Bagraim et al. (2007) when they defined decision-making as the mundane, everyday activity in the organisation, as well as the choice of a strategy in the organisation. A group or an individual within the organisation can make these decisions.

McShane and Von Glinow (2009) described decision-making as a conscious process of making choices among alternatives with the intention of moving toward some desired state of affairs, which is in line with Robbins, Judge, Odendaal, and Roodts (2010) definition. These definitions also correspond with Kreitner and Kinicki's (2010) definition of decision-making as the choice of alternative solutions that leads to a desired state of affairs.

Robbins and Judge's (2010) summary of decision-making concurs with the above definitions insofar as they explain that most decisions are made by judgment rather than by defined prescriptive models. The individuals who make the decisions based on judgment are all different, and if a company does not take cognizance of this, it could affect its success. Organisations constrain decision-making itself because managers shape their decisions to reflect the organisation's performance evaluation and reward systems imposed on them. Some of the organisational constraints imposed on managers that might influence decision-making include performance evaluation, reward systems, time constraints and historical precedents.

A common definition would describe decision-making as a decision between alternatives. As such, it is closely related to all managerial functions as decision-making is an integral part of most managerial functions. These decisions can either be individual driven or organisational driven. When driven by an individual, an individual's own beliefs will play a part, and when driven by an organisation the strategy of the organisation will play a part.

2.3.1.2.2 Implications for managers

As Robbins and Judge (2011) pointed out, individuals tend to think and reason before they act. For this reason an understanding of how people make decisions can be helpful in predicting their behaviour. In some decision situations, people follow the rational decision-making model. This model consists of six steps to ensure that the decision maker always make a rational decision. The six steps are: define the problem, identify the decision criteria, allocate weights to the criteria, develop alternatives, evaluate the alternatives, and select the best alternative. However, only a few important decisions are simple enough for the rational model to be applied. Managers can approve decision-making by analysing the situation, be aware of biases, combine rational analysis with intuition, and try to improve creativity.

McShane and Von Glinow (2009) concurred with Robbins and Judge (2011) when they asserted that by promoting employees' involvement in decision-making it influences how their work is organised and carried out. The level of employee involvement may range from an employee providing specific information to managers without knowing what it is needed for, to complete involvement in all phases of the decision-making process.

Martin and Martin (2010) also encouraged managers to understand decision-making in organisations because such understanding provides the conceptual and theoretical tools to analyse and improve central organisational and managerial activity.

All the researchers whose work was studied concur that understanding decision-making is important for an effective organisation. Traditionally, managers have made most of the decisions in an organisation and then passed them on to employees lower in the hierarchy for implementation. This top-down approach may save time and result in high-quality decisions, but employees may question the legitimacy of the decision as they have had no part in making it. With the team-based approach managers involve employees more and more which may take longer but it has a far better impact in the organisation.

2.3.1.2.3 The effect of decision-making on entrepreneurial spirit

Buchholz and Rosenthal (2005) emphasised that decision-making, like entrepreneurship, requires qualities such as imagination, creativity, novelty, and sensitivity. They pointed out that “At its heart, entrepreneurship is about the future. Not the future that has already happened and is therefore predictable, but the future that is barely imagined today and can only be known in the creation of it tomorrow.” Entrepreneurship is about change, about dealing with novel situations, about an activity that involves an experimental approach to unique situations. In this sense, it is a unifying framework that brings together the activity of entrepreneurship and decision-making. Thus, it is important from both an economic and ethical standpoint to keep the entrepreneurial spirit alive in organisations.

The decision-making approaches of entrepreneurship as a multidimensional process consists of a rational, intuitive and improvisational process. The rational approach suggests that educating entrepreneurs requires more than rational/cognitive approaches to entrepreneurial education. Second, it suggests that improvisation and intuition, which are processes difficult to study and sometimes undervalued by the academic community, should be more vigorously addressed by researchers. Third, it shows that there are alternative approaches to developing entrepreneurial skills. In view of the fact that improvisation skills can be learned, more complete and integrative approaches to entrepreneurial education and development may deserve particular attention in the cultivation of improvisational skills.

Rindova et al. (2009) explained that entrepreneuring as emancipation is a process involving dreaming, discovering, and creating required to make decisions that lead to a rich exchange of goods and creating wealth. Buttner and Gyskiewicz (1993), concurring with Rindova et al. (2009), held that entrepreneurs become more adaptive over time and that their decision-making equally becomes more adaptive to their current situation. Holt, Rutherford, and Clohessy (2007) also find that entrepreneurs may develop effective coping strategies in the short run to overcome the limitations of their preferred style. More adaptive entrepreneurs are more likely to continue to operate their business in the long run, while the more innovative entrepreneurs are likely to sell their business as administration issues take

precedence. The study also found that innovative entrepreneurs are more likely to fail if they spend more time supervising.

Entrepreneurs need rational, intuitive abilities as well as improvisation in their decision-making as a multi-faceted process. To be successful, they need to be innovative and must have the ability to be adaptive to their current situation.

2.3.1.3 Motivation/Goal Setting

This section focuses on defining motivation as a general concept, and its importance to managers is explained. How it relates to entrepreneurial spirit is then discussed.

2.3.1.3.1 Defining Motivation

Robbins and Judge (2010) defined motivation as the process that accounts for an individual's intensity, direction, and persistence of effort toward attaining a goal.

Bagram et al. (2007) defined motivation as a force within us that arouses, directs, and sustains our behaviour.

Kreitner and Kinicki (2010) defined motivation comprehensively as the strength or a tendency to act in a certain way.

Martin and Martin (2010) described motivation as the force that initiates, directs, and sustains behaviour.

Newstrom (2011) explained motivation as the strength of the drive toward an action. Lutthans (2011) describes motivation as a process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive.

Colquitt et al. (2009) defined motivation as a set of energetic forces that originates both within and outside an employee, initiates work-related efforts, and determines

its direction, intensity, and persistence.

Moorhead and Griffin (2008) explained motivation as a set of forces that causes people to engage in one's behaviour rather than in some alternative behaviour.

The central elements of an overarching definition would encompass a force within or outside an individual that initiates action, and which should include elements of direction, the intensity of the effort, and the sustainment thereof.

2.3.1.3.2 Implication for managers

Having established what motivation is, managers should know how different motivation theories have different implications for managers. Hollyforde and Widdett (2003) introduced several theories in this regard. However, in this study we will focus on the goal-setting theory.

The goal-setting theory is goal-orientated and suggests that a clear and challenging goal will lead to higher levels of productivity. The goal-setting theory is useful to many managers because much of people management specifically has to do with performance against goals. It is also a theory human resources professionals are likely to be familiar with because it is often used as the basis for performance management schemes that focus on objectives. The goal-setting theory is a theory that has great relevance for managers (Hollyforde and Widdett, 2003).

2.3.1.3.3 Motivation and entrepreneurial spirit

Kuratko and Hodgetts (1989) defined the entrepreneur as a risk taker in a new venture. Entrepreneurs are uniquely optimistic, hard driving committed individuals who derive great satisfaction from being independent. Kuratko et al. (2011) definition of an entrepreneur is in line with the above-mentioned definition that defines an entrepreneur as the creator of wealth; second, an entrepreneur is the creator of an enterprise; third, the creator of innovation; fourth a creator of change; fifth, a creator of jobs; sixth, a creator of value and last a creator of growth. They have shown that

the personality traits of an entrepreneur are not unique, and suggest that motivation thus plays an important role in determining entrepreneurial behaviour. They have also shown that the best entrepreneurial performance is typically exhibited by those individuals scoring high in mastery needs and work orientation but low in interpersonal competitiveness. They also state that an entrepreneur has the same motivation as anyone else for fulfilling their generic needs and wants in the world. The difference though is that those motivations are used to create ventures with a very specific goal.

Motivation is often mentioned as an important component for a business to grow and that researchers have different views on the complexity of and attributes that affect entrepreneurial behaviour. While the complexity of the issue and the attributes of motivation have been well researched, researchers are often rather silent on exactly what motivators are and research in this field may be valuable.

2.4 GROUP LEVEL ORGANISATIONAL BEHAVIOUR VARIABLES

In this section, the different group level variables are discussed. All group level variables, found in a selection of influential, recent organisational behaviour textbooks, will be identified and then labelled as either common or unique. Next, definitions of the variables will be provided. Following that, the variables will be described in terms of their importance to management, with the focus on how managers can use them to influence behaviour and optimise business success. Last, literature (mainly from scientific articles) on how these variables relate to entrepreneurial spirit will be referred to. This serves as a method of identifying all possible independent variables in a model aimed at explaining the role of organisational behaviour variables in corporate entrepreneurship.

2.4.1 Identification of group level organisational behaviour variables

The variable of the group level will be listed and will then be identified as either a common or a unique component to determine their frequency.

Vecchio (1991) identified three components, namely: group dynamics, conflict

management, and communication.

Bagraim et al. (2007) identified eight components, namely: dynamics of a group, communication, power, empowerment, influence, conflict, negotiation, and decision-making.

Newstorm (2011) identified seven components, namely: informal and formal groups, teams, group, managing change, stress, and counselling.

Luthans (2011) identified seven components, namely: communication, decision-making, stress, conflict, power, politics and teams.

Martin and Martin (2010) identified eight components, namely: group, leading, managing, teams, communication, decision-making, conflict and negotiation.

Moorhead and Griffen (2008) identified twelve components, namely: group, internal behaviour, organisations and teams, organisation and communication, leadership, modern perspective, leadership, power, politics, justice, conflict and resolution.

McShane and Von Glinow (2009) identified six components, namely: team, communication, power, influence, conflict and leadership.

Colquitt et al. (2009) identified eight, namely: teams, characteristics, processes, communication, power, negotiation, leadership styles, and behaviours.

Kreitner and Kinicki (2010) identified five components, namely: group dynamics, development of a team, decision-making, conflict and negotiating.

Robinson and Judge (2009; 2011) identified eight components, namely: group behaviour, teams, communication, leadership, power, politics, conflict, and negotiation.

From the aforementioned, it is observed that conflict is the most frequently mentioned component, followed by communication, teams, group behaviour, power,

leadership styles, negotiation, politics, decision-making, stress, and influence. The unique elements are counselling, empowerment, and justice. Power, communication and leadership styles will be singled out for discussion as group level variables because of their frequency in the definitions

2.4.1.2 Power

2.4.1.2.1 Defining Power

Robbins and Judge (2010) defined power as the ability to influence others to do what you want them to do. Power then is the ability to change the behaviour of others. When individual powers are combined, the power of a group starts to increase as they collide. Coalition is influenced by the size of the group and interdependence of the group. Coalition happens when an informal group binds together by the active pursuit of a single issue. The more routine the job is, the easier it is to collide.

Bagraim et al. (2007) elaborated on Robbins and Judge's definition by explaining the bases of power. Power exists interpersonally, within structures and in intergroup areas. Reward, coercive, legitimate, expert, referent, and informational forms of power all constitute interpersonal power bases. Informational power relates to the way a person thinks and is regarded as an independent influence. Structural bases of power exist in knowledge, resources, decision-making, networks, and lower-level employees. Intergroup power controls critical reserves. Vecchio (1991) also defined power in terms of the ability to change the behaviour of others. The five basic powers can be discerned as: reward power, coercive power, legitimate power, referent power, and expert power.

Vecchio (1991) defined reward power as the ability to use an incentive to encourage others to do what you require from them. Coercive power refers to a situation where a leader uses punishment and fear to force others to follow instructions. Legitimate power refers to the exercising of authority in a manner in terms of which an individual accepts direction willingly, whereas referent power refers to a leader's personality

inspiring others to certain action. Expert power refers to a power relationship in which others follow a leader because of his/her expert knowledge.

Empowerment, on the other hand, is the ability to get the best out of people and attempting to improve job satisfaction. It demands a spirit of cooperation and allows people a greater say in decisions. Systems and processes that do not restrict employees are a requirement for a climate that is conducive to cultivating empowerment in an organisation. Three factors are crucial for success in any empowerment effort: enforcing a significant shift in the superior's power base, developing boundaries, and building a learning organisation. A common theme in the implementation and maintenance of empowerment in organisations are seen as communication, commitment, ownership, skills, leadership, and sustainability.

Robbins et al. (2010) dealt with the need for power, asserting that managers and leaders cannot function if they do not have power. However, what makes them effective is the way in which they use their power. It is crucial for success to have the appropriate competencies and skills at one's disposal. To increase your power as a leader, you want to increase dependency on you.

There is evidence that people respond differently to the various power bases. Expert and referent power derive from individual personal qualities. In contrast, coercion, reward, and legitimate power are essentially organisationally derived. People are more likely to enthusiastically accept and commit to an individual whom they admire. An effective manager accepts the political nature of an organisation, and manages the politics for the better of him/herself and the team. The politically astute are also likely to exhibit higher job satisfaction levels and are better able to neutralise job stressors. For employees with poor political skills, the perception of organisational politics is generally related to lower job satisfaction.

A summary of the various views would suggest that power is needed for managers to function in their roles as leaders. Power is needed to influence others and can be detected interpersonally and manifest in a structure and in a group.

2.4.1.2.2 Implications for managers

Robbins and Judge (2011) described power as the initiator to get things done. Managers, who want to maximise their power, want to increase others' dependence on them. There is a constant struggle between peers and employees to increase their power. Peers depend on managers while managers on the other hand, want to be less dependent on them. For managers to be effective, they have to develop an expert power base. Employees and peers are more enthusiastic about an individual whom they admire and whose knowledge they respect. Contra to Robbins and Judge (2011), Newstrom (2011) encouraged managers and employees to learn to produce results without reliance on traditional forms of power. Managers should rather encourage others to work for a mutual goal or benefit that will enhance a corporate gain.

2.4.1.2.3 The effect of power on entrepreneurial spirit

McClelland (1975) investigated how the drive for achievement that typically motivates the founder-entrepreneur can seriously handicap the manager. The research found that managers are much more effective when they can utilise power and influence. This is totally opposite to an entrepreneur whose drive it is to achieve his goals. Managers, on the other hand, will delegate more effectively, command greater respect, and get far better performance from subordinates than entrepreneurs driving an achievement strategy. It is therefore important to understand which form of power is needed in which business environment.

2.4.1.3 Communication

2.4.1.3.1 Defining communication

Moorhead and Griffin (2008) defined communication as the social process in which two or more parties exchange information and share its meaning. Colquitt et al. (2009) described communication as the process by which information and its

meaning gets transferred from the sender to the receiver. Bagraim et al.'s (2007) definition of communication as the steps between the source and receiver that lead to understanding a message is related to the two above-mentioned definitions. Kreitner and Kinicki's (2010) definition concurred with the other definitions already mentioned, defining communication as the exchange of information between the sender and a receiver, however adding to the definition the inference or perception of meaning between the individuals involved. Newstrom's (2011) definition of communication is also in line with the other definitions but added to the definition that communication is a way of reaching others by transmitting ideas, facts, thoughts, feelings, and values.

The following writers elaborated on the basic definition of communication by focusing on the organisational impact thereof. Robbins and Judge (2010) defined communication as the primary source of social interaction, which channels emotions within the organisation. Robbins et al. (2010) defined the communication process as the exchange of messages, but the outcome is a meaning that may or may not be the same as what the sender has intended.

Martin and Martin (2010) noted that a business cannot exist if there is no communication. Without interaction, organisations would not and could not exist as a social entity. They defined communication as the process by which people exchange information; it is a fundamental aspect of any interaction among individuals and groups. McShane and Von Glinow (2009) described communication as a vehicle through which people clarify their expectations and coordinate work, which allows them to achieve organisational goals more effectively. It is the process by which information is transferred and understood between two or more people.

Kreitner and Kinicki (2010) formulated the definition of communication as a pure transfer of information between two people. They described communication as a process that is not clear-cut but is rather a complex one, due to a sender sending a message and the receiver cognitively processing the information and interpreting it in a biased way. They therefore criticised the view that communication was merely a conduit for the flow of information, for the very reason that no miscommunication would then exist.

Robbins and Judge (2011) concurred with Kreitner and Kinicki (2010) that communication is more than just the transfer of information. They linked communication and employee satisfaction, noting that the less uncertainty there is, the greater the satisfaction is. Distortion, ambiguities, and incongruities between verbal and nonverbal messages all increase uncertainty and reduce satisfaction.

2.4.1.3.2 The implication for managers

There seems to be two components to communication which managers should consider in managing communication. The first part is the process of transferring the information from the sender to the receiver and the possible barriers in this process. The second part is the operationalisation of the communication to ensure that managers communicate the goals effectively. Thus, to ensure a successful business, managers need to incorporate the transfer of information in such a way that they achieve the set goals.

McShane and Von Glinow (2009) identified verbal and nonverbal ways of communication that can be used by managers. Depending on the situation, managers can either use nonverbal communication which is less rule-bound than verbal communication or verbal communication, which is rule-bound. The most effective selection will be determined on social influence factors, including organisation and team norms, individual preference for a specific communication channel, and the symbolic meaning of a channel. Managers should take cognisance of the misinterpretation of information due to perception basis, as it would influence the message they want to deliver. Moorhead and Griffin's (2008) view of managing communication in organisations also includes the prompting of managers to understand the numerous problems that can interfere with effective communication. The interferences that can create problems that should be managed can come from the communication process itself, or from factors like status in the organisation.

Newstrom's (2011) explanation of the vital role that managers play in downward and upward communication, sometimes even delaying or filtering the flow of information,

concurred with the abovementioned views. To communicate effectively managers have various tools like performance feedback, social support, holding meetings and open door policies. However, the most effective communication tool is having the ability to listen. Martin and Martin (2010) also prompted managers to understand that communication is more than a simple passing of information; it implies an interactive process involving more than one person. As a process, it is about the exchange and development of ideas.

Managers also have to take cognisance of the fact that when managing communication in an organisation there is a human limitation to express ideas in an observable form. Colquitt et al. (2009) prompt managers to understand their communication networks, communicate openly, and listen without making premature evaluations. By practicing these skills, managers would be able to set specific and difficult goals for their teams. They would also be able to coordinate and synchronise activities among team members to implement the set goals effectively. Managers have to take cognisance of the fact that perfect communication is unattainable; however there is a positive relationship between effective communication and workers' productivity. No group can exist without proper communication.

Bagraim et al. (2007) identified four dimensions to communication. The first dimension pertains to how members use communication systems and seek information. The second pertains to the way in which decisions are made and whether the communication is regular. The third dimension refers to the interaction between colleagues, and the last dimension pertains to the level of satisfaction of communication. In understanding and driving these dimensions managers should make full use of the communication channels, which can be upwards, downward and horizontal. Bagraim et al. (2007) prompted managers to understand and drive the four dimensions of communication to have effective communication and less ambiguity.

Furthermore, to ensure effective communication in organisations, managers should also take cognisance of the barriers to communication. The barriers occur when a sender fails to influence others in a way he or she intended to do. Ways managers can use to overcome communication barriers are: feedback sessions, simplifying the

language, listening actively, constraining emotion, and watching non-verbal cues. Management of communication in organisations is crucial and cannot be ignored. Managers are prompted to understand the numerous problems that can interfere with effective communication. Such interference can create problems when goals and tasks are communicated to achieve organisational goals. In view of the complexity of communication and its importance for the organisation, barriers that exist in the verbal and nonverbal channels must be managed constantly. One of the best ways to manage communication is to develop the ability to listen more and not to reach premature conclusions.

2.4.1.3.3 The effect of communication on entrepreneurial spirit

Ulvenblad (2008) focused on how entrepreneurs use communication skills in the interaction with various stakeholders. The study found that communication skills are important as the manager needs these skills to communicate the vision of the entrepreneurial business to his various stakeholders. It is important to have support from various stakeholders as an entrepreneur cannot start or grow his business on his own. This study showed that entrepreneurs who are learning to focus on their communication and self-leadership in the start-up phase of their businesses, are more successful. The entrepreneurs who took part in the study were also able to adapt their behaviours in different situations. However, they behaved in different ways. The entrepreneurs who showed the highest growth orientation in terms of employees and financial measures, were those who showed the most frequent other-oriented behaviour during the observations. These entrepreneurs were the ones who asked questions most frequently, and listened to and acted upon the response received.

Thus, this research has shown that communication as described by the various writers is important for an entrepreneurial business to start up and grow.

2.4.1.4 Leadership styles

2.4.1.4.1 Defining leadership styles

Kreitner and Kinicki (2010) defined leadership as the process whereby individuals influence others to achieve a common goal. Colquitt et al. (2009) defined leadership as the use of power to influence and direct the activities of followers towards goal achievement. Robbins and Judge (2010) concurred with the above leadership definitions as being the ability to influence a group towards the achievement of a vision or set of goals. Bagraim et al. (2007) elaborated on the definition that leadership styles are a social process to influence people to work voluntarily, enthusiastically, and persistently towards a purposeful group or organisational goals. Newstorm (2011) concurred with Bagraim et al. (2007) when he defined leadership as the process of influencing and supporting others to work enthusiastically toward achieving objectives. McShane and Von Glinow's (2009) definition of leadership concurred with Newstrom (2011) and Bagraim et al. (2007) as the influencing, motivating, and enabling of others to contribute toward the effectiveness and success of the organisations of which they are members.

By defining leadership style as the ability to influence others to do what leaders want them to do, Martin and Martin (2010) provided the most general definition of leadership style, which encompasses the common theme that runs across the above definitions.

2.4.1.4.2 Implications for managers

Colquitt et al. (2009), Kreitner and Kinicki (2004), Lutthans (2011), Martin and Martin (2010), Mchane and Von Glinow (2009), Moorhead and Griffin (2008), and Newstrom (2011), Robbins and Judge (2011), Vecchio (1991), all prompted managers to use the leadership trait as a personality characteristic to differentiate leaders from followers.

Robbins and Judge (2011) refer to leadership trait as a personality characteristic,

and in view of the inconsistent findings about trait leadership styles, researchers prefer a situational leadership, and want managers to find a particular leadership style for a specific situation. A more recent approach is the full-range model which covers laissez-faire leadership to transactional leadership and to transformational leadership. In terms of this approach managers who lead according to a laissez-faire style are identified, and are then taught to either adopt a transactional or a transformational style. They should also be encouraged to teach employees to drive organisational goals rather than to act out of self-interest. By driving an agenda or accepting accountability and responsibility, laissez-faire leadership styles should be limited in organisations. Kneitner and Kinicki (2010) elaborated on the difference between managers and leaders. In their view, a leader leads, and a manager only manages. Managers perform functions and leaders deal with the interpersonal aspects of a manager's job. Leaders perform a crucial role in defining vision, while managers are the implementers of the selected strategies.

Various leadership styles will have different effects on the organisation; however transformational leadership is needed in today's modern organisations, and is indeed supported more so than other styles because managers can utilise this style to have better financial successes. Transformational leadership has a positive effect on the performance of individuals, which results in better performance of the organisation. This is important to take into consideration when individuals are selected for roles in an organisation. Colquitt et al. (2009) also highlighted the fact that leadership is not one thing, but comprises the use of power and influence to direct the activities of followers toward goal achievement. McShane and Von Glinow (2009) also supported transformational leadership to create strategic vision, communicate that vision through framing and the use of metaphors, and by modelling the vision by "walking the talk" and by acting consistently.

Newstrom (2011) asserted that managers have to understand the role a leader plays in an organisation as opposed to the role a manager plays. Strong leaders may be weak managers if poor planning causes their group to move in the wrong direction. On the other hand, weak leaders can still be good managers as they have the ability to better plan and implement decisions. Robbins and Judge (2011) prompted managers to get the right leadership in their organisations as leaders play a central

part in understanding a group's behaviour. Therefore, organisations are increasingly looking for managers who can exhibit transformational leadership qualities combined with vision and charisma to carry out those visions.

Martin and Martin (2010) described the role a manager to allow leadership to function effectively together as a three-part role. The interpersonal role reflects the interaction of a person with others in an organisation as the consequence of their status or jobs they have in an organisation. The second is an informational role, which reflects how managers use information in their job. Finally, decisional roles reflect the nature of decision-making requires in a specific job.

2.4.1.4.3 The effect of leadership styles on entrepreneurial spirit

Visser et al. (2004) studied the relationship between the characteristics of the transformational leader and the entrepreneur in South African small and medium enterprises (SMEs). According to their research there is a clear relationship between entrepreneurs and entrepreneurship as a subset of respectively transformational leadership and transformational behaviour. This finding makes perfect sense considering the pivotal role SME entrepreneurs have to play in the socio-economic transformation of societies. It therefore follows logically that entrepreneurs should display at least some of the profile attributes associated with transformational leaders. In similar vein, transformational leaders need the ability to innovate, to pioneer new paradigms and to move beyond the boundaries of direct predictability – profile attributes that are deemed to be of key importance to entrepreneurs. A dynamic interrelationship between these two key concepts is therefore apparent and full cognisance should be taken of it in the development of both transformational leaders and entrepreneurs in organisations.

The findings of Todorovic and Schlosser (2007) also show that leadership styles have an influence on a firm's entrepreneurial orientation. They found that the performance relationship will be influenced by either egocentric (self-enhancing) or collective (organisational) values of the individuals working in the organisation. They found that a charismatic leadership style (with resulting organisational citizenship

behaviour by the followers) will amplify the performance relationship, while the Machiavellian leadership style (with corresponding follower behaviour) will reduce the performance relationship. McCarthy et al. (2010) concurred with the findings of entrepreneurial leadership style. They also emphasised that entrepreneurs are known for increasing societal wealth and access to that wealth. Importantly, global wealth is likely to become increasingly dependent upon the development of successful entrepreneurs in transition economies. Entrepreneurial leadership was identified as being important to this process and was described as the ability to influence others to manage resources strategically in order to emphasise both opportunity-seeking and advantage-seeking behaviours. The focus was on transformational, transactional leadership as well as on the democratic-autocratic-situational framework. Their results showed that the exemplary entrepreneurs overwhelmingly exhibited an open or transformational leadership style.

In conclusion, one can clearly see that entrepreneurial spirit either has a positive or a negative influence on an organisation depending on the type of leadership style that is active in an organisation. The transformational leadership style has the most positive effect on employees, and is seen as the preferred style for modern organisations.

2.5 ORGANISATIONAL LEVEL ORGANISATIONAL BEHAVIOUR VARIABLES

In this section, the different organisational level variables are discussed. All organisational level variables found in a selection of influential recent organisational behaviour textbooks, will be listed.

2.5.1 Identification of the organisational level organisational behaviour variables

Martin and Martin (2010) identified three components, namely: organisational structure, organisational technology and design.

Moorhead and Griffin (2008) identified three components, namely: organisational structure, design, and culture.

McShane and Von Glinow (2009) identified three components, namely: organisational structure, design, and organisational change.

Colquitt et al. (2009) identified two components, namely organisational structure and culture.

Kreitner and Kinicki (2010) identified organisational design and managing change as components.

Robinson and Judge (2011) identified four components, namely: organisational structure, organisational culture, organisational change, and the organisation's human resource policies and practices (that is, selection processes, training and development, performance evaluation methods).

From the aforementioned, it can be observed that organisational structure is the most frequently mentioned component, followed by organisational design, organisational culture and organisational change management.

2.5.1.1 Culture

2.5.1.1.1 Definition of organisational culture

Kreitner and Kinicki (2010) defined organisational culture as the set of shared, taken-for-granted implicit assumptions that a group holds and that determines how it perceives, thinks about, and reacts to its various environments. Moorhead and Griffin (2008) also regards organisational culture as a set of values that help the organisation's employees understand which actions are considered acceptable and which are unacceptable. McShane and Von Glinow (2009) defined organisational culture as the values and assumptions shared within an organisation. Martin and Martin's (2010) definition of organisational culture concurred with assumptions and values mentioned in the foregoing definitions of organisational culture. They defined organisational culture as a set of shared, often-implicit assumptions, beliefs, values, and sense-making procedures that influence and guide the behaviour and thinking of

an organisation's members. Robbins and Judge's (2010) definition is also in line with the abovementioned definitions of organisational culture as the system of shared meanings held by members that distinguish the organisation from other organisations. Vecchio (1991) also focused on the core values of an organisational culture as the shared values among employees.

Colquitt et al. (2009) added social knowledge to the definition of organisational culture as the shared social knowledge within an organisation as it pertains to rules, norms, and values that shape the attitudes and behaviours of its employees.

A comprehensive definition of organisational culture would include the assumptions, values and shared social knowledge that exist in an organisation that direct the behaviour and beliefs of employees.

2.5.1.1.2 Implications for managers

Kreitner and Kinicki (2004) highlighted three important characteristics which managers should use to ensure that they manage organisational culture effectively. First, organisational culture is passed on to new employees through the process of socialisation. Second, organisational culture influences behaviour at work. Finally, organisational culture operates at all levels in the organisation. Managers have to understand that the founder, the national culture, senior managers, and the industry form the culture. To understand the organisational culture, the manager has to take cognisance of these influences on culture to ensure that he/she makes the correct decisions. Managers also have to understand that culture influences the type of organisational structure which hosts policies and procedures to implement the set goals. These organisational characteristics then affect a variety of group and social processes.

Moorhead and Griffin (2008) wanted managers to understand the emerging issues in the area of organisational culture. These issues are innovation, employee empowerment, and appropriate culture. By managing organisational culture managers can take advantage of cultural values that already exist and use their

knowledge to help subordinates to understand them. Second, employees have to be trained in organisational culture values. Last, managers can change culture with a change in symbols, by addressing change management issues, and by relying on the durability of a new culture, once implemented.

McShane and Von Glinow (2009) wanted managers to keep in mind that companies with a strong culture are more successful than those without it. Managers should drive an adaptive organisational culture to ensure that employees focus on the need for change and support initiatives and leadership that keep pace with these changes. Martin and Martin (2010) prompted managers to ensure that all new employees are effectively integrated into the group culture as it is impossible for managers to manage each person individually. The internalisation of responsibilities and knowledge of requirements must be delegated if effective management is to be achieved. Correctly managing the implementation of organisational culture will provide a conflict free way for managers to ensure harmony and the achievement of objectives.

Colquitt et al. (2009) highlighted culture's ability to influence behaviour and attitudes of employees in an organisation. Managers will know that a strong culture exists when employees agree to do things in a certain way, and their behaviour is consistent with the expectations. Managers have to evaluate whether a strong culture is good or bad, a good culture being one that is adaptive to the external environment. Managing the culture to achieve the expected result is an important role that managers play in an organisation.

Kreitner and Kinicki (2010) demonstrated to managers that it is possible to change an organisation's culture. Essentially, the process begins with targeting one of the three layers of culture for change. These layers are the observable culture, values, and the assumptions within the organisation. The second is to consider the alignment between the strategy and organisational culture, and last the usage of the structural approach when implementing cultural changes.

Robbins and Judge (2010) identified seven characteristics that capture the essence of an organisation's culture. The characteristics are: innovation and risk taking,

attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, and last stability. Organisational culture is about how the employee perceives these characteristics and not whether they like it or not. Managers have to take cognisance of and manage the above-mentioned characteristics to ensure that the desired culture influences employee behaviour and that goals are achieved.

Vecchio (1991) wants managers to understand how organisational culture ultimately influences employee's behaviour and performance and whether it enhances or hinders overall organisational excellence. The organisational culture creates a corporate and member identity. Managers have to allow the members to identify with the organisation as it creates commitment. Commitment to organisational culture guides employees in terms of acceptable behaviour.

The various researchers hold divergent views on what it is that managers have to manage. Taking the most important views into account, one can identify a flow of activities that need to be managed. These views start with managers that have to understand the culture that was established by the founder of the organisation. Coupled with the culture established by the founder, are the emerging issues of how to grow the culture. Once the emerging culture issues are established, managers will find that organisations with a strong culture are more successful. To ensure a sustainable culture managers have to integrate new employees effectively to transfer the organisational culture. When the culture is effectively embedded in the organisation it will drive certain behaviours, beliefs, corporate and member identity. When managers want to change the embedded culture they have to change all three layers in an organisation.

2.5.1.1.3 Implications of organisational culture on entrepreneurial spirit

Shepherd et al. (2009) suggested that entrepreneurial spiral presents a process mechanism positioned to relate the psychology of individuals to the culture of organisations and vice versa. The manager is influenced by the organisational culture and the manager then influences the rest of the employees with his/her understanding of the organisational culture.

Fayolle et al. (2008) defined the life of a company as a constant cycle of exploring and exploiting. Certain companies lose their drive because they think they have found the recipe for success, or they become bureaucratised against their better judgement, simply because they have followed a natural trend. Few of them know how to maintain the pioneer spirit that was theirs, at least at the very beginning. A company's corporate culture is a subtle alchemy whose formula it is difficult to recreate. It was also found that the corporate culture depends greatly on the values of the company's founders who deeply influence the organisational culture. Enterprises owned by families and which emphasise family members in succession planning, especially the eldest son's taking over the enterprise, pay more attention to the merits of loyalty and diligence in the choice of staff. The characteristic of the "acquaintance society" enables "relationships" to play an important role in the enterprise operation, and integrity is also maintained under the supervision of acquaintances.

Williams and McGuire (2010) proposed and tested a comprehensive explanation of how culture as an umbrella construct affects economic creativity, which may lead to national innovation, which in turn affects national prosperity. They found that culture does not only manifest in an organisation but in a nation as governments establish values and beliefs based on these cultures.

A summary of the various researchers' work shows that the founder member has a major influence on the culture of the business. Managers are then influenced by this culture, which then influences the employees. Culture is not only in an organisation but also in a country as the values and beliefs determine the way a country is managed.

2.5.1.2 Performance Management

2.5.1.2.1 Defining performance management

Newstrom (2011) explained that organisations require consistent levels of high performance from their employees in order to survive in a highly competitive global

environment. Performance appraisal is the process of evaluating the performance of employees, sharing that information with them, and searching for ways to improve their performance. Vecchio (1991) described performance appraisal as a tool to improve employee effectiveness, help superiors to decide on relevant compensation, evaluate subordinates, make appropriate job changes, and to open communication. In terms of Moorhead and Griffin's (2008) definition of performance appraisal it is defined as the process by which someone evaluates the employee's work behaviour by means of measures and comparison to previously established standards, documents the results, and communicates the result to the employee. This definition concurs with the views of Vecchio and Newstrom.

Robbins and Judge (2009) indicated that a number of group properties show a relationship with performance. The most prominent properties are: role perception, norms, status differences, size of the team and cohesiveness. There is a positive relationship between role perception and an employee's performance evaluation. Norms control group member behaviours by establishing standards of right and wrong. The norm of a group can explain the behaviour of the members of the group. Status inequities create frustration and can adversely influence productivity and the willingness to stay within the organisation or group. Robbins and Judge (2011) described the purpose of appraisals as follows: Appraisals assist managers to make human resource decisions about promotions, transfers, and terminations. In the process of evaluation training and development needs are also identified. At the same time employee skills and competencies for which remedial programmes should be developed are identified and it serves as an opportunity to provide feedback to employees on how the organisation sees them.

A summary of the above studies would indicate that performance appraisals are necessary to ensure an increase in performance, thereby ensuring that a business is sustainable. The performance appraisal is a tool to evaluate this process and to ensure that employee skills and abilities are developed to perform optimally, that they are promoted, and that services are terminated, should it be necessary.

2.5.1.2.2 Implication for managers

Moorhead and Griffin (2008) described an effective reward system as one in which the performance is linked to rewards. Managers have to be able to deal with issues such as flexible reward systems, employee participation in the pay system, the secrecy of pay systems, and expatriate rewards. It is prudent that managers understand the goals and how to link rewards to the goals to achieve the performance needed. To do this, managers have to set standards and then measure the achievements against the goals. Kreitner and Kinicki (2010) prompted managers to accurately identify behavioural characteristics and results that are indicative of good performance at the beginning of a performance review cycle. These identified and agreed characteristics can then serve as standards for evaluating employees' performance. Managers are advised to use objectively based measures of performance as far as possible because subjective indicators are prone to bias and inaccuracy.

Robbins and Judge (2011) emphasised the most important goal of performance evaluation as the assessment of an individual's performance. They focus on the evaluation rather than on the setting of the standard. If an evaluation is done inaccurately, employees will be either over or under-rewarded. On the other hand, the content of the evaluation influences an employee's performance and satisfaction. Specifically, performance and satisfaction are increased when the evaluation is based on behavioural and results-orientated criteria, when career issues as well as performance issues are discussed, and when the employee has an opportunity to participate in the evaluation.

Newstrom (2011) supported the view of Robbins and Judge (2011) and explained to managers that appraisal systems are necessary to have a proper management and employee development strategy. Appraisals are useful to allocate scarce resources, motivate employees, give employees feedback, maintain fair relationships, and to coach and develop employees.

The above studies identified two aspects of performance appraisals which managers have to implement and use to ensure a sustainable business. The first aspect

pertains to the setting of standards which are needed to assess and measure the performance of employees, and the second is the allocation of scarce resources. It seems that these two aspects are dependent on each other.

2.6 ENTREPRENEURIAL SPIRIT

2.6.1 History of the entrepreneur

This section serves as an introduction to reach an understanding of where entrepreneurship originated from as well as to understand how entrepreneurs are seen in the marketplace.

Kuratko and Hodgetts (1989) described the meaning of entrepreneur as deriving from the French term which means to undertake. The entrepreneur is the one who undertakes, organises, manages, and assumes the risks of a business. Today, the entrepreneur is an innovator or developer who recognises and seizes opportunities; converts those opportunities into workable ideas; adds value through time, effort, money, or skills; assumes the risks of the competitive marketplace to implement those ideas, and realises the rewards from these efforts.

Kuratko and Hodgetts (1989) recognised that entrepreneurs date back to the eighteenth century France when economist Richard Cantillon associated the “risk-bearing” activity in the economy with the entrepreneur. During the same period, the Industrial Revolution was taking place in England, with the entrepreneur playing a visible role in risk-taking and the transformation of resources. The association of entrepreneurship and economic growth has long been the accepted norm. In fact, until the 1950’s the majority of definitions and references to entrepreneurship came from economists. Richard Cantillon (1680 – 1734) was the earliest scholar we know of who paid considerable attention to the entrepreneur. He introduced the concept “entrepreneur.” He was the first to acknowledge that an entrepreneurial function exists within an economic system. In addition to Cantillon, Jean Baptiste Say (1803), the renowned French economist, and Joseph Schumpeter (1934), a twentieth century economic genius, all inquired into entrepreneurship and its impact on economic development. The economists of the eighteenth century introduced

entrepreneurship as a topic for discussion and analysis, and it continued to attract the interest of economists during the nineteenth century. In the present century, entrepreneurship has become synonymous with free enterprise and capitalism. In addition, it is generally recognised that entrepreneurs serve as agents of change, provide creative, innovative ideas for business enterprises, and help business grow and become profitable.

In Kuratko and Hodgetts's (1989) view, the existence of some myths about entrepreneurship can be attributed to a lack of research done in this field. As many researchers in the field have noted, the study of entrepreneurship is still in its infancy, and thus "folklore" will tend to prevail until it is dispelled with contemporary research findings. Ten major myths prevail: the first is that entrepreneurs are doers. Entrepreneurs show a tendency towards action, and they are thinkers. The second is that entrepreneurs are born and not made. The idea that the entrepreneur cannot be taught and that entrepreneurial skills are innate traits one is born with, has long been prevalent. Today, however, the recognition of entrepreneurship as a discipline is helping to dispel this myth. The third is that entrepreneurs are either inventors or innovators. The idea of entrepreneurs being either inventors or innovators is a result of misunderstanding and tunnel vision. A contemporary understanding of entrepreneurship covers more than just invention or innovation. According to the fourth myth, entrepreneurs are academic and social misfits. The belief that entrepreneurs are academically and socially ineffective is a result of some business owners having started enterprises after dropping out of school. Today, however, an entrepreneur is seen as a professional. The fifth is that entrepreneurs must fit the "profile". Most of the characteristics of an entrepreneur published over the years have not been validated and therefore no reliable checklist of appropriate characteristics is available. The sixth myth is that all that is needed to be an entrepreneur is money. It is true that money is needed to survive and that failures of companies often occur due to a lack of funds. However, sometimes lack of money is a result of other problems: managerial incompetence, lack of financial understanding, or poor investment. According to the seventh myth all you need to be an entrepreneur is luck. Being at the right place at the right time always helps. However, luck happens when preparation meets opportunity. What appears to be luck are indeed preparation, desire, knowledge, and innovativeness. The eighth myth

holds that ignorance is bliss for an entrepreneur. Identifying the strengths and weaknesses of a venture, setting up clear timetables with contingencies to deal with problems, and minimising these problems through careful strategy formulation are key to entrepreneurial success and are far from the notion of ignorance is bliss. The ninth myth relates to the notion that an entrepreneur strikes success on his/her first venture. Many successful entrepreneurs have failed. As lessons learned, the failures lead to success in the future. The last myth holds that, five years mark the failure of most ventures. Ventures can fail at any time for a variety of reasons and therefore five years do not mark a critical point.

Kuratko and Hodgetts (1989) listed the typical characteristics of an entrepreneur as commitment, determination, perseverance, opportunity orientation, initiative and responsibility, persistent problem solving, tolerance for ambiguity, calculated risk-taking, integrity and reliability, tolerance for failure, high energy levels, creative and innovativeness, vision, self-confidence and independence. By understanding these characteristics, a manager should be able to manage the entrepreneurial spirit in an organisation more effectively.

2.6.2 Definitions

In this section, the concepts of entrepreneur, entrepreneurship, corporate entrepreneur and entrepreneurial spirit are defined.

2.6.2.1 Definition of an entrepreneur

Van Praag (1996) defined an entrepreneur as someone who indicates that (s)/he has started a business venture alone or with a group or that (s)he has acquired a (family) business, alone or with a group. Wickham (2004) defined an entrepreneur as a special person destined to rise above the average person. This definition concurs with Van Praag's (1996) definition that an entrepreneur is a special person. Entrepreneurs can be inspiring, and may be motivating role models. Effective entrepreneurs are sensitive to culture values. Entrepreneurs are attuned to new opportunities and are motivated to pursue them. Entrepreneurs decide not only to

create new wealth but also on how to distribute it to the venture's stakeholders. Entrepreneurs actually turn uncertainty into risk on behalf of investors, rather than take on risk themselves. Entrepreneurs are managers with a vision.

Kuratko and Hodgetts (1989) defined the entrepreneur as a risk taker in a new venture. Entrepreneurs are uniquely optimistic, hard driving, committed individuals who derive great satisfaction from being independent. Kuratko et al. (2011) definition of an entrepreneur is in line with the abovementioned definition that defines an entrepreneur as the creator of wealth. According to the Morris and Covin definition, an entrepreneur is also the creator of an enterprise, the creator of innovation, a creator of change, a creator of jobs, a creator of value, and last a creator of growth.

Van Praag (1996) identified a successful entrepreneur as one that is better educated and more intelligent. Kuratko et al. (2011) believed that an entrepreneur's characteristics cannot be taught or learned, as they are inherent to a person i.e. they are traits. However, this is not true, as these traits are: motivation, aggressiveness, initiative, drive, willingness to take risk, tolerance of ambiguity, and self-confidence. Today, characteristics are heavily influenced by environmental conditions such as family, work, peers, and group. Wickham's (2004) definition of the entrepreneur as one who owns the organisations, normally establishes the business, brings innovation to the market, identifies an opportunity in the market, brings some sort of expertise to the job, and who provides leadership in ventures. Entrepreneurs are normally the managers of an organisation.

A comprehensive definition of an entrepreneur would include that it is a special person who started a business by providing a service or product to a market where a gap existed. This person is a risk taker who creates wealth and jobs to a society. These skills can be taught and need to be harnessed by an intelligent individual who is willing to take a risk.

2.6.2.2 Definition of entrepreneurship

Siropolis (1994) defined the line of demarcation between entrepreneur and entrepreneurship as that an entrepreneur launches new ventures, while entrepreneurship is a process of creating value by bringing together a unique combination of resources to exploit an opportunity widely practiced in businesses of all types and sizes.

Hitt and Ireland (2011) define entrepreneurship as the involvement to identify opportunities and exploiting them. It also includes focusing on new products, processes and markets. An entrepreneur is associated with the concept of entrepreneurship with taking on the odds in translating a vision into a successful business enterprise.

Van der Merwe (2007) asserted that entrepreneurship refers to the undertaking of all the functions, attitudes and actions aimed at the harnessing, utilisation and seizing of opportunities recognised and/or created for economic gain. The anchor for all of these is innovation, either in an individual capacity or in an organisational context. Siropolis (1994) viewed entrepreneurship as the capacity for innovation, investment, and expansion in new markets, products, and techniques.

Lewis and Simpson (2010) explained that entrepreneurship is considered to require the following traits: ambition, energy, flair, need for achievement, risk taking, positive attitude and adaptability, strong leadership qualities, competitiveness and confidence.

2.6.2.3 Definition of corporate entrepreneurship

Wickham (2004) emphasised the fact that managers have to understand how corporate entrepreneurship differs from entrepreneurship. By understanding and managing these differences, entrepreneurship should be sustainable in a corporate company. In a corporate company, the company assumes the risk; the company owns the concept; the entrepreneur may not have an equity in the company; limits

are put to rewards, but an entrepreneur can earn incentives; there is more room for error; more insulated forms of influence, rules, procedures and bureaucracy hinder entrepreneurs' ability to manoeuvre; long approval cycles are prevalent, but there is job security and finance can be accessed more freely. The growth cycle is also quicker. In an established company entrepreneurship can manifest in many ways. It might come from above, from below, or from a separate unit.

Kuratko et al. (2011) defined corporate entrepreneurship as the behaviour inside established mid-sized and large organisations. Entrepreneurship has long been associated with bold individuals who operate against the odds to create new ventures.

Kuratko et al. (2011) provided a framework for the integration of corporate entrepreneurship into strategic management. They argue that the domain of corporate entrepreneurship encompasses two types of processes: internal innovation and strategic renewal. The extent to which corporate entrepreneurship occurs is driven by factors that can be organised into four domains. The first is the turbulence in the external environment, the second, is the leadership within the company, and the extent to which leaders demonstrate their characteristics such as values and behaviours. Third, is the work environment within the company, including the structure, strategy, processes, and cultures. The final factor is the performance drive, which is being driven by innovative behaviours. To sustain entrepreneurship Kuratko et al. (2011) prompted individual members of an organisation to undertake innovative activities and to elicit positive perceptions from senior management of such activity.

Wickham (2004) stated that an entrepreneur's fundamental task in an organisation is to create or change an organisation. The entrepreneurial organisation is best thought of as a network of relationships defined through markets and formal hierarchies. In an entrepreneurial organisation the organisation controls the resources. An entrepreneur can only control so much resources, hence the need for an organisation where other people manage and control some of the resources to enable the organisation to grow. Controlling the resources in an organisation means control of other people. If entrepreneurs want to be effective they have to know how

to manage and lead those in control of the resources. Understanding networks in an organisation will increase the power of the entrepreneurial organisation.

Siropolis (1994) pointed out that to understand entrepreneurial climate, cognisance has to be taken of the fact that there is no universal consensus on which factors matter the most in promoting corporate entrepreneurship efforts. Different scholars have suggested different organisational factors, which could influence the entrepreneurial climate in an organisation. In the section below, contributions of certain scholars and authors in this field are highlighted. Entrepreneurial climate could be incubated by setting achievable high standards for employees' performance, encouraging habits of autonomy, and avoiding being strict authoritarians.

Nieman et al. (2003) placed emphasis on the following internal organisational factors as the pillars of corporate entrepreneurship: management must identify opportunities, develop and train individuals with potential in corporate entrepreneurship, offer reward for entrepreneurship, and clarify the roles and structures of entrepreneurial teams. The organisational structure and culture must emphasise new products; innovation and new businesses as the central aim, and focus on entrepreneurial outposts, where the organisation has support business units to enhance innovation abilities.

2.6.2.4 Definition of entrepreneurial spirit

Licht (2007) hypothesised that beyond seeking material success the crucial element in the entrepreneurial spirit is openness to change - an interest in the different and in new experiences while de-emphasising the safe and the proven. It is further hypothesised that when entrepreneurs are guided by their entrepreneurial spirit, they also exhibit a particular mode of information processing, or cognitive style. The nature and characteristics of the entrepreneur have two perspectives: an economic and a psychological perspective that views entrepreneurs as special persons being channelled by circumstances to engage in new venture creation. He states that entrepreneurial motivations constitute the entrepreneurial spirit. Entrepreneurial

motivations are claimed to stem from particular individual value preferences according to a theoretical model developed by psychologist Shalom Schwartz.

Kamffer (2004) put emphasis on several critical success factors for exhibiting entrepreneurial spirit in large organisations. These critical success factors are: the organisation must be at the forefront of technological development; encouragement of new ideas; encouragement of experimentation; tolerance of failures; have no boundaries for opportunities, observance of a multi-disciplinary approach; voluntary participation in programs and availability of sponsors and champions.

In summary, it is evident that entrepreneurial spirit stems from a behaviour that resides within an entrepreneur who drives entrepreneurship within a corporate company. Having entrepreneurial spirit within an organisation would drive corporate entrepreneurship. To enhance entrepreneurship in the company it has to be part of the strategy and the entrepreneur has to change the organisation by bringing his/her unique attributes to the organisation. An entrepreneur in a corporate company should have much more resources than an independent entrepreneur would have, which should enable innovation and growth quicker.

2.6.3 Entrepreneurial organisational culture

Hill (2009) explained that entrepreneurship cannot be exercised in a vacuum; there must be some enablers, one of which is an organisational culture, which embraces the spirit of entrepreneurship. He postulated organisational culture as a pattern of shared values and beliefs that help its members understand organisational functioning and thus provide them with norms for behaviour in the organisation. Linan and Chen (2009) held that organisational culture can influence the level of entrepreneurship when it shapes economic and social institutions, making them more favourable toward entrepreneurial activity. Employees exhibit a high level of entrepreneurship if they perceive that the corporate culture permits or encourages them to engage in innovative activities without possible repercussions. Where corporate culture is relatively unfavourable toward individuals' entrepreneurial mind-set, corporate entrepreneurs tend to migrate to another organisation where their drive would be realised.

Linan and Chen (2009) claimed that an entrepreneurial culture acts as a moderator between economic and institutional conditions on one side, and entrepreneurship, on the other. Consistent application of certain practices leads to the development and enforcement of cultures. A strong culture can be so ingrained and effective that at times it may be as powerful as formal strategic planning processes.

Hill (2009) promotes the concept of an individual entrepreneurial mind-set which should be cultivated and inculcated with a strong entrepreneurial culture. Entrepreneurial culture consists of behavioural patterns, beliefs, norms, and values which encourage individual employees to demonstrate a high level of innovativeness; risk taking; pro-activeness; competitive aggressiveness and autonomy (Hill 2009). Corporate cultures, which incubate an entrepreneurial climate, must emphasise equilibrium of individualism and group orientation (Kuratko et al. 2011).

Hitt and Ireland (2011) asserted that entrepreneurial culture is characterised by the acceptance of new ideas and creativity; encouragement of risk taking; failure tolerance; promotion of learning; championing innovations and viewing continuous change as an opportunity. Entrepreneurial culture acts as a mechanism for entrepreneurial orientation in any organisational setup. This suggests that entrepreneurial culture anchors entrepreneurial climate, which incubates and sustains entrepreneurial orientation (Van der Merwe, 2007). Linan and Chen (2009) observed a positive correlation between a favourable entrepreneurial climate and high power-distance, low uncertainty avoidance, high individualism and high masculinity cultural dimensions.

Holt et al. (2007) identified the elements of an entrepreneurial culture as: people and empowerment focus; value creation through innovation and change; attention to the basics; hands-on management; doing the right thing; freedom to grow and to fail; commitment and personal responsibility and emphasis on the future and a sense of urgency.

Van der Merwe (2007) referred to entrepreneurial culture as a set of internal factors that influence individuals to exhibit an entrepreneurial mind set. Goetz and

Freshwater (2001) asserted that the entrepreneurial climate may include understated or soft factors such as whether entrepreneurs are notable and encouraged by the firm's management. These definitions suggest that management has some control over the internal factors, which result in the transmission of corporate entrepreneurship throughout the organisation.

Hitt, Ireland, Camp, and Sexton (2002) described corporate entrepreneurship as an organisational learning process directed at developing the knowledge necessary to compete in a targeted new product domain. Understanding the knowledge in the company is crucial as it sets the base and departure point to grow and develop an entrepreneurial culture.

Hayton (2005) provides a good summary when suggesting that human resource management practices can influence corporate entrepreneurship through the creation of an entrepreneurial culture, that is, a loose-tight organisation that promotes entrepreneurship with intrinsic rewards, delegation of responsibility and avoiding overly rigid controls.

2.6.4 Theories and models related to corporate entrepreneurship

In this section, two models regarding corporate entrepreneurship are covered. The interactive model of corporate entrepreneurship is the first followed by a model of middle-level managers' entrepreneurial behaviour.

2.6.4.1 Interactive Model of Corporate Entrepreneurship

Hornsby et al. (2002) concluded that a model was required to better understand entrepreneurial spirit. The model described in this paper provides a much-needed theoretical framework for understanding the entrepreneurial process. To understand the process of entrepreneuring is more important than understanding the entrepreneur, understanding the entrepreneur is only one part of understanding the entrepreneurial process. The components of the model are shown here below and are described thereafter.

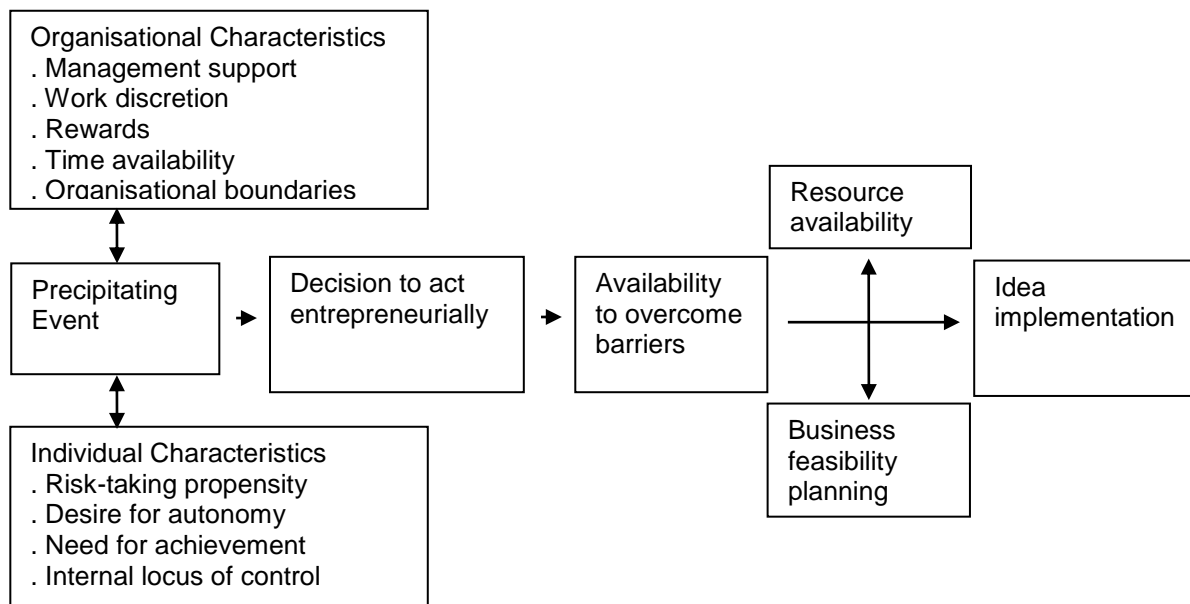


Fig 2.1 An Interactive Model of Corporate Entrepreneurship (Hornsby et al. 1993)

The top left block explains which organisational characteristics managers should take cognisance of. The first component of organisational characteristics is management support. Management support is the way managers structure the organisation to make employees believe that innovation is part of the organisation. With work discretion employees have the discretion to make decisions in a way that they believe is most effective. Rewards enhance the motivation of individuals to engage in innovative behaviour. Availability of time is important to foster new and innovative ideas as individuals need time to incubate these ideas. Management should moderate the load of work to allow employees to engage in problem solving and present innovative ideas. Organisational boundaries are the real and imaginative boundaries that prevent employees to solve problems outside their own jobs.

The individual characteristics are important in recognising the influence of individual differences on innovative behaviour. A precipitating event provides the impetus to allow employees to behave in an entrepreneurial way. The authors identified a number of influencing factors in corporate entrepreneurship that can be viewed as types of precipitating events. These include environmental factors such as a change in company management; a merger or acquisition; a competitor's move to increase market share; development of new technology; change in customer demand and

economic changes.

In an endeavour to illustrate the interactive nature of this model, the following propositions are in order: (1) individuals with high levels of risk-taking propensity are more likely to engage in entrepreneurial activities where there is a compelling need to develop new technology, and the workplace is characterised with high levels of internal management support for innovation; (2) substantial change in management structure and style which provides enhanced rewards for innovative behaviour reinforcement and encourages individuals with a high need for achievement to engage in entrepreneurial activity; (3) if the environmental factors force a firm to reduce costs, individuals with a desire for autonomy working under loose control systems are more likely to engage in entrepreneurial activity.

The above propositions demonstrate that the decision to act entrepreneurially is actually the result of the interaction of organisational factors, individual characteristics, and a precipitating event. Once the decision to act entrepreneurially has been made, it is essential to develop an effective business plan, which represents a complete analysis of the new venture's feasibility. The implementation of the business plan and the ultimate success of the entrepreneurial idea depend on two factors: resources availability and the ability to overcome both organisational and individual barriers that militate against the implementation of the idea. To implement the plan resource availability is an essential organisational characteristic. The ability to fund and otherwise support new venture start-ups is crucial to the successful implementation of a business plan. Hornsby et al. (1993) pointed out that in order to have an environment that is conducive to entrepreneurship, organisations must overcome certain barriers such as the organisation's enforcement procedures for making mistakes, long-term planning activities, functional management structures, uniform compensation policies, and the promotion of compatible individuals. The implementation of an entrepreneurial idea is the outcome of the interaction of the organisational factors, individual factors, and precipitating events.

2.6.4.2 A model of middle-level managers' entrepreneurial behaviour

Covin, Hornsby, Ireland, and Kuratko (2005) explain that the behaviour required at various levels is critical for effective corporate entrepreneurship. The antecedents of middle-management level, entrepreneurial behaviour, and actions pertaining to the behaviour, organisational, and individual outcomes resulting from entrepreneurial behaviour are discussed and modelled.

Top management support, autonomy and rewards are antecedents to middle-level managerial behaviour. Endorsing, refining, and deploying the resources needed to pursue those opportunities are the entrepreneurial actions that are the result of both an equity perception by the individual and the organisation.

The model further suggests that middle-level managers, as agents of change resulting from successful corporate entrepreneurial spirit, must also be satisfied with the intrinsic and extrinsic outcomes they receive for their entrepreneurial behaviour.

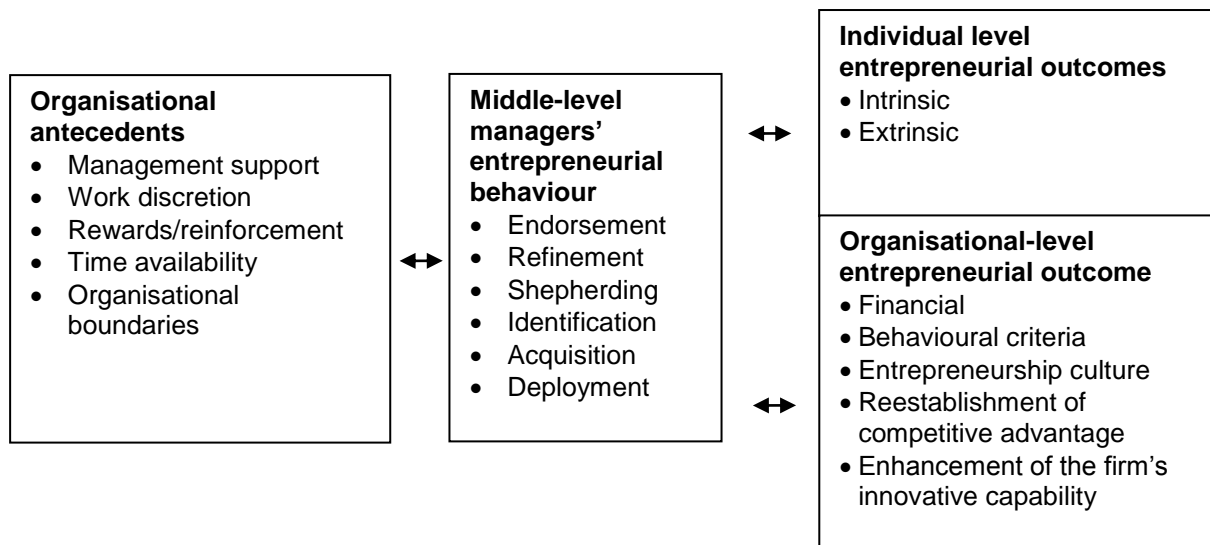


Fig 2.2 A model of middle-level managers' entrepreneurial behaviour (Covin et al. 2005)

In terms of this model, management support; work discretion; rewards/reinforcement; time availability and organisational boundaries are stable organisational antecedents of middle-level managers' entrepreneurial behaviour. This model explores what middle-level managers could do with respect to the endorsement, refinement and

shepherding of entrepreneurial opportunities, and the identification, acquisition, and deployment of resources needed to pursue those opportunities.

The theorists have identified both individual and organisational level outcomes associated with middle-level managers' entrepreneurial behaviour. The individual-level outcomes are either intrinsic or extrinsic in nature. Intrinsic rewards are all about the satisfaction individuals derive from the realisation of their developed ideas, from being more in control of their destiny, and from having ultimate responsibility for the success of projects in which they are involved. Following incentives that elicit entrepreneurial behaviour: equity and equity equivalents; bonuses; salary increases and promotions and recognition systems. In terms of this model, employees - including managers - act entrepreneurially in the expectation of tangible recognition in return.

Managers would be encouraged to engage in entrepreneurial behaviour if they perceive that the outcomes received from their actions would meet or exceed their expectations. Therefore, in order to sustain entrepreneurial behaviour, managers acting entrepreneurially, must believe that their efforts will affect performance and that performance will result in desired outcomes. Indicators of successful entrepreneurial actions can either be financial outcomes, such as increased sales, productivity, market share, reduced waste and labour efficiencies, or behavioural criteria, such as the number of ideas suggested, number of ideas implemented, amount of time spent working on new ideas, and amount of time spent outside of normal channels to pursue an idea.

Effective entrepreneurial actions on the part of managers should yield positive results for the organisation as well as for managers. Empirical evidence must convince top-level management of desired organisational-level outcomes such as the emergence of a pro-entrepreneurship culture, the re-establishment of competitive advantage and enhancement of the firm's innovative capability in order to support corporate entrepreneurship.

It is important for the current study to highlight the antecedents for managers' entrepreneurial behaviour. The five antecedents, namely management support; work

discretion, rewards, time availability and organisational boundaries will be tested to find the correlation with organisational commitment, engagement, job satisfaction and intention to quit.

2.6.5 Antecedents of entrepreneurial behaviour

The presence of the five antecedents for managers' entrepreneurial behaviour would affect organisational commitment, engagement, job satisfaction, and intention to quit.

2.6.5.1 Commitment

Guest (2012) defined commitment as the level of identification with, and attachment and loyalty to an organisation, an occupation, or some other feature of work. Organisations increasingly need to motivate and retain talented staff, and those committed to the organisation might be expected to work harder and have longer tenure.

Allen and Meyer (1990) proposed alternative definitions and measures, distinguishing affective, continuance, and normative commitment. Affective commitment emphasises identification with the organisation and is predicted to impact in particular on job performance. Continuance commitment focuses on the cost and benefits of staying with the organisation and is expected to predict tenure. Normative commitment is concerned with a sense of obligation to an organisation, based perhaps on moral values. The antecedents of commitment indicate that individual variables, such as age, gender, tenure, and education have only a modest influence on commitment. In contrast, work experience, including organisational support, justice, transformational leadership, and role autonomy and clarity consistently are strongly associated with affective commitment.

Allen and Meyer (1990) reported on the consequence of commitment to the organisation with a higher performance, greater organisational citizenship behaviour, lower absence, and lower labour turnover as result.

2.6.5.2 Engagement

Harter (2009) defined engagement as the involvement with and enthusiasm for work. Engaged employees are both cognitively and emotionally connected to their work and workplace. Engaged employees use their discretionary effort to help their organisation to improve through higher productivity, greater efficiency and innovation, and more meaningful customer impact, leading to higher profitability.

Research into engagement at work has recently been extended to understanding the human nature behind each of the key engagement elements, and how great managers act upon each element to create a more engaging work place. In companies that are considered as a better place to work at, millions of small actions – statistically insignificant in isolation – created higher customer scores, reduced absenteeism, led to fewer accidents, boosted productivity and increased creativity, and accumulated to make a more profitable enterprise.

2.6.5.3 Job satisfaction

Stone-Romero (2012) defined job satisfaction as an effective response to a job or its facets that is based on individuals' beliefs about differences between (1) the outcomes they perceive to be getting from a job, and (2) reactions to the specific facets of a job. Among the many facets that have been considered in previous job satisfaction research are work itself, pay, achievement, promotion, supervision, ability utilisation, activity level, authority, company policies, creativity, independence, moral values, recognition, responsibility, job security, social service, social status, task variety, career progress, personal growth and work conditions.

Job satisfaction can also be defined as the emotional state resulting from the appraisal of one's job and as such, can be negative, positive, or neutral. A basic element in this definition is that job satisfaction has to do with an affective state of how one feels about one's job, in contrast to simply describing a job.

A variety of theories attempt to explain how job satisfaction comes about. One

theoretical structure suggests job satisfaction is a function of what one expects from a job as compared to what is actually present in the job. According to another theoretical structure job satisfaction is a function of the degree to which an individual's needs are fulfilled. All of these explanations deal with a misfit between people and jobs.

Job satisfaction has a positive effect on an adult's life as more than eight hours per day are spent at work.

2.6.5.4 Intention to quit

Lampikoski and Emden (1996) found that when employees are effectively committed to their place of employment, feel their work is meaningful, and perceive that they have appropriate resources to compete their work they are less likely to have an intention to quit.

According to Firth, Mellor, Moore, and Loquet (2004) intention to quit is largely influenced by job dissatisfaction, lack of commitment to the organization and feelings of stress. However, for managers who are concerned about the impact intention to quit and possible turnover, these variables are factors over which they may have some control. In particular, job stressors (e.g. work overload, job ambiguity), which are the factors that trigger the chain of psychological states that lead to intention to quit, can be adjusted. Supervisor support is a similarly influential mediator within the model and can reduce the impact of stressors on psychological states and intentions to quit. Monitoring workloads and supervisor-subordinate relationships by management may not only reduce stress, but increase job satisfaction and commitment to the organization. Further, given their importance in quitting intentions, managers need to monitor both the extrinsic and intrinsic sources of job satisfaction available to employees. This in turn may reduce intention to quit, and subsequent turnover, thereby saving organizations the considerable financial cost and effort involved in the recruitment, induction and training of replacement staff.

In summary, it is evident that company engagement, job satisfaction, intention to

quit, and commitment are crucial to grow and build a sustainable business.

2.6.6 Innovations

Lampikoski and Emden (1996) emphasised the importance of the role profiles of innovative managers as possessing necessary and beneficial traits for a company's success and survival.

Lampikoski and Emden (1996) identified management as the stimulator for innovation. The innovative manager will turn his/her staff into an idea-generation, persuades, and encourages employees to come forth with ideas and suggestions and to continue developing them into innovations. The stimulator strives to create an open, communicative, supportive culture in the company.

The basis for turning real involvement and commitment into innovativeness is a stimulating corporate environment. Managers can use provokers to create an innovative environment. The first provoker fulfils the role of igniting the spirit. These provokers highlight the fact that people's behaviour in companies depends more on their feeling than on logical, rational thinking. To create these emotions managers can create symbols, inspirational rites, and create a supportive environment. The second provoker is the "twist and shake." This provoker is a stimulator which describes new ideas and things in a way to profit from existing elements and combines and reorders the elements for a totally new output. The third provoker serves to adjust the mood in the organisation. Brain researchers have found that it is important to change the mood to increase creativity in humans. A stimulator will be sensitive to the mood and arousal in order to achieve better creativity. The fourth provoker serves to stimulate curiosity. Just like children would ask questions adults should be encouraged to do the same. This can turn a dull routine job into a more exciting job. A stimulator would identify these moments and create mental excitement as a mood state to be connected with inspiration and creative insights. The fifth provoker is to ask and listen. A good stimulator will ask questions and collect a great deal of information about problems and needs of customers, suppliers and staff, as well as about their plans and suggested changes. A stimulator will then harmonise the ideas and initiatives of others, with his/her plans. The last provoker is

to honour your people. The stimulator will know how to motivate achievements by keeping people's creative inspiration continuously at a high level.

Ahuja and PayKhoon (2011) described the key components of innovation as the newness or novelty in the underlying invention and the improvements of the existing pool of knowledge in a particular field. It is through the ability to improve on current knowledge and better satisfy consumer needs that an invention creates value, and hence justifies its commercialisation. A radical innovation is one where the extent of novelty is high in terms of either performance on a set of attributes or in terms of representing a major change or a breakaway from previous technology. Innovation can also be classified according to the nature or form in which the innovation resides. Innovation taking the form of a new object, device, design, or service is called product innovation, and innovations taking the form of a new arrangement or method are called process innovation. Innovation is often measured using counts of patents, new products, or new processes.

2.7 CHAPTER SUMMARY

In this chapter the independent variables of organisational behaviour have been defined and explained using different research and opinions of various authors. The independent variable that appeared most frequently and that is measurable has been discussed in detail. The impacts that the independent variables have on managers have also been discussed. Further, articles have been used to explain the effect each independent variable has on entrepreneurial spirit.

The total independent variables in the individual level are: decision-making, motivation, and stress. Due to their measurability decision-making and motivation have been selected to be tested to determine their impact on entrepreneurial spirit.

The total group independent variables are: team, power, leadership, conflict, and communication. Due to their frequency and measurability, power, leadership, and communication were selected to determine the impact they have on managers, and the effect they have on entrepreneurial spirit.

The last and highest level of organisational behaviour is the organisational level. The independent variables at this level are: design, structure, culture and human resource policies or performance management. Due to their frequency and measurability, culture and performance management have been studied. The definition, the impact they have on managers, as well as the effect they have on entrepreneurial spirit are studied.

Corporate entrepreneurship is the only dependent variable that is tested against each of the independent variables as well as against each of the three levels or groups within organisational behaviour.

CHAPTER 3

RESEARCH METHODOLOGY

This chapter describes the general aim, as well as the specific research aims of the empirical study. These aims guided the empirical process, and process decisions were made based on the guidelines set out in the statistical analysis part of this chapter. The research design, procedure, and the way in which the sample was collected are discussed. Further, a detailed description of the questionnaires, measure instruments used, followed by a brief discussion of the ethical considerations relevant to the study are presented. A summary concludes the chapter.

3.1 AIM OF THE RESEARCH

The aim of the research was to understand how organisational behaviour components influence corporate entrepreneurship. The literature review covered the organisational behaviour components and instruments used in the empirical research. The literature review further covered the understanding of corporate entrepreneurship. This is important as the entrepreneurial spirit resides with the entrepreneur who requires an environment in which he/she can function. The environment in which the entrepreneur operates is the organisation with three levels as described by Robbins and Judge (2010).

3.2 RESPONDENTS AND SAMPLE SIZE

The respondents in this study were employees from various companies within parastatals, financial institutions, and pure government entities. They provided information on their experiences and perceptions with regard to the presence of organisational dynamics and entrepreneurial spirit in their organisation. When participating in surveys of this kind respondents could be reluctant to express strong negative or positive feelings, express opinions that they perceive as different from those of others, or they may have little knowledge but are reluctant to admit

ignorance (Cooper and Schindler, 2003). However, this was not expected to be the case in this research because respondents answered all questions anonymously. Furthermore, the employees were also considered to be informed respondents as they had first-hand experience of organisational behaviour dynamics, the very perceptions managers need to manage. The respondents could experience fatigue, boredom, anxiety, or other distractions which limit the ability to respond accurately and fully (Cooper and Schindler, 2003). This was not anticipated in this survey as the questionnaires were relatively short.

The sample size is critical in achieving statistical significance. A small sample size can result in either (1) too little statistical power for the test to identify significance results or (2) too easily “over-fitting” the data. If the sample size is too large, it can make statistical test overly sensitive. A sample of 400 may sometimes be appropriate, while a sample of 2 000 may be required in other research. When conducting analysis with unvaried statistical techniques, a common formula by McCall (1982) is used to determine how large the sample size should be: $n = (Zq/e)^2$, where n is the sample size needed for the desired level precision, e is the effect size, Z is the confidence level, and q is the population standard deviation of scores (Hair, Black, Babin, Anderson, and Tatham, 2006). For multiple regression and factor analysis the minimum sample size should be 50 but preferably 100 should be observed for most research situations (Cooper and Schindler, 2003). In this study, 865 randomly selected participants were used in the research undertaken for the study, which is well above the required 100 participants.

3.3 RESEARCH DESIGN

A literature research design was used, as well as a cross sectional design. In the literature research design three steps were followed: (1) defined the management dilemma, (2) consulted text books, articles and key terms, (3) and applied key terms to identify secondary sources. In the cross sectional research design, a snapshot of an independent audience in non-related companies was measured by using questionnaires.

Cross sectional studies is the observation of all of a population, or a representative

subset, at one specific point in time (Robbins and Judge, 2010).

Cooper and Schindler (2003) define literature review as the research of recent studies, company data, or industry reports that act as a basis for the proposed study. Robbins and Judge et al. (2010) define literature review as the process of reading, analyzing, evaluating, and summarizing scholarly materials.

3.4 RESEARCH PROCESS

The research process is presented with reference to the literature review and the empirical investigation.

3.4.1 Literature review

This Chapter is presented under the main headings, “level approach to organisational behaviour”, and “individual, group and organisational level organisational behaviour variables. Independent variables occur in each of the three levels of an organisation. Individual variables such as perception, individual decision-making, learning and motivation constitute the first level. The second comprises group variables, namely team, leadership, conflict, communication and power, and the third level is constituted by variables at organisational level, namely the structure and design of the formal organisation; the organisation’s internal culture; and the organisation’s human resource policies and practices (that is, selection processes, training and development programs, performance evaluation methods), which all have an impact on the dependent variables.

At individual level, decision-making and motivation were selected to be tested against the dependent variable. The literature review concluded that in their decision-making as a multi-faceted process, entrepreneurs need rational and intuitive abilities/skills/traits, as well as improvisation. To be successful, they need to be innovative and must have the ability to be adaptive to their current situation. Motivation was also mentioned as an important component for a business to grow. It was highlighted that researchers have different views on the complexity of and attributes that affect entrepreneurial behaviour.

At group level of organisational behaviour power, communication and leadership styles were selected due to the measurability and frequency with which these variables appeared in the literature review. In the literature review conflict was mentioned most, followed by communication, power, and leadership styles.

At organisational level, culture and performance management were the least mentioned variables. However, they are the only two independent variables that are measurable.

3.4.2 Empirical investigation

The first objective of the empirical investigation was to test the validity and reliability of the measures used in the study. Seven independent variables and one dependent variable were tested using the measures. The second objective was to explore the strength of the relationship between organisational behaviour and corporate entrepreneurship. The third objective was to explore the predictive ability of the components of organisational behaviour on corporate entrepreneurship. Last, by testing the grouping of the independent variables according to Robbins and Judge (2011) the level approach (construct validity) was done.

3.5 MEASURING INSTRUMENTS

The HRM Practice and Attitudinal outcomes self-completion questionnaire was used to collect the data. The questionnaires were distributed using a paper-based self-completion.

The majority of questions are closed ended questions. Welman and Kruger (2001) listed the following level measurements:

- Nominal: Numbers assigned to variables only serve to distinguish the respondents. Gender and race are the two variables used in this study. A “1” is assigned to males and a “2” to females. A “1” is assigned to black, “2” is assigned to Indian, “3” to coloured and “4” to white.

- Ordinal: The numbers assigned to categories not only serve to distinguish them but also to indicate ranking. In this study, the four organisational levels were identified as “1” administrative, “2” supervisory, “3” middle management, “4” senior management.
- Interval: There are equal distances between consecutively higher numbers assigned. While the scales used in the current study are ordinal according to these definitions, Welman and Kruger (2001) as stating that for practical purposes, the scores on for example attitude scales, may be regarded as satisfactory appropriations of interval measurements.

The questionnaire consisted of 183 questions and took 45 minutes to complete. The respondents needed to answer questions by choosing “strongly disagree”, “disagree”, “not sure”, “agree”, or “strongly agree”. Each question could only be rated once. The 183 questions were designed to measure 5 underlying constructs, as given in the table below.

Table 2.1: Underlying Organisational Behaviour Variables

| SECTION | QUESTIONS |
|--------------------------------|-----------|
| Organisational commitment (Oc) | 1 – 8 |
| Organisation engagement (En) | 9 – 17 |
| Job satisfaction (Js) | 18 – 22 |
| Intention to quit (Itq) | 23 – 24 |
| Communication (Co) | 25 – 43 |
| Decision-making (De) | 44 – 54 |
| Innovation (En) | 55 – 74 |
| Goal setting (Go) | 75 – 92 |
| Leadership styles (Le) | 93 – 101 |
| Organisational Culture (Oc) | 102 – 125 |
| Organisational design (Od) | 126 – 145 |
| Performance appraisals (Pe) | 146 – 163 |
| Power (Po) | 164 – 183 |

Eight questionnaires were used to collect data, seven of those related to independent variables, and one to the dependent variable. The measures were presented in line with Robbins and Judge’s (2011) grouping of variables.

For a sample of 200, the lower limit for skewness (skewed to the left) is -.281, and the upper limit (skewed to the right) is .281 (Doane and Seward, 2009). The cut-off scores for normality are between -.47 and .62 for kurtosis and -.281 and .281 for skewness (Doane and Seward, 2009).

3.5.1 Dependent variable: Corporate entrepreneurship

The Corporate Entrepreneurship Assessment Instrument (CEAI) Hornsby et al. (2002) was used to measure the dependent variable. This instrument measures five constructs, namely: the level of management support, work discretion/autonomy, rewards/reinforcement, time availability and organisational boundaries (Hornsby et al. 2002). Substantial work was done on the factorial validity of the instrument. Hornsby et al. (2002) reported the results of an analysis of the five-factor CEAI solution, which show Cronbach's alpha resulting reliabilities of 0.92, 0.86, 0.75, 0.77 and 0.69 for management support, autonomy, rewards/reinforcement, time and organisational boundaries respectively. The findings of this analysis did not support organisational boundaries as an important factor of entrepreneurial climate as this factor did not meet the .70 thresholds. Kamffer (2004) found similar alphas of 0.88, 0.80, 0.62, 0.71, and 0.77 for management support, autonomy, rewards/reinforcement, time, and organisational boundaries respectively. In this study, rewards and reinforcement did not meet the 0.70 thresholds. Holt et al.'s (2007) analysis of CEAI demonstrated a support for four factors: management support, work discretion or autonomy, rewards and reinforcement and time availability. The coefficient of these items was found to be 0.92, 0.91, 0.82, and 0.77 respectively. Again, organisational boundaries did not meet the .70 thresholds.

The questionnaire used in this study consisted of 20 items, four items from each of the factors. The items were selected from the 48 items of the original questionnaire based on their loading on the particular factor. The four items with the highest item load per factor were selected. The items were presented as statements, such as the following: "Individual risk takers are often recognised for their willingness to champion new projects, whether eventually successful or not". Respondents were asked to respond to the statements by selecting one of five options, namely:

“Strongly agree” (5), “Agree” (4), “Undecided” (3), “Disagree” (2) or “Strongly disagree” (1). A high score on any particular factor of the CEAI would be indicative of a climate that is conducive to entrepreneurial activity, and a low score would suggest circumstances that hamper entrepreneurial activity. An overall high score would suggest the presence of a positive entrepreneurial climate. The reliability of the questionnaire is reported in the results section. Factorial validity is also explored in the results section. It was expected that items that measure the different sub-constructs would load on different factors. This aspect was tested and is reported on in the results section.

3.5.2 Group variable: Communication

The measure of communication is based on the work by Redding (1972). The Communication Satisfaction Questionnaire (CSQ) developed by Redding (1972), defines communication satisfaction as the overall degree of satisfaction an employee perceives in his total communication environment.

This questionnaire used in the current research consisted of 19 items, all measuring elements of internal communication. The items were presented as a statement of satisfaction with the quantity and quality of the different types of information employees receive in the company. In this questionnaire, 0 represented no satisfaction, 5 represented average satisfaction, and 10 represented maximum level of satisfaction. An example of such a statement is: “How satisfied are you with the amount and/or quality of each type of information you receive about your progress in your job.” The maximum score would be 18 (items) times 10 (maximum score), which equate to 180. A high score would indicate high levels of satisfaction with the amount and quality of communication, and a low score would indicate dissatisfaction with the amount and quality of communication.

The reliability and factorial validity of the questionnaire is reported in this section. It was expected that items that measure the different sub-constructs would load on different factors. As far as concurrent validity is concerned, it would be reasonable to expect that communication satisfaction will relate to general job-satisfaction. This was tested and is reported on in the results section.

3.5.3 Individual variable: Decision-making

The measure of decision-making was based on the Vroom-Jago participation decision-making model. In 1988, Victor Vroom and Arthur Jago revised and updated the well-established Vroom-Yetton model. This revision sought to address some of the shortcomings of the previous model, namely the exclusion in the Vroom-Yetton model of important aspects such as severe time constraints, subordinate information and geographical dispersion of subordinates. The revised model identified five different styles (autocratic type 1 and 2, consultative type 1 and 2, group-based type 2) on the situation and level of involvement Vroom and Jago (1988) and Vroom and Yetton (1973).

The questionnaire used consisted of 11 items, all measuring elements of participative decision-making. The items were presented as statements on the decision-making processes and applying the elements of effective decision-making. The following is an example of such a question: "Usually there is enough time for questions regarding decisions taken by my supervisor/manager". In replying, the respondent could choose from four options: (1) Strongly agree, (2) Agree, (3) Disagree or (4) Strongly disagree. A high score would indicate high low levels of participation in decision-making, and a low level of understanding the essentials of effective decision-making. A low score would indicate high levels of participation and an understanding of the elements of effective decision-making.

A report on the reliability questionnaire is dealt with in the results section of this dissertation. It was expected that if this measure had concurrent validity, participative decision-making would correlate positively with organisational employee engagement. Engagement and participation often go hand in hand (Schaufeli and Bakker, 2003). This aspect was tested and is reported on in the results section.

3.5.4 Group variable: Leadership styles

As far as leadership styles are concerned, the focus was on the measurement of transformational leadership. This approach was followed as transformational leaders are differentiated by their focus on the needs of their organisation (Parolini, 2007).

As Yukl (2010) stated, it results in followers feeling trust, admiration, loyalty, and they are motivated to do more than they are expected to do. The leader transforms and motivates followers by making them more aware of the importance of task outcomes, by inducing them to transcend their own self-interest for the sake of the organisation and activating their higher-order needs (Yukl, 2010). It may well be that high levels of transformational leadership may relate to the nurturing of entrepreneurial spirit.

The Multifactor Leadership Questionnaire (MLQ form 5x) that was developed by Bass was used to measure the level of transformational leadership and employee experiences in the workplace. This questionnaire was used in several research projects over more than 20 years and received the Gold Bar Standard award in 1990 (Bass 1985).

The transformational leadership part of the Multifactor Leadership Questionnaire consists of nine items. Respondents are asked to indicate their levels of agreement with statements such as: "My leader exhibits behaviour that promotes high levels of trust amongst his/her associates and followers, which translate into them displaying a strong sense of purpose and perseverance to achieve the most difficult objectives." Respondents are asked to indicate how often this behaviour is present in their managers, where (0) indicates "Not at all", (1) "Once in a while", (2) "Sometimes", (3) "Fairly often", or (4) "Frequently, if not always". A high score (maximum 36) would be indicative of a workplace where transformational leadership is often displayed, while a low score (minimum 0) would be indicative of the absence of transformational leadership in the workplace.

The results section includes a report on the reliability of the questionnaire. It was expected that if this measure had concurrent validity, transformational leadership would correlate positively with organisational commitment, as organisational commitment is often seen as an outcome of transformational leadership. According to Yukl (2010), a number of situational variables may increase the likelihood of transformational leadership or enhance its effects on followers. These questionnaires were tested and the results are reported on in the results section.

3.5.5 Organisational variable: Performance management

The performance appraisal system at the respondent's organisation was the primary mechanism used to assess the performance of the employees. Respondents can answer in terms of the following possible replies: [5] "Strongly agree", [4] "Agree", [3] "Undecided" [2], "Disagree" [1], "Strongly disagree". Only one instrument was found that complied with most of the identified elements of an effective performance appraisal system. Such an instrument as a measure of performance appraisal was included in the questionnaire on "The development and validation of the quality of performance appraisal systems questionnaire" – Steyn (2010), contained in a paper presented at the 27th International Congress of Applied Psychology in Melbourne, Australia. This measure is based on the work of Swanepoel, Erasmus, and Schenk's (2008) description of effective performance appraisals.

3.5.6 Organisational Variable: Organisational Culture

The well-known Denison Model was used in the study which covers the four elements of organisational culture, namely: involvement, consistency, adaptability, and mission (Denison, 1990).

Each questionnaire comprised 24 questions, an example of an involvement question being: "Most employees are highly involved in their work". The possible responses are: (1) "Strongly disagree", (2) "Disagree", (3) "Not sure", or (4) "Agree" or (5) "Strongly agree".

The Denison Organisational Culture Survey (DOCS) shows a high correlation between aspects of culture and employee satisfaction (an average of .63). The correlation between aspects of culture and sales growth, profitability, quality of products and services, and new product development are moderate, ranging from .25 - .37. The lowest correlation reported in the DOCS is market share, with an average of .13. The unit-weighted composite of the aspects of organisational culture and performance ratings provides an average of .58, which is significant according to Denison (1990).

3.5.7 Group variable: Power

The Rahim (1988) instrument, known as the Rahim Leader Power Inventory (RLPI) was used in the study. He divided power into five separate and distinct forms, namely: coercive power, reward power, legitimate power, referent power, and expert power. This 29-item instrument uses a 5-point Likert scale to measure the perceptions of subordinates with regard to supervisors' bases of power. A higher score indicates a greater power base of a supervisor.

The questionnaire used consisted of 20 items, the first four measuring expert power, the next four referent power, then items measuring reward power, followed by those that measure coercive and finally legitimate power. The items were presented as a statement, and the respondents were asked to indicate if they "Strongly agree" (5), "Agree" (4), are "Undecided" (3), "Disagree" (2) or "Strongly disagree" (1) with the statement. The following is an example of such a statement: "My superior has specialised training in his (her) field." The maximum score per type of power was thus 4 (items) times 5 (maximum score), which equated to 20. A high score on a particular type would indicate the presence of that type of power, and a low score would indicate a low level of that type of power.

The reliability of the subscales is reported on in the results section. The factorial validity of the measure is also discussed in that section. It was expected that if this measure had concurrent validity, a power type such as referent power, could correlate negatively with job-satisfaction. This was tested and is reported on in the results section.

3.5.8 Individual variable: Motivation

In the article, "Toward a Theory of Task Motivation and Incentives", Locke (1968) stated that employees are motivated by clear goals and appropriate feedback. Locke also made the point that working toward a goal provides a major source of motivation to actually reach the goal – which in turn, improves performance. The goal-setting theory suggests that managers can increase employee motivation by managing the goal-setting process. The theory suggests that effective goal-setting consists of four

main elements namely: (1) goals must be specified and clear, (2) stretching and difficult goals will motivate employees more, (3) regular feedback on progress is essential in raising employee motivation, and (4) goals must be mutually agreed upon.

The questionnaire used consisted of 18 items, focusing on the aforementioned issues. The following is an example of a question in this questionnaire: "During performance appraisal interviews, my boss tells me what he or she thinks I have done that deserves recognition." The respondents could (1) Strongly disagree, (2) Disagree, (3) Not be sure, or could (4) Agree or (5) Strongly agree. The results could be interpreted per section, or as a whole. In the case of the latter, the maximum score could be 90 and the minimum 18. A high score would be indicative of high levels of effective goal-setting, whereas a low score would indicate that goal-setting is not effective (Locke and Latham, 2004).

In the results section, the reliability of the subscales, as well as the factorial validity of the measure are reported on. It was expected that items that measure the different sub-constructs would load on different factors. It could also be expected that if this measure had concurrent validity, an effective goal-setting could correlate positively with job-satisfaction. This was tested and is reported on in the results section.

3.6 STATISTICAL ANALYSIS

In this section, the empirical aims are addressed through statistical analysis. The first objective was to establish the validity and reliability of measures used in the investigation. The second objective was to explore the strength of the relationship between organisational components and corporate entrepreneurship, while the third objective was to explore the predictive ability of the organisational behaviour components on corporate entrepreneurship, and the last objective was to make an inference whether the groups of organisational behaviour variables grouped together as suggested by literature.

3.6.1 Establish the validity and reliability of the measures used in the investigation

Reliability can be defined in several ways. The definition most used is that a measure is reliable to the degree that it supplies consistent results (Cooper and Schindler, 2003). Reliability can also be measured in many ways. However, most research reports on internal consistency as a measure of reliability. Internal consistency is used when the measuring tool has many similar questions or statements to which the subject can respond. Internal consistency tests the homogeneity among all the variables. In other words, it measures the degree to which the items that make up the scale are all measuring the same attributes (Cooper and Schindler, 2003). The Cronbach's alpha coefficient is one of the most commonly used indicators of internal consistency. Ideally, a scale's Cronbach alpha coefficient should be above 0.7 (Cooper and Schindler, 2003). In this research, the Cronbach alpha values were calculated for all the measures.

Validity refers to the extent to which a measure actually measures what it is designed to measure. A valid instrument will allow the researcher to report on those differences between individuals found with a measuring tool. Three major forms of validity can be distinguished: (1) content validity, (2) criterion-related validity, and (3) construct validity (Cooper and Schindler, 2003).

Content validity: The content validity of a measuring instrument is the extent to which it provides adequate coverage of the investigation questions guiding the study. If the instrument contains a representative sample of the universe of the subject matter of interest, then the content validity is good. The method to determine the validity can either be a logical process or the use of a panel and judgment (Cooper and Schindler, 2003). The content validity of the measures used in the current study was assumed, given that all measures used were standardised and validated by the developers thereof.

Criterion validity: Criterion validity reflects the success of measures used for prediction or estimation. Two types of criterion validity can be distinguished namely: predictive and concurrent validity. Predictive validity pertains to a situation where the

criterion is something being measured in the future. Concurrent validity is something that is being measured at the same time as the independent variable (Cooper and Schindler, 2003).

Construct validity: Construct validity is used to measure abstract characteristics for which no empirical validation seems to be present. Attitude scales and personality tests fall in this validity measurement (Cooper and Schindler, 2003). In the current study, the factorial validity of the components of organisational behaviour components was tested. Factor analysis is the reduction of variables to a manageable number by combining the variables that belong together and those that are overlapping (Cooper and Schindler, 2003). The factor analysis is used to make inferences on how well the items of the various organisational behaviour variables group together as predicted by theory and in literature.

3.6.2 Explore the strength of the relationship between organisational behaviour components and corporate entrepreneurship

Correlation is used when researchers want to explore the strength of the relationship between variables (Pallant, 2007). The central premise of this research is that organisational behaviour components influence corporate entrepreneurship. In the study 7 organisational behaviour components (independent variables) are correlated with corporate entrepreneurship (dependent variable).

The strength of the relationship between variables is calculated between +1 (positive) and -1 (negative), where .1 is a small correlation, .3 a medium correlation, and, .5 a strong correlation. The correlation is significantly at $p < .05$ and $p < .01$ (Schindler and Cooper, 2003).

3.6.3 Explore the predictive ability of the components of organisational behaviour on corporate entrepreneurship

Multiple regression analysis is a more sophisticated extension of correlation analysis, and is used when the researcher wants to explore the predictive ability of a set of independent variables on one continuous dependent variable (Pallant, 2007). This

method was used to determine the extent of the relationship between organisational culture, power, goal setting, employee attitudes, and all the variables of organisational behaviour as predictors of corporate entrepreneurship. This provided information on how each one of the variables predicts corporate entrepreneurship.

3.6.4 Make an inference on whether the groups of organisational behaviour variables group together as suggested by literature

Principle factor analysis is a statistical technique applied to a single set of variables when researchers are interested in discovering which variables in the set form coherent subsets and are relatively independent of one another (Doane and Seward, 2009). Robbins and Judge (2010), Holt et al. (2007), Kreitner and Kinicki (2004), McShane and Von Glinow (2009), and Colquitt et al. (2009) group organisational behaviour components into three categories, namely individual level, group level and organisational level components. To test the grouping of the independent components of organisational behaviour according to literature a three factor analysis is done. Values less than .05 are suppressed with eigenvalues less than 1 not seen as important (Tabachnick and Fidell, 2007). The rotated component matrix factors are interpreted through their factor loadings. Loadings above .4 are strong with loadings of .32 being the minimum. Ideally; three or more items have to load on each of the components to be optimal (Pallant, 2007). The rotated method was used to better organise the loadings. One of the most important reasons for naming a factor is to communicate to others. The name should encapsulate the substantive nature of the factor and enable others to grasp its meaning. The label should best reflect the substance of the variables loaded highly and near zero on a factor (Tabachnick and Fidell, 2007). The above theory was applied with data being forced into three groups as well being measured in an unforced way.

3.7 ETHICAL CONSIDERATION

There is no single approach to ethics. However, in general, it is the adherence to a norm or standard that guides moral choices about behaviour and our relationship with others (Cooper and Schindler, 2003). The research was designed in such a way that the respondents would not suffer physical harm, discomfort, pain,

embarrassment, or loss of privacy as a result of their participation in the survey.

3.8 CHAPTER SUMMARY

The research methodology used in the investigation is explained in this chapter. The objectives of the investigation were to test the reliability and validity of the measure instruments, to explore the strength of the relationship between the components of organisational behaviour and corporate entrepreneurship, to explore the predictive ability of the components of organisational behaviour on corporate entrepreneurship, and last to make an inference on whether the groups of organisational behaviour components group together as per literature are explained in this chapter. The results of the investigation are presented in Chapter 4, followed by conclusion and recommendation on the findings contained in Chapter 5.

CHAPTER 4

RESEARCH RESULTS

4.1 INTRODUCTION

This chapter presents the results of the empirical investigation based on the data analysis. First, the chapter gives a description of the respondents, which will be followed by a presentation of the results per empirical objective. The first empirical objective was to test the reliability and validity of the measures used in the investigation. These results are presented under Heading 4.2. The second objective was to test the correlation between the independent variables of organisational behaviour and the dependent variable corporate entrepreneurship. These results are presented under Heading 4.3. The third objective was to find the predictive values of organisational behaviour on corporate entrepreneurship. The linear regression results are presented under Heading 4.4. The last objective was to perform a factor analysis testing the grouping of the independent variables in individual level, group level and organisational level. These results are presented under Heading 4.5. The chapter is concluded with a brief summary of the results.

4.2 DESCRIPTION OF RESPONDENTS

This section provides the demographic profile of the respondents. This will guide the way in which the results should be interpreted and the level of generalisation that may occur. As per the informed consent form, the respondents were under no obligation to provide any personal information, and some respondents did not fully complete the section on demographic information. As such, many missing cases exist.

In total, 17 organisations were approached to participate in the research. The idea was to get responses from 60 individuals per organisation. The aim was to obtain a total of 1 020 responses. In total, 856 or 84.2% responded to the call. This response

rate is much higher than the average response rate of 55.6% (SD = 19.7) as reported by Baruch (1999) in a meta-analysis of hundreds of articles in several leading journals. This rate is thus deemed as acceptable. Included in the sample were 5 (31.6%) listed entities and 12 (68.4) non-listed organisations. The organisations represented were three mining organisations, two financial institutions, and twelve government organisations. The organisation sizes reported varied from 60 to 33 000 employees, with a mean of 4 940 employees (SD = 9038 employees).

Employees from all organisational levels were included in the study, which levels were represented as follows: 30.4% administrative/support staff, 17.5% supervisory staff, 43% middle management, and 8.7% senior management. The mean tenure of the respondents was 4.1 years (SD = 8.44 years).

The gender of the respondents was 55.1% male, and 44.8% female, and in 0.1% no information was given. The respondents were representative of all the main cultural groups in South Africa. Of the respondents 65.3% were black, 7.5% Indian, 3.2% coloured, and 23.9% white. The age of the respondents varied between 20 years of age to 65 years of age. The mean was 38 years of age with a standard deviation of 9.22 years.

4.3 OBJECTIVE 1: TO TEST THE RELIABILITY AND VALIDITY OF THE MEASURE INSTRUMENTS USED IN THE INVESTIGATION

In this section, the descriptive information about each variable is provided. The primary concern was the distribution of the dependent variable, as normality is an important assumption with most parametric techniques (Pallant, 2007). Cut-off scores for normality, as presented in Chapter 3, are between $-.47$ and $.62$ for kurtosis and $-.281$ and $.281$ for skewness (Doane and Seward, 2009). Reliability information is presented next. This is done in the form of the Cronbach's alpha coefficient. A coefficient larger than $.70$ was deemed as indicative of acceptable reliability (Churchill, 1979) and (Nunnally, 1978).

In the presentation of the results, values smaller than $.50$ were suppressed to facilitate the interpretation process. This decision to suppress values lower than $.50$

was based on Tabachnick and Fidell (2007) which they deemed as good. With regard to concurrent validity, the estimation of the overlap between measures taken at the same time, in an expected way (Cooper and Schindler, 2003), and a significant and meaningful correlation coefficient, in the expected direction, was deemed as indicative of such validity. As stated in Chapter 3, the significant level of $p < .05$ and a correlation strength of $r = .30$ as medium and $r = .50$ as a large correlation were used.

The one dependent and seven independent measures are discussed in this section.

4.3.1 Measure 1: Corporate entrepreneurship (dependent variable)

Results pertaining to the characteristics of the dependent variable, corporate entrepreneurship, are provided in this section. The descriptive results for the corporate entrepreneurship dependent variable are presented as a whole (total score) and for the five sub-sections that theoretically make up the construct. The descriptive results are presented in Table 4.1.

Table 4.1

Descriptive Statistics for Corporate Entrepreneurship

| | N | Min. | Max. | Mean | | Skewness | | Kurtosis | |
|-------------|-------|-------|-------|-------|------|----------|------------|----------|------------|
| Source | Stat. | Stat. | Stat. | Stat. | SD | Stat. | Std. Error | Stat. | Std. Error |
| Man. Supp. | 862 | 4 | 20 | 11.79 | 2.91 | -.415 | .083 | .168 | .166 |
| Work Disc. | 861 | 4 | 20 | 13.48 | 3.64 | -.456 | .083 | -.096 | .166 |
| Rewards | 865 | 4 | 20 | 12.67 | 3.18 | -.420 | .083 | .087 | .166 |
| Time Avail. | 861 | 4 | 19 | 10.87 | 3.12 | -.050 | .083 | -.620 | .166 |
| Org. Bound. | 868 | 4 | 20 | 14.41 | 2.56 | -.516 | .083 | .618 | .166 |
| Total | 845 | 26 | 89 | 63.30 | 9.74 | -.480 | .084 | .422 | .168 |

From the aforementioned table it can be seen that, on average, respondents scored the lowest on Time Available (mean = 10.87) and the highest on Organisational Boundaries (mean = 14.41). The biggest variance in the responses was with Work Discretion (SD = 3.64) and the lowest with Organisational Boundaries (SD = 2.56).

In the table it can be observed that the distribution of the scores is negatively skewed with regard to all the measured constructs. Doane and Seward (2009) stated that for a sample of 200 $-.281$ is the lower limit for skewness (skewed to the left), and $.281$ is the upper limit (skewed to the right). This is a serious problem when considering that this is the dependent variable and normality of distribution is a requirement for most parametric statistics, including the regression analyses that need to be performed as part of this study (Pallant, 2007). The matter of skewness was addressed and a transformation was performed, using a power transformation (Rigby and Stasinopoulos, 2006). The skewness statistics for the total score changed to $.024$ (standard error = $.084$). This is within an expectable range for skewness (Doane and Seward, 2009).

With regard to kurtosis, heavier tails (platykurtic shape), with values of $-.47$, were observed at $-.096$ and $-.620$ and sharper peaks (leptokurtic shape), with values of $.087$, $.618$ and $.422$. The higher than $.62$ observed is problematic. However, these results do not present a serious threat to the use of the parametric statistics. Table 4.2 contains the reliability information for each of the Corporate Entrepreneurship sub-sections as well as for the total entrepreneurial spirit scores.

Table 4.2

Reliability Information for Corporate Entrepreneurship

| Variable | N of items | Cronbach alpha |
|-------------------------|------------|----------------|
| Management Support | 4 | .731 |
| Work Discretion | 4 | .825 |
| Rewards | 4 | .740 |
| Time Available | 4 | .689 |
| Organisation Boundaries | 4 | .574 |
| Total | 20 | .810 |

The reliability score for the total under corporate entrepreneurship is $.810$, which is above the required value of $.70$ set by Cooper and Schindler (2003) and which is discussed in Chapter 3. Although some of the variables are below the set criteria, and should not be interpreted as negative and unsatisfactory, most statistics will be done using the total score.

Validity is discussed with reference to factorial and concurrent validity. First, as far as factorial validity is concerned, only items with a factor loading of more than .50 were used to represent the solution. The results are presented in Table 4.3.

Table 4.3

Solution to Factor Analysis of Corporate Entrepreneurship

| Item | Factors | | | | |
|------|----------------------------|-------------------------|--------------|---------------------------|-----------------------------------|
| | 1 Management support | 2 Work discretion | 3 Rewards | 4 Time availability | 5 Organisational boundaries |
| E55 | | | .744 | | |
| E56 | | | .719 | | |
| E57 | | | .693 | | |
| E58 | | | .653 | | |
| E59 | .737 | | | | |
| E60 | .858 | | | | |
| E61 | .787 | | | | |
| E62 | .727 | | | | |
| E63 | | .679 | | | |
| E64 | | .666 | | | |
| E65 | | .790 | | | |
| E66 | | .657 | | | |
| E67 | | | | .646 | |
| E68 | | | | .722 | |
| E69 | | | | .758 | |
| E70 | | | | .726 | |
| E71 | | | | | .684 |
| E72 | | | | | .750 |
| E73 | | | | | .575 |
| E74 | | | | | .538 |

Loadings smaller than .50 were suppressed

Table 4.3 represents the results of the factor analysis, which groups the variables into different factors. Four variables, beginning from variable E59 to E62 are grouped under Factor 1. These items are all from the Management Support subsection, and the factor could be named “Management Support”. Four items, from E63 to E66, are all grouped under Factor 2. These items all form part of the Work Discretion subsection, and as such could be named “Work Discretion”. Items E55 to E58 are all

grouped under Factor 3, and the factor was named “Rewards”, given that all these items were from the Rewards subsection. Items E67 to E70 are all grouped under Factor 4, which represents the Time Available subsection, and could be named accordingly. The last grouping, based on items E71 to E74, is grouped under Factor 5, which represents the “Organisational Boundaries” subsection, and which could be named as such. The results indicate that the solution provided perfectly fits the theoretical grouping of the items into the factors.

Second, the concurrent validity results are presented in Table 4.4. It shows the correlation between the five entrepreneurial dimensions, and the total score, and employee attitudes. Significant correlations (with $p < .01$) and correlations with medium effect ($r > .3$; Pallant, 2007) were seen as being indicative of concurrent validity in the cases where it was in accordance with theory or, in some cases, with common sense. With regard to the subscales, 5 of the 20 subscales correlated significantly and meaningfully with the tested employee attitudes.

Table 4.4

Correlation between Corporate Entrepreneurship and Employee Attitudes

| | Organisational commitment | Employee Engagement | Job satisfaction | Intention to quit |
|-------------|---------------------------|---------------------|------------------|-------------------|
| Man. Supp. | .334** | .238** | .259* | -.279** |
| Work Disc. | .251** | .278** | .242** | -.223** |
| Reward | .415** | .286** | .362** | -.341** |
| Time Avail. | .060 | .026 | .096** | -.120** |
| Org. Bound. | .201** | .275** | .246** | -.239** |
| Total | .409** | .349** | .386** | -.382** |

* $p < .05$, ** $p < .01$

The correlation between the Corporate Entrepreneurship total and the Organisational Commitment score was .409, Employee Engagement .349, Job Satisfaction .386 and Intention to Quit -.382. These results indicate that Entrepreneurial Spirit increases (significantly and meaningfully) with increases in organisation commitment, employee engagement, and job satisfaction, and that intention to quit decreases with an increase in entrepreneurial spirit. These results are in line with the research presented by Guest (2012), Harter (2009), and Stone-Romero (2012).

4.3.2 Measure 2: Communication (independent variable)

Results pertaining to the characteristics of the first independent variable, namely communication, are provided in the section. The descriptive results were presented for communication as an independent variable as a whole. The descriptive results are presented in Table 4.5.

Table 4.5

Descriptive Statistics for Communication

| | N | Min | Max | Mean | | Skewness | | Kurtosis | |
|--------|-------|-------|-------|-------|-------|----------|------------|----------|------------|
| Source | Stat. | Stat. | Stat. | Stat. | SD | Stat. | Std. Error | Stat. | Std. Error |
| Comm. | 855 | 0 | 190 | 99.43 | 37.30 | -.213 | -.084 | -.392 | .167 |

A total of 855 respondents completed the communication questions. From the aforementioned table it can be seen that communication has a mean score of 99.439 and a standard deviation of 37.307.

In the table it can be observed that the distribution of the scores is negatively skewed with regard to the measured constructs. According to Doane and Steward (2009) for a sample of 200 $-.281$ is the lower limit for skewness (skewed to the left) and $.281$ and the upper limit (skewed to the right). The skewness statistics for communication scored $-.213$ (standard error = $-.084$). This is within an acceptable range for skewness (Doane and Seward, 2009). With regard to kurtosis, heavier tails (platykurtic), with values of $-.47$, were observed at $-.392$.

Table 4.6

Reliability Information for Communication

| Variable | N of items | Cronbach alpha |
|---------------|------------|----------------|
| Communication | 19 | .731 |

The score for the reliability of the communication measurement is $.731$, which is above the required value of $.70$ set by Cooper and Schindler (2003) referred to in Chapter 3.

Validity is discussed with reference to factorial and concurrent validity. First, in terms of factorial validity, only items with factors of more than .50 were used to present the solution. The results are presented in Table 4.7.

Table 4.7
Validity Results for Communication

| Item | Communication |
|------|---------------|
| C25 | .739 |
| C26 | .686 |
| C27 | .717 |
| C28 | .753 |
| C29 | .686 |
| C30 | .744 |
| C31 | .793 |
| C32 | .759 |
| C33 | .786 |
| C34 | .811 |
| C35 | .781 |
| C36 | .841 |
| C37 | .772 |
| C38 | .784 |
| C39 | .792 |
| C40 | |
| C41 | .742 |
| C42 | .691 |
| C43 | .785 |

Loadings smaller than .50 were suppressed

Table 4.7 represents the results of factor analysis, which groups the variables into factors. The grouping from C25 to C43 is grouped under Factor 1. The results indicate that the solution provided perfectly fits the theoretical grouping of the items into the factors.

Second, the concurrent validity results are presented in Table 4.8. The results show the correlation between communication and employee attitudes. The significant correlation (with $p < .01$) and correlation medium effect ($r > .3$; Pallant, 2007) were seen as being indicative of concurrent validity in the case where it was in accordance

with theory or, in some cases, with common sense. All the subscales correlated significantly and meaningfully with the tested employee attitudes.

Table 4.8

Concurrent Validity Results for Communication

| | Organisational commitment | Engagement | Job satisfaction | Intention to quit |
|---------------|---------------------------|------------|------------------|-------------------|
| Communication | .459** | .405** | .530* | -.433** |

*p < .05, **p < .01

The correlation between communication and organisational commitment was .459, for employee engagement it was .405, for job satisfaction it was .530 and for intention to quit it was -.433. These results indicate that communication increases significantly and meaningfully with increase of commitment, employee engagement, and job satisfaction and that intention to quit decreases with an increase in communication. These results are in line with the literature presented by Guest (2012), Harter (2009), and Stone-Romero (2012).

4.3.3 Measure 3: Decision-Making (independent variable)

The results pertaining to the characteristics of decision-making are provided in this section. The descriptive results were presented for decision-making as an independent variable. The descriptive results are presented in Table 4.9.

Table 4.9

Descriptive Statistics for Decision-Making

| | N | Min | Max | Mean | | Skewness | | Kurtosis | |
|-----------------|-------|-------|-------|--------|-------|----------|------------|----------|------------|
| Source | Stat. | Stat. | Stat. | Stat. | SD | Stat. | Std. Error | Stat. | Std. Error |
| Decision-making | 852 | 11 | 44 | 26.907 | 6.378 | .265 | .084 | -.049 | .167 |

A total of 852 respondents completed the decision-making questions. From the aforementioned table it can be seen that decision-making has a mean of 26.907 and

a standard deviation of 6.378. In the table it can be observed that the distribution of the score is positively skewed with regard to the measured constructs. According to Doane and Seward (2009) for a sample of 200 $-.281$ is the lower limit for skewness (skewed to the left) and $.281$ the upper limit (skewed to the right). The skewness statistics for decision-making scored $.265$ (standard error = $.084$). This is within an acceptable range for skewness (Doane and Seward, 2009). With regard to kurtosis, heavier tails (platykurtic), with values of $-.47$, were observed at $-.049$. Table 4.10 contains the reliability information for the decision-making scores.

Table 4.10

Reliability Results for Decision-Making

| Variable | N of items | Cronbach alpha |
|-----------------|------------|----------------|
| Decision making | 11 | .929 |

The score for the reliability of the decision-making measurement is $.929$, which is above the required value of $.70$ set by Cooper and Schindler (2003) and which is referred to in Chapter 3.

Validity will be discussed with reference to factorial and concurrent validity. First, in respect of factorial validity, only items with factors of more than $.50$ were used to present the solution. The results are presented in table 4.11.

Table 4.11

Factorial Results for Decision-Making

| Item | Decision-making |
|------|-----------------|
| C44 | .739 |
| C45 | .686 |
| C46 | .717 |
| C47 | .753 |
| C48 | .686 |
| C49 | .744 |
| C50 | .793 |
| C51 | .759 |
| C52 | .786 |
| C53 | .811 |
| C54 | .781 |

Table 4.11 represents the results of the factor analysis, which groups the variables into factors. The grouping from C44 to C54 is grouped under Factor 1. The results indicate that the solution provided perfectly fits the theoretical grouping of the items into the factors.

Second, the concurrent validity results are presented in Table 4.12. The results show the correlation between decision-making and employee attitudes. The significant correlation (with $p < .01$) and correlation medium affect ($r > .3$; Pallant, 2007) were seen as being indicative of concurrent validity in the case where it was in accordance with theory or, in some cases, with common sense. With regard to the subscales, 3 of the 4 subscales correlated significantly and meaningfully with the tested employee attitudes.

Table 4.12

Concurrent Validity Results for Decision-Making

| | Organisational commitment | Engagement | Job satisfaction | Intention to quit |
|-----------------|---------------------------|------------|------------------|-------------------|
| Decision-making | .379** | .347** | .449* | -.282** |

* $p < .05$, ** $p < .01$

The correlation between decision-making and organisational commitment was .379, for employee engagement it was .347, for job satisfaction it was .449 and for intention to quit it was -.282. These results indicate that, when shared, decision-making increases significantly and meaningfully with increase of commitment, employee engagement, and job satisfaction and that intention to quit decreases. These results are in line with the research presented by Guest (2012), Harter (2009), and Stone-Romero (2012).

4.3.4 Measure 4: Leadership styles (independent variable)

Results pertaining to the characteristics of leadership styles are provided in this section. This is a measure of the level of transformational leadership. The descriptive results are presented in Table 4.13.

Table 4.13
Descriptive Statistics for Leadership Styles

| | N | Min | Max | Mean | | Skewness | | Kurtosis | |
|-------------------|-------|-------|-------|--------|-------|----------|------------|----------|------------|
| Source | Stat. | Stat. | Stat. | Stat. | SD | Stat. | Std. Error | Stat. | Std. Error |
| Leadership Styles | 855 | 2 | 38 | 21.971 | 7.910 | -.270 | .084 | -.467 | .167 |

In total, 855 respondents completed the leadership style questions. From the aforementioned table it can be seen that leadership styles have a mean of 21.971 and a standard deviation of 7.910. In the table it can be observed that the distribution of the score is negatively skewed with regard to the measured construct. According to Doane and Seward (2009) for a sample of 200 -.281 is the lower limit for skewness (skewed to the left) and the .281 upper limits for skewness (skewed to the right). The skewness statistics for leadership styles scored -.270 (standard error = .084). This is within an acceptable range for skewness (Doane and Seward, 2009). With regard to kurtosis, heavier tails (platykurtic), with values of -.47, were observed at -.467. Table 4.14 contains the reliability information for leadership styles scores.

Table 4.14

Reliability Results for Leadership Styles

| Variable | N of items | Cronbach alpha |
|-------------------|------------|----------------|
| Leadership styles | 9 | .870 |

The score for the reliability of the leadership styles measurement is .870, which is above the required value of .70 set by Cooper and Schindler (2003) as stated in Chapter 3.

Validity will be discussed with reference to factorial and concurrent validity. First, as far as factorial validity is concerned, only items with factors of more than .50 were used to present the solution. The results are presented in Table 4.15.

Table 4.15

Factorial Results for Leadership Styles

| Item | Leadership styles |
|------|-------------------|
| L93 | .859 |
| L94 | .881 |
| L95 | .863 |
| L96 | .877 |
| L97 | .870 |
| L98 | .840 |
| L99 | .657 |
| L100 | |
| L101 | |

Loadings smaller than .50 were suppressed

Table 4.15 represents the results of the factor analysis, which groups the variables into factors. The results indicate that the solution provided perfectly fits the theoretical grouping of the items into the factors. All the questions loaded as expected with the exception of L100 and L101. It is possible that the respondents, most of them not English language speakers, misread the items.

Second, the concurrent validity results are presented in Table 4.15. The results show the correlation between leadership styles and employee attitudes. The significant

correlation (with $p < .01$) and correlation medium effect ($r > .3$; Pallant, 2007) were seen as being indicative of concurrent validity in the case where it was in accordance with theory or, in some cases, with common sense. All the subscales correlated significantly and meaningfully with the tested employee attitudes.

Table 4.16

Concurrent Validity Results for Leadership Styles

| | Organisational commitment | Engagement | Job satisfaction | Intention to quit |
|-------------------|---------------------------|------------|------------------|-------------------|
| Leadership styles | .446** | .329** | .438* | -.360** |

* $p < .05$, ** $p < .01$

The correlation between leadership styles and organisational commitment was .446, for employee engagement it was .329, for job satisfaction it was .438 and for intention to quit it was -.360. These results indicate that when good leadership styles increase significantly and meaningfully with the increase of organisation commitment, employee engagement, and job satisfaction the intention to quit decreases. These results are in line with the literature presented by Guest (2012), Harter (2009), and Stone-Romero (2012).

4.3.5 Measure 5: Performance management (independent variable)

Results pertaining to the characteristics of performance management are provided in this section. The descriptive results were presented for performance management as an independent variable, which constitutes the construct. The descriptive results are presented in Table 4.17.

Table 4.17

Descriptive Results for Performance Management

| | N | Min | Max | Mean | | Skewness | | Kurtosis | |
|------------------------|-------|-------|-------|--------|--------|----------|------------|----------|------------|
| Source | Stat. | Stat. | Stat. | Stat. | SD | Stat. | Std. Error | Stat. | Std. Error |
| Performance management | 851 | 22 | 90 | 56.592 | 10.378 | -.283 | .084 | .205 | .167 |

In total, 851 respondents completed the performance management questions. From the aforementioned table it can be seen that performance management has a mean of 56.592 and a standard deviation of 10.378.

In the table it can be observed that the distribution of the score is negatively skewed with regard to the measured constructs. According to Doane and Steward (2009) for a sample of 200 $-.281$ is the lower limit for skewness (skewed to the left) and $.281$ the upper limit (skewed to the right). The skewness statistics for performance management scored $-.283$ (standard error = $.084$). With regard to kurtosis, the observed value is $.205$ that indicates a peaked distribution (leptokurtic). Table 4.18 contains the reliability information for performance management scores.

Table 4.18

Reliability Information for Performance Management

| Variable | N of items | Cronbach alpha |
|------------------------|------------|----------------|
| Performance management | 18 | .882 |

The score for the reliability of the performance management measurement is $.882$, which is above the required value of $.70$ set by Cooper and Schindler (2003) and referred to in Chapter 3.

Validity is discussed with reference to factorial and concurrent validity. First, in respect of factorial validity, only items with factors more than $.50$ were used to present the solution. The results are presented in Table 4.19.

Table 4.19

Factorial Results for Performance Management

| Item | Performance management |
|------|------------------------|
| P146 | .492 |
| P147 | .516 |
| P148 | .664 |
| P149 | .579 |
| P150 | .545 |
| P151 | |
| P152 | |
| P153 | .571 |
| P154 | .623 |
| P155 | .692 |
| P156 | .678 |
| P157 | .728 |
| P158 | .673 |
| P159 | .705 |
| P160 | .648 |
| P161 | .638 |
| P162 | .580 |
| P163 | .570 |

Loadings smaller than .50 were suppressed

Table 4.19 represents the results of factor analysis, which groups the variables into factors. The grouping from P146 to P163 is grouped under Factor 1. The results indicate that the solution provided almost fits the theoretical grouping of the items into the factor. All the items loaded in the factor, with the exception of P151 and P152. It is possible that the respondents, most of them not English language speakers, misread the item. In general, however, the items loaded on the variable as expected.

Second, the concurrent validity results are presented in Table 4.19. The table shows the correlation between communication and employee attitudes. The significant correlation (with $p < .01$) and correlation medium effect ($r > .3$; Pallant, 2007) were seen as being indicative of concurrent validity in the case where it was in accordance with theory or, in some cases, with common sense. With regard to the subscales, 3

of the 4 subscales correlated significantly and meaningfully with the tested employee attitudes.

Table 4.20

Concurrent Validity Results for Performance Management

| | Organisational commitment | Engagement | Job satisfaction | Intention to quit |
|------------------------|---------------------------|------------|------------------|-------------------|
| Performance management | .337** | .263** | .414* | -.328** |

*p < .05, **p < .01

The correlation between performance management and organisational commitment was .337, employee engagement was .263, job satisfaction was .414 and intention to quit -.328. These results indicate that when performance management increases significantly and meaningfully with the increase of organisation commitment, employee engagement, and job satisfaction the intention to quit decreases with an increase of performance management. These results are in line with the literature presented by Guest (2012), Harter (2009), and Stone-Romero (2012).

4.3.6 Measure 6: Organisational culture (independent variable)

The results pertaining to the characteristics of organisational culture are provided in this section. The descriptive results were presented for organisational culture as an independent variable, which constitutes the construct. The descriptive results are presented in Table 4.21.

Table 4.21

Descriptive Statistics for Organisational Culture

| | N | Min | Max | Mean | | Skewness | | Kurtosis | |
|--------------|-------|-------|-------|-------|-------|----------|------------|----------|------------|
| Source | Stat. | Stat. | Stat. | Stat. | SD | Stat. | Std. Error | Stat. | Std. Error |
| Involvement | 868 | 5 | 30 | 19.30 | 4.63 | -.428 | .083 | -.087 | .166 |
| Consistency | 866 | 6 | 29 | 18.57 | 3.99 | -.210 | .083 | -.061 | .166 |
| Adaptability | 867 | 6 | 30 | 19.58 | 3.99 | -.482 | .083 | .201 | .166 |
| Mission | 862 | 6 | 30 | 20.53 | 4.34 | -.611 | .083 | .556 | .166 |
| Total | 856 | 25 | 117 | 77.89 | 14.77 | -.411 | .084 | .308 | .167 |

In total, 856 respondents completed the organisational culture questions. From the aforementioned table it can be seen that the respondents scored on an average (mean) of 18.57 with mission the highest mean being 20.53. The greatest variance in the responses was with involvement (SD = 4.63) and the lowest with consistency and adaptability (SD = 3.99).

In the table it can be observed that the distribution of the scores is negatively skewed with regard to all the measured constructs. According to Doane and Seward (2009) for a sample of 200 $-.281$ is the lower limit for skewness (skewed to the left) and $.281$ the upper limit (skewed to the right). Consistency is the only subset of organisational culture within range. The matter of skewness was addressed and a transformation was performed, using a power transformation (Rigby and Stasinopoulos, 2006). The skewness statistics for the total score changed to $.071$ (standard error = $.084$). This is within the acceptable range for skewness (Doane and Seward, 2009). With regard to kurtosis, heavier tails (platykurtic), with values of $-.47$ were observed at $-.087$, $-.061$, and sharper peaks (leptokurtic) with values of $.201$, $.556$ and $.308$. Table 4.22 presents the reliability information for each subset of organisational culture and the total for organisational culture.

Table 4.22

Reliability Information for Organisational Culture

| Variable | N of items | Cronbach alpha |
|--------------|------------|----------------|
| Involvement | 6 | .839 |
| Consistency | 6 | .799 |
| Adaptability | 6 | .867 |
| Mission | 6 | .867 |
| Total | 24 | .936 |

The reliability score for organisational culture is .936, which is above the required value of .70 set by Cooper and Schindler, (2003) as discussed in Chapter 3. The subsets of organisational culture all scored above the required value of .70 with involvement scoring .839, consistency scoring .799, adaptability scoring .867, and mission scoring .867.

Validity is discussed with reference to factorial and concurrent validity. First, with regard to factorial validity, only items with a factor loading of more than .50 were used to present the solution. The results are presented in Table 4.23.

Table 4.23

Factorial Results for Organisational Culture

| Item | Factors | | | |
|------|------------------|--------------|------------------|-------------------|
| | 1 Involvement | 2 Mission | 3 Consistency | 4 Adaptability |
| O102 | .719 | | | |
| O103 | .658 | | | |
| O104 | .592 | | | |
| O105 | .604 | | | |
| O106 | .654 | | | |
| O107 | .614 | | | |
| O108 | .632 | | | |
| O109 | | | | |
| O110 | .508 | | | |
| O111 | | | .583 | |
| O112 | | | .659 | |
| O113 | | | .796 | |
| O114 | | | .751 | |
| O115 | | | .556 | |
| O116 | | | | .575 |
| O117 | | | | .662 |
| O118 | | | | .701 |
| O119 | | | | .685 |
| O120 | | .626 | | |
| O121 | | .724 | | |
| O122 | | .648 | | |
| O123 | | .729 | | |
| O124 | | .690 | | |
| O125 | | .505 | | |

Loadings smaller than .50 were suppressed

Table 4.23 represents the results of the factor analysis which groups the variables into different factors. Five variables, beginning from O102 to O107, with O108 and O110 grouped incorrectly under factor 1, are all from the involvement subsection and the factor could be named “Involvement”. Five items, from O111 to O115 grouped under Factor 3, except O114 and O115, and all form part of consistency, and could thus be named “Consistency”. Items O116 to O119 are all grouped under Factor 4 and form part of Adaptability and could therefore be named “Adaptability”. Factors

O120 to O125 are all grouped under Factor 2, and the factor was named “Mission”, given that all these items were from the mission subsection.

Second, the concurrent validity results are presented in Table 4.24. The table shows the correlation between four organisational culture dimensions, and the totals score and employee attitudes. Significant correlation (with $p < .01$) and correlations medium effect ($r > .3$; Pallant, 2007) were seen as being indicative of concurrent validity in the cases where it was in accordance with theory or, in some cases, with common sense. All the subscales correlated significantly and meaningfully with tested employee attitudes.

Table 4.24

Concurrent Validity for Organisational Culture

| | Organisational commitment | Engagement | Job satisfaction | Intention to quit |
|--------------|---------------------------|------------|------------------|-------------------|
| Involvement | .467** | .358** | .428** | -.361** |
| Consistency | .450** | .324** | .463** | -.383** |
| Adaptability | .385** | .300** | .352** | -.328** |
| Mission | .418** | .368** | .426** | -.384** |
| Total | .497** | .393** | .483** | -.419** |

** $p < .01$

The correlation between organisational culture and organisational commitment was .497, employee engagement was .393, job satisfaction was .483 and intention to quit -.419. These results indicate that organisational culture increases with the increase in organisation commitment, employee engagement, and job satisfaction, and the intention to quit decreases. These results are in line with the literature presented by Guest (2012), Harter (2009), and Stone-Romero (2012).

4.3.7 Measure 7: Power (independent variable)

The results pertaining to the characteristics of power are provided in the section. The descriptive results were presented for power as an independent variable, which constitutes the construct. The descriptive results are presented in Table 4.25.

Table 4.25

Descriptive Statistics for Power

| | N | Min | Max | Mean | | Skewness | | Kurtosis | |
|------------------|-------|-------|-------|-------|------|----------|------------|----------|------------|
| Source | Stat. | Stat. | Stat. | Stat. | SD | Stat. | Std. Error | Stat. | Std. Error |
| Expert Power | 865 | 4 | 20 | 13.37 | 3.10 | -.323 | .083 | -.025 | .166 |
| Referent Power | 866 | 4 | 20 | 14.34 | 3.24 | -.607 | .083 | .273 | .166 |
| Reward Power | 860 | 4 | 20 | 12.53 | 3.30 | -.318 | .083 | -.129 | .167 |
| Coercive Power | 865 | 4 | 20 | 13.69 | 2.70 | -.083 | .083 | .234 | .166 |
| Legitimate Power | 860 | 5 | 20 | 15.00 | 2.18 | -.565 | .083 | 1.277 | .167 |
| Total | 845 | 36 | 100 | 69.02 | 9.76 | -.122 | .084 | .222 | .168 |

In total, 845 respondents completed the power questions. From the aforementioned table it can be seen that average respondents scored the lowest on reward power (mean = 12.53) and the highest on legitimate power (mean = 15). The greatest variance in the responses was with regard to reward power (SD = 3.24), and the lowest with legitimate power (SD = 2.18).

In the table it can be observed that the distribution of the scores is negatively skewed with regard to all the measured constructs. According to Doane and Seward (2009) for a sample of 200 $-.281$ is the lower limit for skewness (skewed to the left) and $.281$ the upper limit (skewed to the right). The skewness statistics for total power scored is $-.122$ (standard error = $.084$). With regard to kurtosis, heavier tails (platykurtic), with values of $-.47$ were observed at $-.025$ and $-.129$, and sharper peaks (leptokurtic) with values of $.273$, $.234$, 1.277 , and $.222$. With one value higher than $.62$ observed, it does not present a serious threat to the use of the parametric statistics. Table 4.26 presents the reliability information for each subset of power and the total for power.

Table 4.26

Reliability Information for Power

| Variable | N of items | Cronbach alpha |
|------------------|------------|----------------|
| Expert Power | 4 | .738 |
| Referent Power | 4 | .771 |
| Reward Power | 4 | .761 |
| Coercive Power | 4 | .640 |
| Legitimate Power | 4 | .532 |
| Total | 20 | .832 |

The reliability score for power is .832, which is above the required value of .70 set by Cooper and Schindler (2003) as dealt with in Chapter 3. Although some of the variables are below the set criteria it should not be interpreted as negative and unsatisfactory as most statistics were done with the total score.

Validity is discussed with reference to factorial and concurrent validity. First, with regard to factorial validity, only items with a factor more than .50 were used to represent the solution. The results are presented in Table 4.27.

Table 4.27

Factorial Validity for Power

| Item | 1 Referent | 2 Reward | 3 Expert | 4 Coercive | 5 Legitimate |
|------|---------------|-------------|-------------|---------------|-----------------|
| P164 | | | .611 | | |
| P165 | | | .571 | | |
| P166 | | | .703 | | |
| P167 | | | .742 | | |
| P168 | .707 | | | | |
| P169 | .713 | | | | |
| P170 | .565 | | | | |
| P171 | .720 | | | | |
| P172 | | .591 | | | |
| P173 | | .660 | | | |
| P174 | | .847 | | | |
| P175 | | .722 | | | |
| P176 | | | | .597 | |
| P177 | | | | .834 | |
| P178 | | | | .839 | |
| P179 | | | | | |
| P180 | | | | | |
| P181 | | | | | .630 |
| P182 | | | | | .759 |
| P183 | | | | | .793 |

Loadings smaller than .50 were suppressed

Table 4.27 represents the results of the factor analysis, which groups the variables into different factors. Five variables, beginning from P164 to P167 are all grouped under Factor 3. These items are all from the expert power subsection, and the factor could be named “Expert Power”. Items P168 to P171 are all grouped under Factor 1, and form part of the referent power subsection, and as such could be named “Referent Power”. Items P172 to P175 are all grouped under Factor 2, and form part of the reward power subsection, and as such could be named “Referent Power”. Items P176 to P179, excluding P179 did not score .50, are all grouped under Factor 4 and form part of the coercive power subsection, and as such could be named “Coercive Power”. Items P180 to P183, excluding P180 did not score .50, and are all grouped under Factor 5, and form part of the legitimate power subsection, and as

such could be named “Legitimate Power”.

Second, the concurrent validity results are presented in Table 4.28. It shows the correlation between the five power dimensions, and the totals score, and employee attitudes. Significant correlation (with $p < .01$) and correlation medium effect ($r > .03$; Pallant, 2007) were seen as being indicative of concurrent validity in the cases where it was in accordance with theory or, in some cases, with common sense. With regard to the subscales, 8 of 25 subscales correlated significantly and meaningfully with the tested employee attitudes. All the subscales, with the exception of expert power, correlated significantly and meaningfully with tested employee attitudes.

Table 4.28

Concurrent Validity for Power

| | Organisational commitment | Engagement | Job satisfaction | Intention to quit |
|------------------|---------------------------|------------|------------------|-------------------|
| Expert Power | .303** | .247** | .317** | -.231** |
| Referent Power | .366** | .314** | .364** | -.321** |
| Reward Power | .328** | .249** | .319** | -.300** |
| Coercive Power | .118** | .083* | .105** | -.147** |
| Legitimate Power | .185** | .165** | .184** | -.165** |
| Total | .403** | .326** | .399** | -.385** |

** $p < .01$, * $p < .05$

The correlation between power and organisational Commitment was .403, employee engagement was .326, and job satisfaction was .399 and intention to quit -.385. These results indicate that power increases with the increase in organisation commitment, employee engagement, and job satisfaction and the intention to quit decreases. These results are in line with the literature presented by Guest (2012), Harter (2009), and Stone-Romero (2012).

4.3.8 Measure 8: Motivation/Goals-Setting (independent variable)

The results pertaining to the characteristics of the independent variable, motivation or goal setting, are provided in this section. The descriptive results are presented for

the motivation or goal-setting variable as a whole (total score) and for the four sub sections that theoretically constitute the construct. The results are presented in Table 4.29.

Table 4.29
Descriptive Statistics for Goal-Setting or Motivation

| | N | Min | Max | Mean | | Skewness | | Kurtosis | |
|----------|-------|-------|-------|-------|-------|----------|------------|----------|------------|
| Source | Stat. | Stat. | Stat. | Stat. | SD | Stat. | Std. Error | Stat. | Std. Error |
| Feedback | 868 | 3 | 15 | 10.26 | 2.364 | -.373 | .083 | -.159 | .166 |
| Stretch | 868 | 6 | 20 | 14.24 | 2.316 | -.375 | .083 | .135 | .166 |
| Agreed | 863 | 7 | 30 | 19.92 | 3.938 | -.354 | .083 | -.034 | .166 |
| Clear | 866 | 7 | 25 | 17.87 | 3.304 | -.501 | .083 | .100 | .166 |
| Total | 861 | 33 | 85 | 62.30 | 9.124 | -.283 | .083 | -.171 | .166 |

In total, 861 respondents completed the motivation questions. From the aforementioned table it can be seen that, on average, respondents scored the lowest on feedback (mean = 10.26) and the highest on agreed targets (mean = 19.92). The greatest variance in the response was with agreed targets (SD = 3.304) and the lowest with stretch (SD = 2.316).

In the table it can be observed that the distribution of the scores is negatively skewed with regard to all the measured constructs. Doane and Seward (2009) stated, for a sample of 200, the lower limit for skewness (skewed to the left) is -.281 and upper limit (skewed to the right) is .281. The matter of skewness was addressed and a transformation was performed, using the power of transformation (Rigby and Stasinopoulos, 2006). The skewness statistics for the total score changed to .218 (standard error = .083). This is within the acceptable range for skewness (Doane and Seward, 2009). With regard to kurtosis, heavier tails (platykurtic), with values of -.47, were observed at -.159, -.034 and -.171 and sharper peaks (leptokurtic), with values of .135 and .100. Table 4.30 presents the reliability information for each subsection, as well as for the total for motivation or goal-setting scores.

Table 4.30

Reliability Information for Goal Setting or Motivation

| Variable | N of items | Cronbach alpha |
|----------|------------|----------------|
| Feedback | 3 | .562 |
| Stretch | 4 | .455 |
| Agreed | 6 | .665 |
| Clear | 5 | .725 |
| Total | 18 | .824 |

The reliability score for motivation or goal-setting is .824, which is above the required value of .70 set by Cooper and Schindler (2003) and discussed in Chapter 3. Although some variables are below the set criteria it should not be interpreted as negative and unsatisfactory as most statistics will be done with the total score.

Validity will be discussed with reference to factorial and concurrent validity. Cooper and Schindler (2003) define validity as the extent to which a test measures what it actually wishes to measure. They also define content validity as the degree to which the content of the items adequately represents the universe of all the items measured. They further define concurrent validity as the prediction of the present criterion data that are available at the same time as predictor scores. First, in terms of factorial validity, only items with a factor loading of more than .50 were used to represent the solution. The results are presented in Table 4.31.

Table 4.31

Factorial Results for Goal-Setting or Motivation

| Item | 1 Feedback | 2 Clear | 3 Agreed | 4 Stretch |
|------|---------------|------------|-------------|--------------|
| G75 | .518 | | | |
| G76 | | .511 | | |
| G77 | | | | .703 |
| G78 | .607 | | | |
| G79 | | .687 | | |
| G80 | | | | |
| G81 | | .776 | | |
| G82 | | .519 | | |
| G83 | | | .654 | |
| G84 | | | .852 | |
| G85 | | | .848 | |
| G86 | .733 | | | |
| G87 | .818 | | | |
| G88 | .827 | | | |
| G89 | .814 | | | |
| G90 | | | | .712 |
| G91 | | | | .518 |
| G92 | | | | |

Loadings smaller than .50 were suppressed

Table 4.31 represents the results of the factor analysis, which groups the subset variables into different factors. Four subset variables were identified. Factor 1 has questions G75, G78, G86, G87, G88, and G89 grouped and could be named “Feedback”. Items G79, G81, and G82 are all grouped under Factor 2. These items all form part of the clear goals setting subsection, and the factor could be named “Clear”. Items G83, G84, and G85 are all grouped under Factor 3. These items all form part of the agreed subsection, and the factor could be named “Agreed”. Items G77, G90, and G91 (below .50) are all grouped under Factor 4. These items all form part of the stretch subsection, and the factor could be named “Stretch”. Second, the concurrent validity results are presented in Table 4.32. It shows the correlation between the four-goal setting or motivation dimensions, and the total score, and employee attitudes. Significant correlation (with $p < .01$) and the correlations medium effect ($r > .3$; Pallant, 2007) correlation were seen as being indicative of concurrent

validity in the cases where it was in accordance with theory or, in some cases, with common sense. As far as subscales are concerned, 11 of the 16 subscales correlated significantly and meaningfully.

Table 4.32

Concurrent Validity Results for Goal-Setting or Motivation

| | Organisational commitment | Engagement | Job satisfaction | Intention to quit |
|----------|------------------------------|------------|---------------------|-------------------|
| Feedback | .354** | .265** | .379** | -.314** |
| Stretch | .172** | .212** | .267** | -.163** |
| Agreed | .418** | .301** | .426** | -.352** |
| Clear | .344** | .329** | .414** | -.320** |
| Total | .442** | .372** | .500** | -.390** |

**p < .01

The correlation between goal-setting or motivation and organisational commitment was .442, employee engagement was .372, job satisfaction was .500 and intention to quit -.390. These results indicate that motivation increases significantly and meaningfully with increases in organisation commitment, employee engagement, and job satisfaction, and that intention to quit decreases. These results are in line with the literature presented by Guest (2012), Harter (2009), and Stone-Romero (2012).

4.3.9 Conclusion

The measurement instruments were reliable and valid. The concurrent validity in the measured variables (motivation, decision-making, leadership styles, communication, power, performance management, organisational culture and corporate entrepreneurship) was as expected. These results indicate that with an increase in motivation, decision-making, leadership styles, communication, power, performance management, organisational culture and entrepreneurial spirit there is an improvement in employee attitude (organisation commitment, employee engagement, and job satisfaction,) and that intention to quit decreases.

4.3 OBJECTIVE 2: EXPLORE THE STRENGTH OF THE RELATIONSHIP BETWEEN ORGANISATIONAL BEHAVIOUR COMPONENTS AND CORPORATE ENTREPRENEURSHIP

In this section, the correlation between the association between the independent variables of organisational behaviour and the dependent variable corporate entrepreneurship will be presented, with the coefficient describing the common variance. The correlation can vary from -1 to +1, depending on the strength of the association or relationship, where 0 indicates no relationship. Pallant (2007) suggested the strength of relationships as $r = .10$ to $.29$ (small), $r = .30$ to $.49$ (medium) and $r = .50$ to 1.0 (large). The significant correlation (with $p < .001$) and correlation medium effect ($r > .3$) are used in analysis of the data (Pallant, 2007).

4.3.1 Explore the strength of the relationship between the components of organisational behaviour and corporate entrepreneurship constructs

The following section covers the correlation between the corporate entrepreneurship (dependent variable) and the variables of organisational behaviour. The organisational behaviour variables tested were: communication (Comm), decision-making (NotSharedDe), leadership styles (LEADTot), organisational culture (OC), performance management (PerfTotal), power (Pow), and motivation (Goal).

The results between the correlation of the measured independent variables and the dependent variables results are presented in Table 4.33.

Table 4.33 Correlation between Independent and Dependent Variables

| | | En- Mansup | En- WorkDis | En- Reward | En- TiAv | En- OrgBo | En- TOTAL |
|-----------------------------|---|---------------|----------------|---------------|----------|-----------|--------------|
| Communication | r | .409** | .249** | .504** | .082** | .320** | .495** |
| | N | 849 | 847 | 851 | 847 | 854 | 832 |
| Decision-making | r | -.305** | -.311** | -.491** | -.055 | -.295** | -.468** |
| | N | 846 | 844 | 848 | 845 | 851 | 830 |
| Transformational Leadership | r | .405** | .233** | .523** | .138** | .251** | .497** |
| | N | 848 | 850 | 852 | 848 | 854 | 836 |
| Involvement ^a | r | .462** | .375** | .532** | .124** | .353** | .589** |
| | N | 861 | 860 | 864 | 861 | 867 | 845 |
| Consistency ^a | r | .432** | .290** | .453** | .167** | .365** | .543** |
| | N | 860 | 859 | 862 | 858 | 865 | 843 |
| Adaptability ^a | r | .417** | .295** | .392** | .166** | .364** | .522** |
| | N | 860 | 859 | 863 | 860 | 866 | 844 |
| Mission ^a | r | .407** | .311** | .429** | .140** | .375** | .525** |
| | N | 857 | 854 | 859 | 855 | 861 | 841 |
| Total | r | .502** | .373** | .531** | .164** | .418** | .629** |
| | N | 852 | 849 | 853 | 851 | 855 | 838 |
| Performance management | r | .354** | .235** | .427** | .121** | .306** | .461** |
| | N | 846 | 844 | 847 | 845 | 851 | 832 |
| Expert ^b | r | .205** | .124** | .335** | .103** | .190** | .306** |
| | N | 858 | 857 | 861 | 857 | 864 | 841 |
| Referent ^b | r | .284** | .269** | .432** | .060 | .260** | .421** |
| | N | 859 | 858 | 862 | 858 | 865 | 842 |
| Reward ^b | r | .301** | .159** | .511** | .049 | .160** | .384** |
| | N | 854 | 855 | 856 | 853 | 859 | 840 |
| Coercive ^b | r | .116* | .058 | .110* | -.125* | .103* | .080* |
| | N | 858 | 857 | 861 | 858 | 864 | 842 |
| Legitimate ^b | r | .067* | .124** | .159** | -.024 | .177** | .156** |
| | N | 853 | 852 | 856 | 852 | 859 | 836 |
| Feedback ^c | r | .351** | .266** | .525** | .058 | .357** | .494** |
| | N | 862 | 861 | 864 | 860 | 867 | 845 |
| Stretch ^c | r | .048 | .192** | .129** | .237** | .219** | .262** |
| | N | 861 | 860 | 864 | 861 | 867 | 845 |
| Agreed targets ^c | r | .364** | .284** | .510** | .147** | .294** | .514** |
| | N | 857 | 856 | 859 | 857 | 862 | 842 |
| Clear goals ^c | r | .321** | .364** | .464** | .098** | .523** | .558** |
| | N | 860 | 858 | 862 | 858 | 865 | 843 |
| Total | r | .376** | .371** | .557** | .173** | .465** | .618** |
| | N | 856 | 855 | 857 | 855 | 860 | 841 |

**p < .01, *p < .05

^a Components of Organisational Culture^b Components of Power^c Components of motivation/goal-setting

The results pertaining to the correlation will be discussed in the sections that follow.

4.3.1.1 Communication

There is a positive correlation between communication and corporate entrepreneurship, $r = .495$, $n = 832$, $p < .001$, showing that with high levels of communication corporate entrepreneurship will increase. Reward as a subset of corporate entrepreneurship dimensions has a strong correlation with communication, $r = .504$, $N = 851$, $p < .001$. When employees are rewarded, communication should increase.

4.3.1.2 Decision-making

There is a negative correlation between decision-making and corporate entrepreneurship, $r = -.468$, $N = 830$, $p < .001$. With high levels of decision-making, corporate entrepreneurship will increase. Reward as a subset of corporate entrepreneurship dimensions has a strong correlation with decision-making, $r = -.491$, $N = 848$, $p < .001$. When employees are rewarded, decision-making should increase.

4.3.1.3 Leadership styles (Transformational)

There is a positive correlation between leadership styles and corporate entrepreneurship, $r = .497$, $N = 836$, $p < .001$. With the correct leadership styles corporate entrepreneurship will increase. Reward as a subset of corporate entrepreneurship dimensions has a strong correlation with leadership styles, $r = .523$, $N = 852$, $p < .001$. When employees are rewarded, transformational leadership should increase.

4.3.1.4 Organisational Culture

There is a positive correlation between organisational culture and corporate entrepreneurship, $r = .629$, $n = 838$, $p < .001$. With a positive organisational culture corporate entrepreneurship will increase. Rewards and management support as

subsets of corporate entrepreneurship dimensions have a strong correlation with organisational culture, $r = .531$, $N = 853$, $p < .001$ and $r = .502$, $N = 852$, $p < .001$. Thus, when employees are rewarded and given management support, corporate entrepreneurship should increase. All the dimensions of organisational culture (involvement, consistency, adaptability and mission) correlated positively with corporate entrepreneurship. When involvement, consistency, adaptability and a mission are present, organisational culture should increase.

4.3.1.5 Power

Rewards as a subset of corporate entrepreneurship dimensions has a strong correlation with referent power ($r = .432$, $N = 862$, $p < .001$) and reward power ($r = .511$, $N = 856$, $p < .001$). Thus, when employees are rewarded power would improve.

4.3.1.6 Goal-Setting/Motivation

There is a positive correlation between goal-setting/motivation and corporate entrepreneurship, $r = .618$, $N = 841$, $p < .001$. With proper motivation corporate entrepreneurship will increase. Rewards as a subset of corporate entrepreneurship dimensions has a strong correlation with feedback ($r = .525$, $N = 864$, $p < .001$), agreed targets ($r = .510$, $n = 859$, $p < .001$), and clear goals ($r = .557$, $N = 857$, $p < .001$). Thus, when employees are rewarded with feedback, agreed targets and clear goals, motivation will improve.

4.3.1.7 Performance Management

There is a positive correlation between performance management and corporate entrepreneurship, $r = .461$, $N = 832$, $p < .001$. With an improvement in performance management corporate entrepreneurship will increase. Rewards as a subset of corporate entrepreneurship dimensions has a strong correlation with performance management ($r = .427$, $N = 847$, $p < .001$). Thus, when employees are rewarded performance management should improve.

4.3.1.8 Conclusion

The results of the correlation between all the measured components of organisational behaviour (communication, decision-making, leadership styles, organisational culture, power, and motivation) correlate strongly and significantly with corporate entrepreneurship. Reward correlates strongly and significantly with all the variables of organisational behaviour, and organisational culture correlates strongly with management support.

4.4 OBJECTIVE 3: EXPLORE THE PREDICTIVE ABILITY OF THE COMPONENTS OF ORGANISATIONAL BEHAVIOUR ON CORPORATE ENTREPRENEURSHIP

In this section, linear regression analysis is used to predict corporate entrepreneurship, using the multiple facets of the complex constructs as independent variables. The dependent variable is corporate entrepreneurship and the independent variables are those components of organisational behaviour with multiple constructs. The coefficient of determination explains the proportion of variability between corporate entrepreneurship and the independent variables of organisational behaviour, using the least square method to eliminate errors. The highest beta represents the strongest unique contribution explaining the dependent variable. The ANOVA tests the null hypothesis that multiple-R in the population equals 0. If the significance (in the coefficient column) value is less than .05, the independent variable contributes significantly to the dependent variable (Pallant, 2007).

4.4.1 Organisational culture as predictor of corporate entrepreneurship

The dimensions entered in the model for the organisational culture predicting corporate entrepreneurship were mission, adaptability, involvement, and consistency. Table 4.34 presents the model summary for organisational culture.

Table 4.34

Model Summary for Organisational Culture

| Model | R | R square | Adjusted R square | STD error |
|---------|------|----------|-------------------|-----------|
| Model 1 | .635 | .403 | .400 | 7.558 |

Predictor: Mission, adaptability, involvement, and consistency

The above table indicates that organisational culture has an adjusted square of .400, R Square of .403 and a standard error of 7.558. From it, it can be seen that 40% of the variance in corporate entrepreneurship is explained by organisational culture.

Table 4.35 ANOVA output reports on whether the model results in statistically significant prediction.

Table 4.35

ANOVA Results between Dependent and Independent Variables

| Model | Sum of squares | Df | Mean square | t | Sig. |
|------------|----------------|-----|-------------|---------|-------------------|
| Regression | 32130.39 | 4 | 8032.57 | 140.606 | 0.00 ^b |
| Residual | 47587.81 | 833 | 57.128 | | |

Dependent Variable: Entrepreneurial Spirit. Predictors: (Constant), Mission, involvement, and consistency

The above table indicates that organisational culture is making a significant unique contribution to the dependent variable corporate entrepreneurship with $p < .001$.

Table 4.36 presents the coefficient of organisational culture.

Table 4.36

Coefficient Measure of Organisational Culture

| Model | B | STD error | Beta | t | Sig. |
|----------------|--------|-----------|------|--------|------|
| Constant | 31.783 | 1.419 | | 22.402 | 0.00 |
| - Involvement | .677 | .087 | .323 | 7.800 | 0.00 |
| - Consistency | .315 | .109 | .130 | 2.905 | 0.04 |
| - Adaptability | .331 | .102 | .136 | 3.250 | 0.01 |
| - Mission | .298 | .090 | .133 | 3.304 | 0.01 |

Dependent Variable: Entrepreneurial Spirit

Involvement ($p < .001$), consistency ($p < .05$), adaptability ($p = .01$) and, mission ($p = .01$) are all dependently and significantly explaining corporate entrepreneurship.

4.4.2 Power as predictor of corporate entrepreneurship

The dimensions entered in the model for power to predict corporate entrepreneurship were legitimate power, expert power, coercive power, reward power, and referent power. Table 4.37 presents the model summary for power.

Table 4.37

Model Summary for Power

| Model | R | R square | Adjusted R square | STD error |
|-------|------|----------|-------------------|-----------|
| 1 | .469 | .220 | .215 | 8.524 |

Predictor: Legitimate power, expert power, coercive power, reward power, and referent power

The above table indicates that power has an adjusted square of .215, R Square of .220 and a standard error of 8.524. It can be seen that 22% of the variance in corporate entrepreneurship is influenced by power. Table 4.37 ANOVA output reports on whether the model results in a statistically significant prediction.

Table 4.38

ANOVA Results between Dependent and Independent Variables

| Model | Sum of squares | Df | Mean square | t | Sig. |
|------------|----------------|-----|-------------|--------|------|
| Regression | 59583.41 | 5 | 3363.40 | 46.288 | 0.00 |
| Residual | 76400.43 | 820 | 72.66 | | |

Dependent Variable: Entrepreneurial Spirit. Predictors: (Constant) Legitimate power, reward power, coercive power, expert power, and referent power

The above table indicates that power is making a significant unique contribution to the dependent variable corporate entrepreneurship with $p < .001$. Table 4.39 presents the magnitude of the effects predicted of power.

Table 4.39

Coefficient Measure of Power

| Model | B | STD error | Beta | t | Sig. |
|------------|--------|-----------|-------|--------|------|
| Constant | 40.858 | 2.402 | | 17.009 | 0.00 |
| Expert | .203 | .119 | .066 | 1.704 | 0.89 |
| Referent | .778 | .120 | .260 | 6.465 | 0.00 |
| Reward | .702 | .105 | .242 | 6.690 | 0.00 |
| Coercive | .037 | .118 | .010 | .314 | 0.75 |
| Legitimate | -.049 | .156 | -.011 | -.310 | 0.75 |

Dependent Variable: Entrepreneurial Spirit

Referent power ($p < .001$) and reward power ($p < .001$) are significantly and independently predicting corporate entrepreneurship.

4.4.3 Goal-setting as predictor of corporate entrepreneurship

The dimensions entered in the model for goal-setting are: clear goal-setting, stretch targets, agreed targets, and feedback. Table 4.40 presents the model summary for goal-setting or motivation.

Table 4.40

Model Summary for Goal-Setting or Motivation

| Model | R | R square | Adjusted R square | STD error |
|-------|------|----------|-------------------|-----------|
| 1 | .605 | .366 | .364 | 7.485 |

Predictor: Clear goal setting, stretch targets, agreed targets, and feedback

The above table indicates that goal-setting has an adjusted square of .364, R Square of .366 and a standard error of 7.7485. It can be seen that 36% of the variance in corporate entrepreneurship is influenced by goal-setting.

Table 4.41 presents the ANOVA output report on whether the model results in statistically significant prediction.

Table 4.41

ANOVA Results between Independent and Dependent Variables

| Model | Sum of squares | Df | Mean square | F | Sig. |
|------------|----------------|------|-------------|---------|------|
| Regression | 50523.80 | 3840 | 9767.21 | 161.163 | 0.00 |
| Residual | 79282.61 | | 60.04 | | |

Dependent Variable: Entrepreneurial Spirit. Predictors: (Constant), Clear goal setting, stretch targets, agreed targets, and feedback

The above table indicates that goal-setting is making a significant unique contribution to the dependent variable corporate entrepreneurship with $p < .001$. Table 4.42 presents the coefficient for goal-setting.

Table 4.42

Coefficient Measure Results for Goal-Setting or Motivation

| Model | B | STD error | Beta | t | Sig. |
|-----------------|--------|-----------|------|--------|------|
| Constant | 25.212 | 1952 | | 12.913 | 0.00 |
| Feedback | .847 | .142 | .206 | 5.964 | 0.00 |
| Stretch targets | .230 | .124 | .055 | 1.865 | 0.63 |
| Agreed targets | .689 | .083 | .282 | 8.264 | 0.00 |
| Clear goals | 1.088 | .113 | .372 | 10.546 | 0.00 |

Dependent Variable: Entrepreneurial Spirit

Feedback, agreed goals setting ($p < .001$) and clear targets ($p < .001$) are all significantly and independently predicting corporate entrepreneurship.

4.4.4 Employee attitude as predictor of corporate entrepreneurship

The dimensions entered in the model for corporate entrepreneurship are: engagement, commitment, job satisfaction, and intention to quit. Table 4.43 presents the model summary for corporate entrepreneurship.

Table 4.43

Model Summary for Corporate Entrepreneurship

| Model | R | R square | Adjusted R square | STD error |
|-------|------|----------|-------------------|-----------|
| 1 | .467 | .218 | .214 | 8.690 |

Predictor: Engagement, commitment, job satisfaction, and intention to quit

The above table indicates that goal setting has an adjusted square of .214, R Square of .218 and a standard error of 8.690. It can be seen that 21,8% of the variance in corporate entrepreneurship is influenced by organisational citizenship behaviour.

Table 4.44 presents the ANOVA output report on whether the model results in statistically significant prediction.

Table 4.44

ANOVA Results between the Dependent Variable and Independent Variables

| Model | Sum of squares | Df | Mean square | F | Sig. |
|------------|----------------|-----|-------------|--------|------|
| Regression | 17261.96 | 436 | 4315.49 | 57.139 | 0.00 |
| Residual | 79193.05 | 820 | 75.52 | | |

Dependent Variable: Entrepreneurial Spirit Predictor: (Constant), Intention to quit, engagement, organisational culture, and job satisfaction

The above table indicates that employee attitudes are making a significant unique contribution to the dependent variable corporate entrepreneurship with $p < .001$. Table 4.45 presents the coefficient of employee attitudes.

Table 4.45

Coefficient Measure Results for Employee Attitude

| Model | B | STD error | Beta | T | Sig. |
|---------------------|--------|-----------|-------|--------|------|
| Constant | 25.212 | 2.821 | | 16.912 | 0.00 |
| - Commitment | .375 | .076 | .209 | 4.968 | 0.00 |
| - Engagement | .106 | .037 | .113 | 2.844 | 0.05 |
| - Job satisfaction | .188 | .073 | .118 | 2.563 | 0.11 |
| - Intention to quit | -.487 | .173 | -.122 | -2.817 | 0.05 |

Dependent Variable: Entrepreneurial Spirit

Commitment ($p < .001$), engagement ($p < .05$) and intention to quit ($p < .05$) are significantly and independently predicting corporate entrepreneurship.

4.4.5 Independent variables of organisational behaviour as predictor of corporate entrepreneurship

The dimensions entered in the model for corporate entrepreneurship are: goal-setting (motivation), decision-making, leadership, power, communication, organisational culture, and performance management. Table 4.46 presents the model summary for normal linear regression for independent organisational behaviour variables and corporate entrepreneurship (dependent variable).

Table 4.46

Model Summary for all the Independent Variables of Organisational Behaviour

| Model | R | R square | Adjusted R square | STD error |
|-------|------|----------|-------------------|-----------|
| 1 | .685 | .470 | .465 | 7.090 |

Predictor: Goal-setting (motivation), decision-making, leadership, power, communication, organisational culture, and performance management

The above table indicates that all the variables: goal-setting (motivation), decision-making, leadership styles, power, communication, organisational culture, and performance management together predict organisational behaviour with an adjusted square of .465, R Square of .470, and a standard error of 7.090. It can be seen that 47% of the variance in corporate entrepreneurship is influenced by the variables in organisational behaviour. Table 4.47 presents the magnitude of the coefficient of independent variables of organisational behaviour.

Table 4.47

Coefficient Measurement Results of Independent Variables of Organisational Behaviour

| Model | B | STD error | Beta | T | Sig. |
|------------------------|--------|-----------|-------|-------|-------|
| (Constant) | 19.931 | 3.752 | | 5.312 | 0.000 |
| Communication | -.003 | .010 | -.011 | -.287 | 0.774 |
| Decision-making | -.028 | .056 | -.019 | -.504 | 0.614 |
| Leadership | .060 | .049 | .049 | 1.213 | 0.226 |
| Organisational Culture | .232 | .027 | .353 | 8.454 | 0.000 |
| Power | .040 | .035 | .040 | 1.139 | 0.255 |
| Goals-setting | .321 | .041 | .302 | 7.867 | 0.000 |
| Performance Management | .041 | .032 | .044 | 1.262 | 0.200 |

Organisation culture ($p < .001$), motivation/goal-setting ($p < .001$), performance management ($p < .02$) are significantly and independently predicting corporate entrepreneurship.

In summary, organisational culture, power, goal-setting (motivation), employee attitudes all significantly and independently predict corporate entrepreneurship. Organisational culture, motivation and goal-setting significantly and independently

predicted corporate entrepreneurship when measured as a group (communication, decision-making, leadership styles, organisational culture, power, motivation and goal-setting). Organisational culture contributes 39% of weight predicting corporate entrepreneurship (communication, decision-making, leadership styles, organisational culture, power motivation and goal-setting) with performance management 7%, and leadership styles 2%.

4.5 OBJECTIVE 4: MAKE AN INFERENCE ON WHETHER THE GROUPS OF ORGANISATIONAL BEHAVIOUR VARIABLES GROUP TOGETHER AS SUGGESTED BY LITERATURE

In this section, the results for a three and four factor analysis are presented. Principal factor analysis (FA) is a statistical technique applied to a single set of variables when the researcher is interested in discovering which variables in the set form coherent subsets that are relatively independent of one another. Variables that are correlated with one another but largely independent of other subsets of variables are combined into factors. Factors are thought to reflect underlying processes that have created the correlations among variables (Tabachnick and Fidell, 2007).

As the literature suggests a three factor solution was forced onto the data. Before progressing to analyse the factor analytical results, it is important to test for communalities. All three possible factors components had loadings higher than the required .32. This is reflected in Table 4.48.

Table 4.48

Communalities Results

| Component | Initial | Extraction |
|---|---------|------------|
| Decision-making | 1 | .510 |
| Leadership | 1 | .620 |
| Involvement (organisational culture) | 1 | .745 |
| Adaptability (organisational culture) | 1 | .742 |
| Consistency (organisational culture) | 1 | .772 |
| Mission (organisational culture) | 1 | .686 |
| Performance management | 1 | .501 |
| Expert power | 1 | .534 |
| Referent power | 1 | .568 |
| Reward power | 1 | .514 |
| Coercive power | 1 | .390 |
| Legitimate power | 1 | .469 |
| Feedback (motivation/goal-setting) | 1 | .524 |
| Stretch targets (motivation/goal-setting) | 1 | .568 |
| Agreed targets (motivation/goal-setting) | 1 | .583 |
| Clear goals (motivation/goal- setting) | 1 | .718 |

In the above table, all the independent variables, as well as their subsets, including the dependent variable scores, are above the required .30 with a sample of 862 exceeding the standard set for 150 respondents (Tabachnick and Fidell, 2007). The items do fit requirements to do a factor analysis. In deciding upon the number of factors to extract, eigenvalues are often used. The eigenvalues for this dataset are presented in Table 4.49.

Table 4.49

Total Variance Results

| Component | Initial Eigenvalues | | |
|-----------|---------------------|------------|--------------|
| | Total | % Variance | Cumulative % |
| 1 | 9.010 | 47.423 | 47.423 |
| 2 | 1.967 | 10.351 | 57.774 |
| 3 | 1.356 | 7.136 | 64.910 |
| 4 | 1.050 | 5.528 | 70.438 |
| 5 | .895 | 4.710 | 75.148 |
| 6 | .683 | 3.597 | 78.745 |
| 7 | .583 | 3.066 | 81.811 |
| 8 | .547 | 2.879 | 84.690 |
| 9 | .511 | 2.691 | 87.381 |
| 10 | .485 | 2.555 | 89.936 |

Three factors are one factor less than what could be deducted from the eigenvalue rule, selecting all factors with values larger than 1 (Tabachnick and Fidell, 2007), but a three factor solution is acceptable as a solution as Pallant (2007) suggested that the eigenvalue rule (Kaiser's criterion) is often too lenient and allows for too many factors to be identified. This solution was supported when considering the scree-plot, where the scree-plot clearly showed a break after the third factor. These three factors explain 64.9% of the variance.

The rotated method was used to better organise the loadings (Tabachnick and Fidell, 2007). The results of the factor rotated component matrix are presented in Table 4.50.

Table 4.50

Rotated Component Matrix Results

| Component | (1) | (2) | (3) |
|-------------------------------|-------|------|------|
| Decision-making | -.507 | | |
| Leadership | .555 | | |
| Involvement ^a | .804 | | |
| Consistency ^a | .848 | | |
| Adaptability ^a | .856 | | |
| Mission ^a | .796 | | |
| Performance management | .624 | | |
| Expert power ^b | | .649 | |
| Referent power ^b | | .591 | |
| Reward power ^b | | .594 | |
| Coercive power ^b | | .590 | |
| Legitimate power ^b | | .672 | |
| Feedback ^c | | | .517 |
| Stretch targets ^c | | | .753 |
| Agreed targets ^c | | | .547 |
| Clear goals ^c | | | .692 |

^a Components of Organisational Culture

^b Components of Power

^c Components of motivation/goal-setting

The values with loadings less than .05 were suppressed to enable interpretation. In the rotated component matrix factors are interpreted through their factor loadings. Loadings above .4 are strong with loadings of .32 being the minimum. Ideally, three or more items have to load on each of the components to be optimal (Pallant, 2007). This was the case for all factors.

Hereafter the factors were named. One of the most important reasons for naming a factor is for it to communicate to others. The name should encapsulate the substantive nature of the factor and enable others to grasp its meaning. The label should best reflect the substance of the variables loaded highly and near zero on a factor (Tabachnick and Fidell, 2007). Component 1 has decision-making, organisational culture, performance management and leadership style. Component 2 has power and component 3 has goal-setting. Component 1 can be labelled as

organisational level due to the organisational culture which can drive decision-making and performance management, and employs a certain style of leadership. Component 2 can be labelled individual level as power resides with an individual, and component 3 could be labelled the group level, as goals are set and achieved in a group. As stated earlier, experiments with 4 and 5 factor solutions also proved unsatisfactory.

4.6 SUMMARY

This chapter's first objective was to examine the reliability and validity of measure instruments used before the correlation, regression analysis, and factor analysis were done. The results showed that the measurement instruments were reliable and valid. Correlation between the independent variables of organisational behaviour and the dependent variable corporate entrepreneurship constituted the second objective. The third objective was to examine the predictive value of organisational behaviour variables on corporate entrepreneurship and testing the grouping of the independent variables according to literature was the last objective.

Objective 2: There was a significant and independent correlation between the measured components of organisational behaviour (communication, decision-making, leadership styles, organisational culture, power, and motivation) and corporate entrepreneurship.

There was a significant and independent correlation between the dimensions of corporate entrepreneurship (management support, work discretion, rewards and organisational boundaries) and attitudes of employees (organisational commitment, employee engagement, job satisfaction and intention to quit). When entrepreneurial spirit is present employees will commit more, engage better, have better job satisfaction and have less intention to quit.

Objective 3: The complex measure independent variables (organisational culture, power, goal-setting (motivation), employee attitudes) significantly and independently predicted corporate entrepreneurship. When measured as a group (communication, decision-making, leadership styles, organisational culture, power, motivation and goal-setting) organisational culture, motivation and goal-setting were significantly and unique in predicting corporate entrepreneurship. Organisational culture contributes 39% of weight predicting corporate entrepreneurship with performance management 7%, and leadership styles 2%.

Objective 4: The results indicated that a three-factor solution, when combining all organisational behaviour variables, provided a somewhat satisfactory explanation, but was not confirming the structure suggested in literature.

CHAPTER 5

DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

The aim of this dissertation was to provide a comprehensive view of how organisational behaviour variables influence corporate entrepreneurship. First in this chapter, the success of the sampling will be discussed, followed by a discussion of the objectives. The first objective was to test the reliability and validity of the instruments used in the study. The second objective was to explore the strength of the relationship between the independent variables of organisational behaviour and corporate entrepreneurship. The third objective was to explore the predictive ability of combinations of organisational behaviour variables on corporate entrepreneurship. The last objective was to make inferences on whether the groups of organisational behaviour variables cluster together as per literature, with specific reference to the structure of Robbins and Judge (2010). Then the conclusions and recommendations that may be drawn from the results will be presented in this chapter. Last the limitations of the study will be discussed.

5.1 DISCUSSION

With regard to the sampling a sample of 865 respondents from 17 listed and non-listed companies was taken. The organisations represented were three mining organisations, two financial institutions, and twelve government organisations. The organisation sizes reported varied from 60 to 33 000 employees, with a mean of 4 940 employees (SD = 9038 employees). The sample was dominated by males, with 55.1% male, and 44.8% female. In total, 65.3% respondents were black, 7.5% Indian, 3.2% coloured, and 23.9% white. The mean age was 38 years, with a standard deviation of 9.22. The youngest respondent was 20 years of age and the oldest 65. Employees from all organisational levels responded, with 17.5% being supervisory staff, 43% middle management, and 8.7% senior management. The mean tenure of the respondents was 4.1 years, with a standard deviation of 8.44. All respondents signed an informed consent form. This sample provided a broad representation of companies in South Africa and covered all occupational levels and

all race and gender groups. Generalisations may thus be drawn to be applicable on a wide range of companies.

Statistical analysis was done only where the sample size permitted such calculations. In this respect the guidelines set by Cooper and Schindler (2003), Hair et al. (2006), and McCall (1982) were used. In all cases the assumptions underlying calculating the statistics were honoured. This suggests that rigour was applied when doing calculations.

With regard to Objective 1, to test the reliability and validity of the instruments used in this study. The discussion will be done per instrument. The following minimum standards were set in this analysis. As a benchmark a Cronbach Alpha coefficient of .70 was set (Cooper and Schindler, 2003). When factor analyses were done, factors loadings of less than .50 were suppressed (Cooper and Schindler, 2003). For measures of concurrent validity, statistically significant correlations ($p < .01$) and correlations with a medium effect ($r > .3$) were deemed as being indicative of concurrent validity (Pallant, 2007). The purpose of testing the reliability and validity was to ensure confidence in the results of the analyses that followed.

- The Corporate Entrepreneurship Assessment Instrument (CEAI) Hornsby et al. (2002) was used to measure corporate entrepreneurship. The instrument measures five constructs, namely management support, work discretion, rewards, time availability, and organisational boundaries. The reliability score was .810, which is above the required value of .70. When the factor analyses were done, all items loaded as expected, with values for the loading more than .50. This suggests factorial validity. The correlation between corporate entrepreneurship and organisational commitment was .409, employee engagement .349, job satisfaction .386, and intention to quit was -.382. All these correlations were significant at levels lower than .05 and had a medium effect ($r > .3$). These concurrent validity results affirmed that the construct measured with the CEAI (corporate entrepreneurship) related to other constructs in a manner that could be expected, and which concurred with present literature and logic. Based on these results, the CEAI could be used with confidence in this study.

- The measure of communication is based on the seminal work done in this regard by Downs and Hazen (1977). The Communication Satisfaction Questionnaire (CSQ) was developed for this study, relying strongly on and borrowing from the work of the aforementioned authors. The reliability score was .731, which is above the required value of .70. When the factor analyses were done, all items loaded as expected, with values for the loading more than .50. This suggests factorial validity. The correlation between communication and organisational commitment was .459, employee engagement .405, job satisfaction .530, and intention to quit was -.433. All these correlations were significant at levels lower than .05 and had a medium effect ($r > .3$). These concurrent validity results affirmed that CSQ related to other constructs in a manner that could be expected, and concurred with present literature and logic. Based on these results the CSQ could be used with confidence in this study.

- The measure of decision-making was based on the Vroom-Jago participation decision-making model. The model identified five different styles, namely autocratic type 1 and 2, consultative type 1 and 2, and group-based type 2. The reliability score was .731, which was above the required value of .70. When the factor analyses were done, all items loaded as expected, with 66 percent (3/5) values for the loading being more than .50. This suggested factorial validity. The correlation between decision-making and organisational commitment was .459, employee engagement .405, job satisfaction .530, and intention to quit was -.433. All these correlations were significant at levels lower than .05 and had a medium effect ($r > .3$). These concurrent validity results affirmed that the Vroom-Jago Model relates to other constructs in a manner that could be expected, and which concurred with present literature and logic. The results support the use of the test based on the Vroom-Jago Model and it could be used with confidence in this study.

- The measure of leadership styles is based on the work done by Bass (1985). The transformational leadership part of the Multiple Leadership Questionnaire (MLQ 5X), as developed by Bass (1985) was used in the study. The reliability score was .870, which is above the required value of .70. When the factor analyses were done, 7 of the 9 items loaded for values more than .50. This

suggests factorial validity. The correlation between leadership styles and organisational commitment was .459, employee engagement .329, job satisfaction .438, and intention to quit was -.360. All these correlations were significant at levels lower than .05 and had a medium effect ($r > .3$). These concurrent validity results affirmed that MLQ 5X related to other constructs in a manner that could be expected, and concurred with present literature and logic. Based on these results the transformational leadership part MLQ 5X could be used with confidence in this study.

- The measure of performance management is based on the work of Swanepoel et al. (2008) description of effective performance appraisals. The “quality of performance appraisal system” questionnaire developed by Steyn (2010) was used in this study. The reliability score was .882, which is above the required value of .70. When the factor analyses were done, 16 of the 18 items loaded with values more than .50. This suggests factorial validity. The correlation between organisational culture and organisational commitment was .337, employee engagement .263, job satisfaction .414, and intention to quit was -.328. All, with the exception of engagement correlations, were significant at levels lower than .05 and had a medium effect ($r > .3$) on three of the four employee attitudes. These concurrent validity results affirmed that the appraisal system relates to other constructs in a manner that could be expected, and concurred with present literature and logic. Based on these results the appraisal system could be used with confidence in this study.
- The measure of organisational culture is based on work done by Denison (1990). The Denison Organisational Culture Survey (DOCS) developed by them was used in this study. The reliability score was .936, which is above the required value of .70. When the factor analyses were done, the subscale involvement loaded 6 out of 6 possible times, mission loaded 6 out of 6 possible times, consistency loaded 5 out of 6 possible times, and adaptability loaded 4 out of 6 possible times, with values more than .50. This suggests factorial validity for most of the items. The correlation between organisational culture and organisational commitment was .497, employee engagement .393, job satisfaction .483, and intention to quit was -.419. All these correlations were significant at levels lower than .05 and had a medium effect

($r > .3$). These concurrent validity results affirmed that DOCS relates to other constructs in a manner that could be expected, and concurred with present literature and logic. Based on all the above mentioned results the DOCS model could be used with confidence in this study.

- The measure of power is based on the work done by French and Raven (Hinkin and Schriesheim, 1989). The French-Raven (1959) model developed by them and used in their study consists of 5 factors, namely coercive power, reward power, legitimate power, referent power, and expert power. The total reliability score was .832, which is above the required value of .70. When the factor analyses were done, the subscales for/of referent power loaded 4 out of 4 possible times, reward power loaded 4 out of 4 possible times, expert power loaded 4 out of 4 possible times, coercive and legitimate power loaded 3 out of 4 possible times with values more than .50. This suggests factorial validity for most of the items. The correlation between communication and organisational commitment was .403, employee engagement .326, job satisfaction .399, and intention to quit was -.385. All these correlations were significant at levels lower than .05 and had a medium effect ($r > .3$). These concurrent validity results affirmed that French-Raven model relates to other constructs in a manner that could be expected, and concurred with present literature and logic. Based on all abovementioned results the French-Raven model could be used with confidence in this study.
- The motivation theory of Locke (1968) states that employees are motivated by clear goals and appropriate feedback. The theory suggests that effective motivation/goal-setting consists of four elements, namely goals must be specified and clear, should be difficult and stretching, regular feedback, and the targets should be agreed upon. The measure known as “Toward a Theory Motivation and Incentive” (Locke, 1968) was used in the study. The total reliability score was .824, which is above the required value of .70. When the factor analyses were done, feedback loaded 3 out of 3 possible times, stretch targets loaded 3 out of 4 possible times, agreed targets loaded 3 out of 6 possible times and clear goals loaded 4 out of 5 possible times with values more than .50. This suggests factorial validity for most of the items. The correlation between motivation/goal-setting and organisational commitment

was .442, employee engagement .372, job satisfaction .500, and intention to quit was -.390. All these correlations were significant at levels lower than .05 and had a medium effect ($r > .3$). These concurrent validity results affirmed that “Toward a Theory Motivation and Incentive” by Locke (1968) relates to other constructs in such a manner that it could be expected and concurred with present literature and logic. Based on the abovementioned results Locke’s (1968) “Toward a Theory Motivation and Incentive” could be used with confidence in this study.

In conclusion, the dependent variable, corporate entrepreneurship, as well as all the independent variables, communication, decision-making, leadership styles, performance management, organisational culture, power and motivation/goal-setting measures were all reliable and valid and therefore could be used with confidence in this study.

With regard to Objective 2, the strength of the relationship between organisational behaviour components and corporate entrepreneurship were tested. With Objective 2 the relationship between distinct components of organisational behaviour and corporate entrepreneurship, and its components, were tested (to achieve this, the correlation approach was used). This is in contrast to Objective 3, where the strength of the relationship between the combinations of components of organisational behaviour and corporate entrepreneurship and its components was tested. (To achieve the latter a regression approach was used). The following minimum standards were set in this analysis. As a benchmark the strength of relationship was set as follows: $r = .10$ to $.29$ (small), $r = .30$ to $.49$ (medium) and $r = .50$ to 1.0 (large). The significant correlation (with $p < .05$) and correlation medium effect ($r > .3$) were used in the analysis of the data (Pallant, 2007).

- There was a significant ($p < .001$) and strong ($r = .429$) correlation between organisational culture (total score) and corporate entrepreneurship. Thus, when there is a positive organisational culture in an organisation the corporate entrepreneurship would increase. All the subcomponents also correlated significantly with corporate entrepreneurship, namely involvement ($r = .589$; p

< .001), adaptability ($r = .522$; $p < .001$), mission ($r = .525$; $p < .001$), and consistency ($r = .543$; $p < .001$). The effect was in all the cases large. The results of this study is in line with the findings of Shepherd et al. (2009) who suggested that the manager is influenced by the organisational culture and the manager then influence the rest of the employees with his/her understanding of the organisational culture.

- There was a significant ($p < .001$) and strong ($r = .504$) correlation between performance management (single construct) and corporate entrepreneurship. When effective performance measures are in place corporate entrepreneurship would increase. The findings in this study is in line with Robbins and Judge (2010) who suggest that performance appraisals are necessary to ensure an increase in performance, thereby ensuring that a business is sustainable.
- There was a significant ($p < .001$) strong ($r = .495$) correlation between communication (single construct) and corporate entrepreneurship. This result suggests that when communication improves in an organisation, the corporate entrepreneurship (in general) would increase. The results of this study is in line with Ulvenblad (2008) who found that communication skills are important as the manager needs these skills to communicate the vision of the entrepreneurial business to their various stakeholders. The study also found that entrepreneurs, who are learning to focus on their communication in the start-up phase on their businesses, are more successful. Entrepreneurs, who showed the highest growth in terms of employees and financial measures, were those who asked the most questions, listened and acted upon the response received.
- There was a significant ($p < .001$) and strong ($r = .497$) correlation between leadership styles, or more specifically transformational leadership (single construct), and corporate entrepreneurship. When more transformational leadership is present in an organisation corporate entrepreneurship would increase. The results are in line with the findings of Visser et al. (2004) who found a clear relationship between entrepreneurship and transformational

leadership. Todorovic and Schlosser (2007) also showed that leadership styles have an influence on a firm's entrepreneurial orientation.

- When expert, referent and reward power improve in an organisation the corporate entrepreneurship would increase. These subcomponents correlated significantly with corporate entrepreneurship (expert power $r = .306$, $p < .001$; referent power $r = .421$, $p < .001$; reward power, $r = .384$; $p < .001$) while this was not the case with coercive power and legitimate power ($r = .080$; $p < .020$ and $r = .156$; $p < .001$). This is in line with the general findings of McClelland (1975) who found that managers are much more effective when they can utilize power and influence.
- There was a significant ($p < .001$) and strong ($r = .618$) correlation between goal-setting (total score) and corporate entrepreneurship. When proper goals are set in an organisation corporate entrepreneurship would increase. Most of the subcomponents correlated significantly and strongly with corporate entrepreneurship, namely feedback ($r = .494$; $p < .001$), agreed targets ($r = .514$; $p < .001$), clear goals ($r = .558$; $p < .001$). Only stretch ($r = .262$; $p < .001$) did not have a strong correlation. The findings of Morris et al. (2011) are in line with the results of this study. They found that motivation plays an important role in determining entrepreneurial behaviour. Hollyforde and Widdett (2003) also suggest that, in general, a clear and challenging goal will lead to higher levels of productivity as people management specifically has to do with performance against goals.
- There was a significant ($p < .001$) and strong ($r = -.468$) negative correlation between decision-making (single construct) and corporate entrepreneurship. The negative relation indicates that when employees are not included in decision-making corporate entrepreneurship would decrease. This is in line with Buchholz and Rosenthal (2005) who suggests that entrepreneurship is about change, about dealing with novel situation, about an activity that involves an approach of unifying entrepreneurship and decision-making. Holt et al. (2007) also found that entrepreneurs may develop effective coping strategies in the short run to overcome the limitations of their prefer style however, those that cannot adopt rather sell their businesses.

Considering the aforementioned results, it is evident that corporate entrepreneurship would increase when effective communication, shared decision-making, transformational leadership, positive organisational culture, active performance management, effective goal setting and reward system are present. Further, all the subsets of organisational culture: involvement, adaptability, mission and consistency have a strong correlation with corporate entrepreneurship. The subsets of power namely: expert, referent and reward power, have a strong correlation with corporate entrepreneurship. For goal-setting feedback, agreed, and clear targets as subsets have a strong correlation with corporate entrepreneurship.

It is notable to highlight the association between corporate entrepreneurship and attitudes of employees. This can be read in the data discussed under Objective 1. Thus, when entrepreneurial spirit (management support, work discretion, rewards, and time availability) is present in an organisation the attitudes of employees (organisational commitment, engagement, job satisfaction, and less intention to quit) would be affected positively.

Objective 3 was to test the predictive ability of the combinations of components of organisational behaviour on corporate entrepreneurship (as previously stated a regression approach was used to achieve this objective). The following minimum standards were set in this analysis. A significant correlation (with $p < .05$) and correlation medium effect ($r > .3$) were used in the analysis of the data (Pallant, 2007). With regard to the general model, relationship was discussed with the aforementioned as guideline. Focus was also placed on the independent variables that contributed most to the dependent variable, and thus the highest beta will be reported.

- The combined subcomponents of organisational culture, explained 40% of the variance in corporate entrepreneurship. This suggests a medium effect. In considering which of the subcomponents contributed significantly and uniquely to corporate entrepreneurship, it was evident that involvement (beta = .323, $p < .001$) contributed to the largest extent. The contributions of adaptability, mission and consistency (beta = .136, $p < .01$; beta = .133, $p <$

.01; $\beta = .130$, $p = .04$) contributed to a lesser extent. All these effects were significant. Involvement as the most important driver for corporate entrepreneurship means that the involvement of employees (which includes elements such as team orientation and developing the capabilities of the employees; Denison, 1990) has a significant effect on corporate entrepreneurship. As the loading of adaptability, mission and consistency were below the set values it was deemed not to be significant to this study.

- The combined subcomponent of goal setting, explained 37% of the variance corporate entrepreneurship. This is a medium effect. When considering which of the subcomponents contributed significantly and uniquely to corporate entrepreneurship, it was evident that clear goal setting ($\beta = .372$, $p < .001$) contributed the most, followed by agreed targets ($\beta = .282$, $p < .001$), with feedback ($\beta = .206$, $p < .001$) being the third contributor, with stretch targets, not being a contributor ($\beta = .055$, $p = .63$).
- The combined subcomponents of power, explained 22% of the variance in corporate entrepreneurship. This suggests a small effect. When considering which of the subcomponents contributed significantly and uniquely to corporate entrepreneurship, it was evident that referent power ($\beta = .260$, $p < .001$) and reward power ($\beta = .242$, $p < .001$) contributed uniquely and significantly, while the contribution of expert ($\beta = .066$, $p = .890$), coercive ($\beta = .010$, $p = .753$), and legitimate power ($\beta = -.011$, $p = .756$) was not significant. Referent power is the influence a person has over others, acquired from being well liked or respected by them followed by reward power (empowerment, team orientation and develop capabilities. Reward power is the opposite of coercive power. It can be noted that not a single form of power had a significant effect on nurturing corporate entrepreneurship (Robbins and Judge, 2010).

These results indicated that specific organisational behaviour subcomponents influence corporate entrepreneurship independently and separately. Starting off with the constructs in general, organisational culture declares variance in corporate entrepreneurship the most (40%), followed by goal setting (37%), and then power

(22%). Considering the subcomponents of organisational behaviour involvement (organisational culture) and clear goal-setting (goal-setting) have the biggest impact on corporate entrepreneurship.

The combined components of organisational behaviour (communication, decision-making, leadership, organisational culture, power, performance management, and goal-setting) explained 48% of the variances in corporate entrepreneurship. In this analysis all the independent variables were included as predictors. The size of the declared variance suggests a medium effect. When considering which of the components contributed significantly and uniquely to corporate entrepreneurship, it is evident that organisational culture (the same as tested individually) influences corporate entrepreneurship the most ($\beta = .353$, $p < .001$), followed by goal setting ($\beta = .302$, $p < .001$). Although the effect of performance management is small ($\beta = .044$), it is significant ($p < .001$). Leadership styles (transformational leadership) ($\beta = .049$, $p = .226$), power ($\beta = .040$, $p = .255$), decision-making ($\beta = -.019$, $p = .614$) and communication ($\beta = -.011$, $p = .774$) do not contribute significantly and uniquely to corporate entrepreneurship.

When all the independent variables of organisational behaviour are grouped and tested together organisational culture, goal-setting, and performance management contribute significantly and uniquely to the variance in corporate entrepreneurship.

Objective 4 was to make an inference on whether the distinct components of organisational behaviour are grouped as per literature. The literature referred to was primarily based on the work of Robbins and Judge (2010) in his book, *Organisational Behaviour*. The first group of components is called the individual level, the second group is called the group level, and the last group is called the organisational level. The components in the first level are decision-making, stress, and goal-setting/motivation. On this level decision-making and goals-setting were tested. The components in the second level are team, power, leadership, conflict, and communication. The tested components in this level were power, leadership styles, and communication. The third level components are organisational design, organisation structure, organisational culture and human resource policies, including performance management. The tested components in this level were organisational

culture and performance management. To test if the groupings of the independent variables are the same in this dataset as suggested in the literature the factor analysis technique was applied. Factor analysis was performed with the set of organisational behaviour variables (communication, decision-making, leadership, organisational culture, power, performance management, and goal-setting/motivation) to test which variables form coherent subsets and are independent of one another.

As the literature suggests, a three factor solution was forced onto the data. Three factors are one factor less than what could be deducted from the eigenvalue rule (Tabachnick and Fidell, 2007), but acceptable as a solution as Pallant (2007) suggested that the eigenvalue rule is often too lenient and allows for too many factors to be identified. The values with loadings less than .05 were suppressed. All the components had loadings higher than the required .32. These three factors explained 64.9% of the variance.

In the study, the three factor solution provided a satisfactory solution. Component 1 included organisational culture and performance management, which is in line with the literature on organisation level variables. However, Component 1 also includes leadership styles (group level variables) and decision-making (individual level variable), grouped incorrectly under this factor. Component 2 has power (group level variables) and component 3 has goal-setting/motivation (individual level variable), which is in line with the literature, at least being separate from each other. Component 1 can be labelled as organisational level due to the organisational culture, which can drive decision-making and performance management and allow for the employment of a certain style of leadership. Component 2 can be labelled individual level as power resides with an individual, and Component 3 could be labelled the group level, as goals are set and achieved in a group. The results indicated that when data were forced into a solution based on the literature, no satisfactory solution could be found.

5.2 CONCLUSIONS AND RECOMMENDATIONS

The conclusions and recommendations of the study are presented by answering the research questions in Chapter 1, using the findings from objectives in Chapter 4, and the aforementioned discussion in this chapter.

The general objective of the study: How organisational behaviour variables influence corporate entrepreneurship? This was covered by answering question 2 and question 3 in the below paragraphs.

Question 1: What are the reliability and validity of the measures available to use to measure the dependent and independent variables in this study? This question was answered by Objective 1. The corporate entrepreneurship, communication, decision-making, leadership styles, performance management, organisational culture, power and motivation/goal-setting measures were all reliable and valid and, therefore, could be used with confidence in this study. Therefore, the results could be trusted. It is also recommended that these instruments be used with confidence in the South African setting.

Question 2: What is the nature of the relationship between the independent variables of organisational behaviour and the dependent variable corporate entrepreneurship? This question was answered by Objective 2. Considering the aforementioned results it was found that effective goal-setting correlates most with corporate entrepreneurship. Managers could thus invest in proper goal-setting as a priority when they intend to facilitate corporate entrepreneurship in their organisations. Chapter 2 refers to goal-setting as an important organisational behaviour component to ensure that managers set clear and challenging goals. From the correlational analysis it is evident that three of the four components, namely clear goals, agreed targets and feedback correlate strongly with corporate entrepreneurship. Stretch did not correlate with corporate entrepreneurship. Goal-setting for managers involves the understanding of what people are striving towards which yield higher levels of performance once they have specific goals (Robbins and Judge, 2010).

Based on the work done by Hollyforde and Whiddett (2003) as well as the results of this study suggestions are made to managers on agreed targets, clear goals, and feedback to influence corporate entrepreneurship.

Suggestions to managers to manage agreed targets are:

- Managers should ensure that the objectives are achievable and fair, as it is unlikely that an employee will agree to it otherwise;
- Managers should ensure that individuals feel that they are working towards something that is desirable and worthwhile, as meaningful work will most likely attract support, compared to insignificant tasks;
- Managers should not let their own preference dictate the objectives of their team members. Employees' personal values and goals are not necessarily the same as that of managers.

Suggestions for managers to manage clear goals:

- Managers should ensure that objectives are clear and understood;
- Managers should ensure that goals clearly indicate what are short term and long term objectives. This will focus the employees on the present and the future;
- Managers should ensure that the link between the objectives and rewards are clear.

Suggestions for managers to manage feedback:

- Managers should ensure that feedback is not perceived as controlling;
- Managers should, during feedback, focus on the progress made to achieve the agreed objectives.

As the correlation with stretch was not significant, attention should perhaps not focus on this area. It may even suggest that aggressive goal-setting may discourage corporate entrepreneurship. A suggestion by Daft (2010) as to set goals that are challenging enough that the group has a 50/50 chance of achieving it.

The next important variable in fostering corporate entrepreneurship may be performance management. Considering the aforementioned results, performance management correlates the second most with corporate entrepreneurship. Managers could invest in performance management when they intend to facilitate corporate entrepreneurship in their organisations. Managers can have a significant impact on the motivation as well as the possible demotivation of their staff, as explained in Chapter 2. To positively motivate staff managers should maintain effective performance management on a day-to-day, interim and annual basis, aligning objectives with actual performance by using appraisal systems. Grobler, Warnich, Carrell, Elbert, and Hatfield (2011) suggested that manager's use the suggestions mentioned here below to understand and guide them in managing employees in their organisations:

- Managers own the performance management system and are driven from the top;
- Managers should understand and accept the need to measure performance at all levels in a consistent way;
- Managers should accept that the performance management processes that have been defined are needed in their organisation;
- Managers should have the skills and knowledge to manage their subordinates according to the performance management process;
- The way managers manage the consequences and rewards reinforces this process in a consistent way;
- Managers should ensure that there is no other performance management system in place;
- Managers should ensure that the whole process is transparent and can be openly challenged and defended;
- Each team should develop measurable unit targets for the current planning period that reflects their contribution to implementing the short and long term strategy of the business;

- Managers should ensure that all performance targets that are set add significant value to the business and are stretching, yet achievable;
- Managers should allocate all their targets between themselves and their team members, appropriately to and in accordance with the jobs they are doing;
- Managers should negotiate with each team member specific, measurable, and stretching performance targets to which both parties are committed;
- Managers should ensure that each team member sees the target he/she personally accepted as contributing to his/her unit's performance targets;
- Managers should ensure that team members agree to the rewards they receive for achieving their goals;
- Managers should regularly review both unit and individual performance with those concerned;
- Managers should formally evaluate the performance management system once a year.

Managers could use these practices when they want to influence corporate entrepreneurship with performance management.

The third next most important variables in fostering corporate entrepreneurship are leadership styles or more specifically transformational leadership. The aforementioned results showed a strong correlation between transformational leadership and corporate entrepreneurship. Therefore, managers could invest in transformational leadership when they intend to facilitate corporate entrepreneurship in their organisations. Theory suggests that leadership is needed in an organisation to influence and direct the activities of followers towards goal achievement (Robbins and Judge, 2010). Transformational leadership as described in Chapter 2 is characterised by the way followers feel, trust, admiration, loyalty, and respect toward a leader, and they are motivated to do more than they originally expected to do. Transformational leadership style has the most positive effect on employees and is seen as the most preferred style in modern organisations. Managers who would like to be more transformational should focus on the following behaviour suggested by

Yukl (2010):

- Managers should articulate a clear and appealing vision;
- Managers should explain how the vision can be attained;
- Managers should act confidently and optimistically;
- Managers should express confidence in followers;
- Managers should use dramatic, symbolic actions to emphasise key values;
- Managers should lead by example;
- Managers should empower people to achieve the vision.

Managers could effectively influence corporate entrepreneurship if they exercise these transformational leadership practices, as the two constructs correlate.

Communication is the fourth most important variable in fostering corporate entrepreneurship. The results showed a strong correlation between communication and corporate entrepreneurship which could be used to facilitate corporate entrepreneurship in organisations. A business cannot exist as a social entity if there is no communication and interaction. Referring to Chapter 2 communication is the fundamental aspect of any interaction among individuals and groups being used as a vehicle to clarify expectations and coordinate work. This allows individuals to achieve organisational goals more effectively. For managers who wish to make motivation a key outcome of their communication strategy, messages should be designed in such a way as to maximise motivation, or at least minimise demotivation. Hollyforde and Whiddett (2003) suggest the following practices to managers in order to manage an effective communication strategy:

- Managers should ensure that communication is clear and easy to understand;
- Managers should reinforce the message through the chosen and alternative mediums;
- Managers should relay honest messages about the cause of an event;

- Managers should vary the way in which communication is given to ensure that the receivers do not lose concentration;
- When managers use informal messaging it should be separated from anything that may seem controlling;
- Managers should tailor the generic communication in such a way that it suits the audience.

Managers could use effective communication to influence corporate entrepreneurship if they focus on these practices.

The fifth most important variable in fostering corporate entrepreneurship could be shared decision-making. The aforementioned results showed a strong correlation between shared decision-making and corporate entrepreneurship which could be used to facilitate corporate entrepreneurship in their organisations. Shared decision-making is a mundane everyday activity in an organisation done by a group or an individual within the organisation. It is a conscious process of making choices among alternatives with the intention of moving toward some desired state of affairs. Managers should focus on individual and group shared decision-making to influence organisational behaviour (Robbins and Judge, 2010). Referring to Chapter 2, the results are in line with theory as all the work that has been studied indicated that decision-making is important to ensure an effective organisation.

Johnson and Johnson (2009) and Daft (2010) suggest that managers implement the following criteria to enhance effective group decision-making:

- Managers should try to align the size between the functional and the actual group as close as possible to increase effectiveness as decisions become more difficult as groups get bigger;
- Managers should ensure that members see their efforts as essential to the group's success;
- Managers should try to keep the group structure uncomplicated as decisions become more difficult as structures become more complex;

- Managers should try to get more members to identify themselves with the group to make the group more effective,
- Managers should try to encourage members to follow the norms of the group to make the group more effective;
- Managers should use managerial, administrative, and persuasive abilities and give direction to ensure that the decision is carried out,
- Managers should ensure that the time of the group is well spent;;
- Managers should ensure that decision is correct and of a high quality;
- Managers should implement the decision by all the required group members;;
- Managers should ensure that the problem solving ability of the group is improved.

Robbins and Judge (2010) furthermore suggest that managers should always be aware of their own biases to minimise the impact thereof on the group and to ensure proper decision-making. Managers can improve decision-making in their organisations and influence corporate entrepreneurship if they focus on these practices.

Organisational culture could be the sixth most important variable in fostering corporate entrepreneurship. The results of this study showed a strong correlation between organisational culture and corporate entrepreneurship which could be used to facilitate corporate entrepreneurship in organisations. From the correlational analysis it is evident that all four components correlate strongly with corporate entrepreneurship. As described in Chapter 2 organisational culture is the set of values, assumptions, beliefs, and sense making procedures that influence and guide the behaviour of employees. These behaviours are encapsulated in the organisational culture which guides the thinking in an organisation. Robbins and Judge (2010) explain organisational culture as the intervening variable to form an overall subjective perception of the organisation that becomes the culture. Managers could use the below mentioned suggestions by Robbins and Judge (2010) to

influence organisational culture using involvement, consistency, adaptability, and mission. Robbins et al. (2010) identified some suggestions to managers to manage organisational culture supported by Denison and Mishra (1995) who concurred with the four traits of organisational culture as predictors of effectiveness in organisations.

Managers could create involvement by understanding that socialising has an effect on employee performance, as it guides employees on how things get done in the organisation. Proper socialisation may be a first step to involvement. Also, if managers confront the possible dichotomy between employee expectations and the job, co-workers, the boss and the organisation in general, they will improve the involvement of the employees.

Managers could manage consistency by focusing on the following:

- Managers have to understand it is difficult to change strong cultures, and that employees function well if they understand it;
- Managers should try to minimise ambiguities by creating and disseminating an organisational code of ethics which should state the company's values;
- Kondra and Hurst (2008) suggest that managers should become aware of elements that can distort or create an incomplete understanding of culture and resistance to successfully manage it.

Managers could foster adaptability by ensuring that they hire employees who fit the organisational culture as employee 'misfits' results in high staff turnover. Managers could also implement mechanisms where employees can discuss ethical dilemmas and report unethical behaviour without fear. This may contribute to fostering adaptability in the organisation. Managers could create mission in the following ways:

- Managers should understand that the overall perception of the organisation affects the employee's performance negatively or positively;

- Managers should create a mission that enables an ethical and a positive organisational culture. Employees will align to this;
- Kundu (2010) prompted managers to use the organisational culture to nurture the mission and the set of objectives of the organisation, and that such a culture sustain the organisation in the long run.

Managers could use these practices to affect organisational culture to influence corporate entrepreneurship.

The least important variable in fostering corporate entrepreneurship may be power. The aforementioned results show a strong correlation between organisational culture and power which could be used to facilitate corporate entrepreneurship in organisations. From the correlational analysis it is evident that three of the six components correlate strongly with corporate entrepreneurship, namely reward, referent and expert power. Power as a concept is the ability to influence others to do what you want them to do by changing their behaviours. When individual powers are combined, the power of a group starts to increase as they collide. Coalition is influenced by the size of the group and interdependence of the group. Coalition happens when an informal group binds together by the active pursuit of a single issue (Robbins and Judge, 2010). As was indicated in Chapter 2 managers cannot function without power and be successful. Hollyforde and Widdett (2003) indicate that managers could use rewards, referent and expert power to influence corporate entrepreneurship in their organisations.

Managers could implement the following to improve the effects of reward power in the organisation.

- Managers should implement a reward system that focuses on motivation, thus focusing/rewarding things that are significant to the employee;
- Managers should ensure that reward systems are fair to all who are part of the system;
- Managers should implement reward systems that are perceived as realistic and achievable.

Managers could develop specific (scarce) skills to increase their expert power in their organisations.

Managers could use the following suggestions for referent power based on the identification with a person who has desirable resources or personal traits:

- Managers should understand the power of their superiors;
- Managers should be aware of the politics in an organisation. The more politically astute they are the better they will manage perception.

This research has indicated that legitimate and coercive power do not correlate with corporate entrepreneurship; therefore managers should perhaps not focus on fear and, formal control (Robbins and Judge, 2010) if they want to encourage corporate entrepreneurship.

Managers could influence corporate entrepreneurship in their organisations if they focus on reward, referent and expert power.

Question 3: How do combinations of organisational behaviour variables influence corporate entrepreneurship? This question was answered by Objective 3. This question was answered by looking at the components with subcomponents as well as all the independent variables together.

The organisational culture variables combined shared the most variance with corporate entrepreneurship and all the components contributed significantly and uniquely to the declared variance. This result reiterated the importance of organisational culture and suggested that all aspects are important to foster corporate entrepreneurship. Suggestions to create a positive organisational culture were discussed under question 2.

The goal-setting variables combined shared the second most variance with corporate entrepreneurship and three of the subcomponents' components contributed significantly and uniquely to the declared variance. As with Objective 2, stretched targets did not contribute significantly and uniquely to the declared variance. Managers are advised to follow the recommendations made in this regard

in question 2.

Power variables combined shared third most variance with corporate entrepreneurship with two of the five subcomponents and contributed significantly and uniquely to the declared variance. As with Objective 2 coercive and legitimate power did not contribute significantly and uniquely to the declared variance. Expert power in this result did not have a significant declared variance. However, it had a strong correlation with corporate entrepreneurship in Objective 2. Managers are advised to follow the recommendations made in this regard in question 2.

When combining all the independent variables (motivation, decision-making, leadership styles, power, communication, performance management, and organisational culture) it explains 46.5% of the variance in corporate entrepreneurship. In this analysis only organisational culture and goal-setting contributed significantly and uniquely to the declared variance. In this case corporate culture seems to be a stronger predictor than goal-setting. This again suggests the importance of corporate culture, but also of goal-setting. This emphasises the importance of these matters as well as the fact that managers should focus on these when they want to influence individuals towards corporate entrepreneurship.

Question 4: Is the conventional grouping of organisational behaviour variables in individual level, group level and organisational level consistent with the empirical evidence found in this study? This question was answered by Objective 4. The results indicated that if the data were forced into a solution based on the literature, no satisfactory solution could be found. Four and 5 factor solutions also proved unsatisfactory. It is therefore impossible to support Robbins and Judge's (2010) structural design and further research in this regard is recommended.

5.3 CONTRIBUTION TO BODY OF KNOWLEDGE

The study showed a strong correlation between the variables of organisational behaviour (decision making, motivation, leadership styles, communication, power, performance management, and organisational culture) and corporate entrepreneurship. Management can use the results of the study to guide them in

managing entrepreneurship within their organisations.

It should be acknowledged that organisational culture and decision making proved to be the most influential contributors to influence corporate entrepreneurship.

The measure instruments were tested for reliability and validity, and were found to be adequate, and could be used for future studies, with similar samples.

The results can be used for listed and non-listed companies as the study covered 12 non-listed and 5 listed companies.

5.4 LIMITATIONS

The limitations of this study are mentioned below with recommendations on these limitations in the following section.

The first refers to literacy. Fluency in a language might have been a problem as the respondents were of different language and cultural groups. English was, with a fair degree of certainty, not their first language. In South Africa English is the fourth largest language reported as a mother tongue. Some respondents might have misunderstood some questions.

With regards to the fit of the factorial model, it is also possible that the measures used were not perfect representations of the constructs as set out in the used literature. This is, however, not a serious concern as all measures of the independent variables were fairly well aligned to the concepts as defined by Robbins and Judge (2010).

The sample was taken in 17 listed and unlisted companies. This may limit generalisations made from these results. However, random samples were drawn within companies and a wide range of companies was included in the study. All organisational levels were covered during sampling.

No results on structural equation modelling are reported. Although an assessment

and a model fit procedure were performed, no convergence results were achieved. The confirmatory factor analysis which was performed as part of this process was however satisfactory.

This was a cross-sectional analysis and recommendations are made about possible interventions that may affect corporate entrepreneurship. An experimental design or a quasi-experimental design may have provided more telling evidence on which practices affect corporate entrepreneurship in organisations.

5.5 FUTURE SUGGESTIONS

Future studies could include more of the organisational behaviour variables suggested by Robbins and Judge (2010). These variables are: organisational design, organisational structure, team, conflict, and stress. This would however require, in some cases, the development of instruments to measure these constructs.

An understanding of how different demographic groups, in particular different individuals, are affected by organisational characteristics needs to be researched. This may be fruitful as it may lead to direct the interventions and limiting cost. Research in this regard is suggested.

As was pointed out here above, language fluency may have been a problem as the respondents were of different language and cultural groups and therefore translation or one to one interviews could be recommended for future research.

The sample was taken in 17 listed and unlisted companies from different sectors. A large sample in a specific sector could produce interesting results.

No satisfactory results using structural equation modelling were found. Alternative, more sophisticated statistical packages could produce more positive results.

This was a cross-sectional analysis to determine the possible interventions that may affect corporate entrepreneurship. The suggestion is to use an experimental design,

or a quasi-experimental design testing the influence of organisational behaviour components on corporate entrepreneurship.

Notwithstanding the constraints and limitations the study succeeded in meeting its objections and through the recommendations can possible contribute more to this field of study.

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MEASUREMENT QUESTIONNAIRES

Human resources management practices and attitudinal outcomes

CONSENT TO PARTICIPATE IN RESEARCH

You are invited to participate in a research study conducted by several MBL students and Prof Renier Steyn (PhD, DLitt et Phil), from the University of South Africa. This research forms part of my studies towards a master's degree in business leadership.

Please read the following and decide whether you are interested in participating in the study. You will be included in this study only if you are willing to participate voluntarily.

PURPOSE OF THE STUDY

The purpose of this study is to investigate the influence of human resources management practices on attitudinal workplace outcomes. This kind of research is important as it will lead to the identification of the specific practices that influence attitudes, and this may result in allocating resources to the areas where they will have the greatest positive impact.

CONFIDENTIALITY

Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your

permission or as required by legislation (The Mental Health Care Act, Act 17 of 2002). Confidentiality is not a concern in this research as the tests will be answered anonymously and individual identifiers will not be requested. The data will be destroyed on completion of the study.

PROCEDURES

Should you volunteer to participate in this study, we would like you to complete 13 questionnaires. In total they consist of 183 questions, and contain questions on human resources management practices and workplace attitudes. The duration of the session is approximately 90 minutes. Your participation will involve the completion of the questionnaires and nothing more. You are free to refuse to answer any questions or to withdraw from the process at any stage.

POTENTIAL RISKS AND DISCOMFORTS

There are no foreseeable physical or psychological risks involved in participation. You will be mildly inconvenienced by the time it takes to complete the questionnaires (30 minutes). If you would like to discuss the

research and your reactions to the questionnaires, you are welcome to do so after the session.

POTENTIAL BENEFITS TO SUBJECTS AND/OR TO SOCIETY

You will not benefit directly from your participation in the research. The results of the research will, however, be of scientific and practical value in understanding how people react to current human resources management practices. The research results may improve the quality or change the emphasis of human resources management practices, and through association improve work attitudes and performance.

PAYMENT FOR PARTICIPATION

You will receive no payment for your participation.

PARTICIPATION AND WITHDRAWAL

You can choose whether or not you wish to be a participant in this study. Should you volunteer to be a participant in this study, you may withdraw at any time without any repercussions whatsoever.

IDENTIFICATION OF INVESTIGATORS

If you have any questions or concerns about the research, please feel free to contact:

Prof Renier Steyn, 079 227 3984,
steynr@unisa.ac.za

RIGHTS OF RESEARCH SUBJECTS

You may withdraw your consent at any time and cease participating without any penalty. You are not giving up any legal rights because of your participation in this research study. If you have questions regarding your rights as a research participant, you may contact the Health Professionals Council of South Africa, Post Office Box 205, Pretoria, South Africa, (012) 338 9300 or any of the ethics committees of the University of South Africa.

SIGNATURE OF RESEARCH PARTICIPANT

I understand the procedures described above. My questions have been answered to my satisfaction, and I agree to participate in this study.

Kindly note that you will not be required to sign this declaration, but that you will be indicating your consent by completing the answer sheet. (A signed copy is not required, as this may identify you, and this research is done in such a way that you cannot be identified after participating in this study.)

Biographical data

Indicate the appropriate option by making an X on the appropriate number.

Eg. Are you human?

☒ Yes [2] No

Gender

[1] Male [2] Female

D

Race

[1] Black [2] Indian [3] Coloured [4] White

E

On what organisational level do you work?

[1] Administrative / support

[2] Supervisory

[3] Middle management / professional

[4] Senior / executive management

How long have you been working for this organisation? Answer: ____ years

Age? Answer: ____ years

Total number of employees in company: _____

Section Oc

The statements below describe thoughts and feelings about the organisation in which you are presently employed. For each statement decide how satisfied or dissatisfied you feel about your organisation. Put an X on the number that best describes your feelings.

1 I would be very happy to spend the rest of my career with this organisation.

[1] Strongly Disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly Agree

2 I enjoy discussing my organisation with people outside it.

[1] Strongly Disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly Agree

3 I really feel as if this organisation's problems are my own.

[1] Strongly Disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly Agree

4 I think that I could easily become as attached to another organisation as I am to this one.

[1] Strongly Disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly Agree

5 I do not feel like 'part of the family' at my organisation.

[1] Strongly Disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly Agree

6 I do not feel 'emotionally attached' to this organisation.

[1] Strongly Disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly Agree

7 This organisation has a great deal of personal meaning for me.

[1] Strongly Disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly Agree

8 I do not feel a strong sense of belonging to my organisation.

[1] Strongly Disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly Agree

Section En

The following 9 statements are about how you feel at work. Please read each statement carefully and decide if you ever feel this way about your job. If you have

never experienced this feeling, write “0” (zero) in the space after the statement. If you have had this feeling before, indicate how often you have felt it by inserting an X on the number (from 1 to 6) that best describes how frequently you feel that way.

9 At my work, I feel bursting with energy.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

R

10 At my job, I feel strong and vigorous.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

11 I am enthusiastic about my job.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

12 My job inspires me.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

13 When I get up in the morning, I feel like going to work.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

14 I feel happy when I am working intensely.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

15 I am proud of the work that I do.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

16 I am immersed in my work.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

17 I get carried away when I am working.

[0]Never [1]A few times a year or less [2]Once a month or less [3]A few times a month [4]Once a week [5]A few times a week [6]Every day

Section Js

Each of the statements below is something a person may say about his or her job. You are to indicate your personal feelings about your job by marking how much you agree with each of the statements. How much do you agree with each statement below?

18 Generally speaking, I am very satisfied with this job.

[1]Disagree strongly [2]Disagree [3]Disagree slightly [4]Neutral [5]Agree slightly [6]Agree [7]Agree strongly **AA**

19 I am generally satisfied with the kind of work I do in this job.

[1]Disagree strongly [2]Disagree [3]Disagree slightly [4]Neutral [5]Agree slightly [6]Agree [7]Agree strongly

20 I frequently think of quitting this job.

[1]Disagree strongly [2]Disagree [3]Disagree slightly [4]Neutral [5]Agree slightly [6]Agree [7]Agree strongly

Now please think of other people in your organisation who hold the same job you do. If no one has exactly the same job as you, think of a job which is most similar to yours. Please think of how accurately each of the statements below describes the feelings of those people about their jobs. It is quite all right if your answers here are different from when you described your own reactions to the job. Often different

people feel quite differently about the same job. How much do you agree with the statement?

21 Most people in this job are very satisfied with the job.

[1]Disagree strongly [2]Disagree [3]Disagree slightly [4]Neutral [5]Agree slightly
[6]Agree [7]Agree strongly

22 People in this job often think of quitting.

[1]Disagree strongly [2]Disagree [3]Disagree slightly [4]Neutral [5]Agree slightly
[6]Agree [7]Agree strongly

Section Itg

The following statements are related to your intention to stop working for the organisation that presently employs you.

23 How often do you think of leaving your present job?

[5]Very often [4]Fairly often [3]Sometimes [2]Occasionally [1]Rarely or
never

24 How likely are you to look for a new job within the next year?

[5]Very likely [4]Likely [3]Not sure [2]Unlikely [1]Very unlikely

Section Co

Please indicate how satisfied you are with the amount and/or quality of each type of information you receive in the company you currently work for by placing an X on the number below the statement. Let [0] represent no satisfaction, [5] represent average satisfaction, and [10] represent maximum satisfaction.

25 Communication about my progress in my job.

AH

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

26 Personnel news.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

27 Communication about company policies and goals.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

28 Communication about the requirements of my job.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

29 Communication about government action affecting my company.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

30 Communication about changes in the organisation.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

31 Reports on how problems in my job are being handled.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

32 Communication about performance (accomplishments, personnel, financials and failures) of the company.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

33 Extent to which my superiors know and understand the problems faced by subordinates.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

34 Extent to which company communication motivates and stimulates an enthusiasm for meeting its goals.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

35 Extent to which my superior listens and pays attention to me.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

36 Extent to which the company's communication makes me identify with it or feel a vital part of it.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

37 Extent to which the company's publications are interesting and helpful.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

38 Extent to which I receive the information needed to do my job timeously.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

39 Extent to which conflicts are handled appropriately through proper communication channels.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

40 Extent to which the grapevine is active in our organisation.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

41 Extent to which my supervisor is open to ideas.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

42 Extent to which horizontal communication with other employees is accurate and free-flowing.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

43 Extent to which communication practices are adaptable to emergencies.

[0] [1] [2] [3] [4] [5] [6] [7] [8] [9] [10]

Section De

44 Usually there is enough time for questions regarding decisions taken by my supervisor / manager.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

45 During decision making processes, I feel included in the processes.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree **BB**

46 In the selection of the alternative solutions to business problems, my thoughts were taken into account just as much as the considerations of my supervisor / manager.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

47 Through the decision making process with my manager, I felt jointly responsible for the fate of the section / company.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

48 I am able to discuss the different options with my supervisor / manager in detail before decisions are made.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

49 My supervisor / manager and I weighed up the different options thoroughly before decisions are made.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

50 I now know the advantages and disadvantages of the different individual options.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

51 I now know which option is the best one for me.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

52 My supervisor / manager and I selected a plan together.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

53 My supervisor / manager and I discussed the next steps of the plan in detail.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

54 My supervisor / manager and I reached an agreement as to how we will proceed.

[1]Strongly agree [2]Agree [3]Disagree [4]Strongly disagree

Section En

55 Individual risk takers are often recognized for their willingness to champion new projects, whether eventually successful or not. **BL**

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

56 People are often encouraged to take calculated risks with new ideas around here.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

57 Many top managers have been known for their experience with the innovation process.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

58 This organisation supports many small and experimental projects realising that some will undoubtedly fail.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

59 It is basically my own responsibility to decide how my job gets done.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

60 I almost always get to decide what I do in the context of my job.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

61 I have the freedom to decide what I do in my position.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

62 I have considerable autonomy in my job and am left on my own to do my work.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

63 My manager would tell his boss if my work was outstanding.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

64 My supervisor will increase my job responsibilities if I am performing well in my job.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5] Strongly agree

65 My supervisor will give me special recognition if my work performance is especially good.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

66 The rewards I receive are dependent upon my work.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

67 I have just the right amount of time and workload to do everything well.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

68 I feel that I am always working with time constraints in my job.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

69 I always seem to have plenty of time to get everything done.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

70 During the past three months, my work load was too heavy to spend time on developing new ideas.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

71 I clearly know what level of work performance is expected from me in terms of amount, quality and timeliness of output.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

72 In my position I have no doubt about what is expected of me.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

CC

73 There is little uncertainty in my job.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

74 In the past three months, I have always followed standard operating procedures or practices to perform my major tasks.

[1] Strongly disagree [2] Disagree [3] Not sure (uncertain) [4] Agree [5]
Strongly agree

Section Go

75 During performance appraisal interviews, my boss tells me what he or she thinks I have done that deserves recognition.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

76 I feel proud when I get feedback indicating I have reached my goals.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

77 I find working towards my goals to be very stressful.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

78 I get regular feedback indicating how I am performing in relation to my goals.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

79 I have specific, clear goals to aim for on my job.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

80 I often fail to attain my goals.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

81 I understand exactly what I am supposed to do in my job.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

82 If I have more than one goal to accomplish, I know which ones are more important and which are least important.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

83 If I reach my goals, I feel that this will enhance my job security.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

84 If I reach my goals, it increases my chances for a pay raise.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

85 If I reach my goals, it increases my chances for a promotion.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

86 My boss clearly explains to me what my goals are.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

87 My boss lets me have some say in deciding how I will go about implementing my goals.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

88 My boss lets me participate in the setting of my goals.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

89 My boss tells me the reasons for giving me the goals that I have.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

90 My goals are much too difficult.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

91 Some of my goals conflict with my personal values.

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

92 The goals I have in this job are challenging but reasonable (neither too hard nor too easy).

[1]Strongly disagree [2]Disagree [3]Not sure [4]Agree
[5]Strongly agree

Section Le

Rank your supervisor leadership, and choose one answer from 0-4 to best answer each statement below.

93 My leader exhibits behaviour that promotes high levels of trust amongst his/her associates and followers, which translate into them displaying a strong sense of purpose and perseverance to achieve the most difficult objectives. **CX**

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

94 My leader articulates an attractive future that gets the attention and stimulates the imagination of his/her associates and followers.

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

95 My leader stimulates associates and followers to approach many typical problems by questioning assumptions that have been used previously, and by encouraging them to look at the problem from many different angles.

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

96 My leader shows his/her associates and followers that he/she understands their capabilities, needs, and desires, and works to develop each of them to their full potential.

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

97 My leader's associates and followers trust him/her and exhibit the values he/she portray. The associates and followers are committed to achieve the common vision, even if sacrifices are necessary.

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

98 My leader sets goals to help clarify, through either participative or direct means, what is expected of his/her associates and followers, and what they can expect to receive for accomplishing these goals and objectives.

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

99 My leader systematically looks for and monitors mistakes, and takes corrective actions when mistakes occur. **DD**

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

100 My leader waits for matters to be brought to his/her attention about something that has gone wrong before he/she considers taking corrective action.

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

101 My leader avoids taking stands on issues, clarifying expectations and addressing conflicts when they arise.

[0]Not at all [1]Once in a while [2]Sometimes [3]Fairly often [4]Frequently, if not always

Section Oc

102 Information is widely shared so that everyone can get the information he or she needs when it is needed. **DG**

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

103 Business planning is ongoing and involves everyone in the process to some degree.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

104 Co-operation across different parts of the organisation is actively encouraged.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

105 People work like they are part of a team.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

106 Authority is delegated so that people can act on their own.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

107 There is continuous investment in the skills of employees.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

108 The leaders and managers 'practice what they preach'.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

109 There is an ethical code that guides our behaviour and tells us right from wrong.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

110 When disagreements occur, we work hard to achieve 'win-win' solutions.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

111 It is easy to reach consensus, even on difficult issues.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

112 People from different parts of the organisation share a common perspective.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

113 It is easy to co-ordinate projects across different parts of the organisation.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree

[5]Strongly agree

114 The way things are done is very flexible and easy to change.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree

[5]Strongly agree

115 New and improved ways to do work are continually adopted.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree

[5]Strongly agree

116 Customer input directly influences our decisions.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree

[5]Strongly agree

117 All members have a deep understanding of customer wants and needs.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree

[5]Strongly agree

118 We view failure as an opportunity for learning and improvement.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree

[5]Strongly agree

119 Learning is an important objective in our day-to-day work.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree

[5]Strongly agree

120 There is a clear mission that gives meaning and direction to our work.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree

[5]Strongly agree

121 There is a clear strategy for the future.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

122 Leaders set goals that are ambitious, but realistic.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

123 The leadership has 'gone on record' about the objectives we are trying to meet.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

224 We have a shared vision of what the organisation will be like in the future.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

225 We are able to meet short-term demands without compromising our long-term vision.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree
[5]Strongly agree

Section Od

126 Your organisation creates value for its customers by focusing on:

[1]Cutting edge products or services
[2]Convenient and low-cost products or services
[3]Total solution products or services

EE

127 Your organisation's goals are well known and understood by employees.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

128 Your organisation is best known for:

- [1]Creating new products or services faster and better than its competitors
- [2]Increasing efficiency to ensure low-cost processes
- [3]Customizing products or services to customer's needs or requests

129 The organisation is flexible enough to adapt to rapid change.

- [1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

130 Your organisational structure enables/allows easy collaboration across business units/functions.

- [1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

131 The organisational structure establishes clear roles and responsibilities of employees.

- [1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

132 The organisational structure is flexible and changes as needed.

- [1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

133 The organisational structure has many levels of authority.

- [1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

134 Communication about the organisation is mostly communicated by:

- [1]Departmental managers or team leaders
- [2]HR Manager
- [3]Informal discussions

135 Interdepartmental meetings occur frequently.

- [1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

136 Most decisions need to be approved by senior management level.

- [1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

137 Approval of operational changes takes long and causes delays when offering products or services to customers.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

138 Your organisation rewards good performance.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

139 The performance measures drive employees to compete for individual recognition.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree [6]Not applicable

140 I get timely feedback on whether I am succeeding.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

141 I am clear and aware of the compensation system.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree [6]Not applicable

142 My organisation has the right people to accompany us into the future.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

143 A personal development plan exists at my organisation.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

144 Adequately skilled people are employed.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

145 The recruitment process takes into account the capabilities needed for the organisation's specific needs.

[1]Strongly disagree [2]Disagree [3]Neutral [4]Agree [5]Strongly agree

Section Pe

146 The performance appraisal system at my organisation is the primary mechanism used to assess the performance of the employees. **EY**

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

147 I received formal training on the performance appraisal system used by my organisation and understand the system fully.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

148 The consequences and rewards allocated are reflective of the individuals' scores or rating on the performance appraisal system.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

149 All the performance targets set and recorded on the performance appraisal system add significant value to the success of the business.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

150 Only elements relevant to the success in my job are assessed and all elements relevant to success in my job are included in the performance standard.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

151 My manager consistently gives me higher or lower marks than what a fair rater would do.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

152 When my performance stays consistent, but factors beyond my control cause a decline in my outputs, my performance appraisal remains consistent.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

153 The performance appraisal system is not biased and differentiates between the more effective and less effective performers. **FF**

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

154 The performance appraisal system in my organisation is easy to administer, from the perspective of both the manager and the subordinate.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

155 The performance appraisal system is accepted and supported by all parties in my organisation.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

156 The decisions that are made on the grounds of the performance appraisals are relevant, sound and do not often lead to labour disputes.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

157 The performance appraisal system is well-aligned with the business strategy.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

158 Managers negotiate each of their team member's specific, measurable and stretching performance targets.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

159 Managers regularly review both unit and individual performance with those concerned and take appropriate action to ensure that targets are reached or exceeded.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

160 The effectiveness of the performance management system is formally evaluated at least once a year and appropriate improvements are made for the next cycle.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

161 My input is taken into consideration for the improvements of the performance appraisal system for the next cycle.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

162 Continuous assessment of my performance is being done regularly and recorded.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

163 Formal feedback on my final performance appraisals feedback is given by my manager.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

Section Po

164 My superior has specialized training in his (her) field.

FQ

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

165 My superior does not have the expert knowledge I need to perform my job.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

166 I approach my superior for advice on work related problems because she (he) is right.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

167 I prefer to do what my superior suggests because he (she) has high professional expertise.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

168 My superior has a pleasing personality.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

169 I do not want to identify myself with my supervisor.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

170 I want to develop a good interpersonal relationship with my superior.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

171 My superior is not the type of person I enjoy working with.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

172 My superior can recommend me for merit recognition if my performance is especially good.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

173 My superior cannot obtain a pay raise for me even if I am doing my job well.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

174 If I put in extra effort, my superior can take it into consideration to determine my pay rise.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

175 My superior can provide opportunities for advancement if my work is outstanding.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

176 My superior can take disciplinary action against me.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

177 My superior can fire me if my performance is consistently below standard.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

178 My superior can suspend me if I am habitually late coming to work.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

179 My superior can see to it that I don't get a pay raise if my work is unsatisfactory.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

180 My superior's position does not give him (her) the authority to change the procedures of my work.

GG

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

181 It is reasonable for my superior to decide what he (she) wants me to do.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

182 My superior is justified in expecting co-operation from me in work-related matters.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

183 My superior has the right to expect me to carry out her (his) instructions.

[5]Strongly agree [4]Agree [3]Undecided [2]Disagree [1]Strongly disagree

End

Thank you for your cooperation