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The influence of organization on corporate entrepreneurial behavior

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THE INFLUENCE OF ORGANIZATION
ON CORPORATE ENTREPRENEURIAL BEHAVIOR

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Abstract

The aim of the research is to investigate the factors influencing entrepreneurial behavior of individuals within a corporation. We define entrepreneurial behavior as “discovery, evaluation and exploitation of opportunities in order to create future goods and services”. *Corporate* entrepreneurial behavior, in its turn, is subject to a number of constraints and opportunities imposed by the organization. Our main hypothesis is that the strategic orientation of the company as reflected by core beliefs and behavioral patterns of top-management, should have a strong impact on employees’ entrepreneurial intentions. We map the theoretical field and discuss the potential methodology of analysis.

Introduction

The aim of the research is to investigate the factors influencing entrepreneurial behavior of individuals within a corporation. We define this behavior as “discovery, evaluation and exploitation of opportunities in order to create future goods and services” (Shane & Venkataraman, 2000). The process of corporate entrepreneurship (as opposed to independent start-up creation) is subject to a number of constraints imposed by the procedures and routines of an existing corporation. Our main hypothesis is that the strategic orientation of the company as reflected by core beliefs and behavioral patterns of top-management should have a strong impact on employees’ entrepreneurial intentions.

These two concepts reflect behavioral aspects of entrepreneurship on the different levels of a company. According to Covin & Slevin (1991) it is behaviors that give meaning to the entrepreneurial process. Potential for the activity is a good prerequisite, which is unfortunately not sufficient if we want to consider a process seriously. We propose to analyze behavioral patterns of organizational and individual levels and namely – how the perception by employees of the level of entrepreneurship within the company influences their own intentions towards this behavior. As asserted in (Davidsson & Wiklund, 2001) such a mix-level approach to studying of entrepreneurship is rare to be seen among publications in the field.

The paper is organized as follows. We first discuss relevant literature regarding corporate entrepreneurship and factors influencing it. In the following sections we elaborate the main framework for the analysis and discuss the measurement issues. Finally, we discuss our potential research hypotheses and methodology of the research project.

1. The concept of corporate entrepreneurship

1.1. Entrepreneurship

Although the concept of entrepreneurship has been studied for decades already, it is however not that easy to define. There are different points of view, covering the whole spectrum of possible activities from a *creation of a business* to the *exploitation of opportunities*. “Perhaps the largest obstacle in creating a conceptual framework for the entrepreneurship field has been its definition” (Shane & Venkataraman, 2000).

One of the most referred to and the most profound definitions of entrepreneurial activity belongs to Schumpeter, arguing that entrepreneurship is about “carrying out new combinations by introducing new products or processes, identifying new markets or sources of supply, or creating new types of organizations” (Schumpeter, 1939). One of the latest definitions: “A process by which individuals [...] pursue opportunities without regard to the resources they currently control” belongs to Stevenson & Jarillo (1990) and underlines the ability of entrepreneurs to overcome obstacles on the way to the realization of their ideas.

One way to better understand an idea is to contrast it with another one. In our case a classical opposition is made between entrepreneurship and administrative activity archetypes. Table. 1 summarizes the evidence from the literature. Stevenson and Gumpert (1985) have outlined six conceptual dimensions, which maximally distinguished the entrepreneurial activity from administrative one and allowed analyzing them from different perspectives. The list of dimensions was elaborated by subsequent authors.

Table. 1 Administration vs. Entrepreneurship

Administrative	Conceptual dimension	Entrepreneurial
Driven by controlled resources	Strategic orientation	Driven by perception of opportunity
Evolutionary with long duration	Commitment to opportunity	Revolutionary with short duration
A single stage with complete commitment out of decision	Commitment of resources	Many stages with minimal exposure at each stage
Ownership or employment of required resources	Control of resources	Episodic use or rent of required resources
Hierarchy	Management structure	Flat, with multiple informal networks
Based on responsibility and seniority	Reward philosophy	Based on value creation
Safe, slow, steady	Growth orientation	Rapid growth is top priority; risk accepted to achieve growth
Opportunity search restricted by resources controlled; failure punished	Entrepreneurial culture	Promoting broad search for opportunities
Slow, according to existing procedures and policies	Action mode	Fast, proactive, persistent
Coordinating	Primary skill	Organizing (creating the processes for a new organization)

Sources: Brown, et al., 2001; Morris, et al., 1994; Stevenson & Gumpert, 1985

Opposed to administrative, entrepreneurial activity is seen to be more dynamic and growth oriented, driven by primarily opportunity perception and aimed at new value creation, whereas administrative activity is perceived to be more stabilizing and control-oriented. So far we were talking about entrepreneurship in general, but what are the specific traits of corporate entrepreneurship?

1.2. Corporate entrepreneurship

In the most general sense corporate entrepreneurship is a sub-construct of entrepreneurship (Sharma & Chrisman, 1999). Thus, it incorporates most of the above mentioned traits of the “classic” entrepreneurship. On the other hand, it brings also the peculiarities of administrative activity: inevitable adaptation to the existing routines and policies as well as a necessity to “sell” the innovation within the company.

The interest to the corporate entrepreneurship has been developing since the 70es of the last century. Over the last decades the views on the core of the concept have significantly changed as did the interests of scientific society and business structures.

To highlight the specificity of corporate entrepreneurship we again use the opposition approach. We outline the conceptual dimensions and compare both activities¹ from different points of view.

Table. 2 IE vs CE

Independent Entrepreneurship	Conceptual dimension	Corporate Entrepreneurship
Stand-alone	Occurrence	Within an existing firm
On creating an organization <i>ex nihilo</i>	Focus	On developing innovation within a company
Investor’s risk (money) High personal risk (money, time)	Risk-taking	Company risk (resources) Medium/low personal risk (career, reputation)
Organizing (creating the processes/teams for a new organization)	Primary skill	“Pushing” (activity is restricted to existing team members, and by routines and procedures in organization)

Sources: Morris et al., 1994, 2000; Stevenson et al., 1990

One could describe corporate entrepreneurship as a trade-off between how much the company covers the risks and resource requirements of the project and how difficult it could be to launch the initiative within the existing processes and structures.

The research on corporate entrepreneurship experiences the same diversity of definitions as its domain field. The call for “clearly stated and agreed-upon definitions [that would make] it easier for researchers to build on each other's work, and for practitioners to decide whether research findings are applicable to their situation” undertaken by Sharma and Chrisman (1999) seems to have influenced the process of appearance of new definitions of corporate entrepreneurship. The profound systematization of the definitions made by these authors shaped the further development of the field.

¹ For the comparison of corporate entrepreneurs vs. conventional managers, inventors, and society at large Morris, Davis, & Allen (1994) refer, for example, to the studies of Brandt (1986); Brockhaus (1982); Mancuso (1974); McClelland (1987) and Shapero & Sokol (1982).

In the current paper we take as basic the definition by Shane and Venkataraman (2000) who define *individual* entrepreneurial behavior as discovery, evaluation and exploitation of opportunities in order to create future goods and services. The literature review also demonstrates that on the *firm level* corporate entrepreneurship process “requires new resource combinations to extend the firm’s activities in areas unrelated, or marginally related, to its current domain of competence and corresponding opportunity set” (Burgelman, 1983). On the other hand, there are some features that have not received a broad interest among scholars. Vesper (1984) draws our attention to the role of employee’s initiative from below in the organization to undertake something new (Sharma & Chrisman, 1999). Hornsby et al. (2002) writes about the ability of a firm to acquire innovative skills and capabilities. Zahra (1991) sees the entrepreneurial activity as a whole of formal and informal activities aimed at creating new business within established firms through product and process innovations as well as market development. This variety of definitions might be due to the heterogeneous nature of the construct as well as to the specificity of fields of study that snatch out different pieces of the whole.

Further we continue our analysis on these two levels of organization separately: on the level of the organization as a whole organism and on the level of those who are supposed to perform the role of entrepreneurs.

1.3. Corporate entrepreneur

The question “who is who” is not as simple as it may seem. The practice shows, that even for the companies where an attention is paid to innovations and entrepreneurship, the answer does not come that easy: which level do they expect to innovate in the work, should any employee be allowed to innovate? The problem becomes even more complicated, if we take into consideration that the idea generation and opportunity exploitation are distinct stages and can be performed at different levels by different people (Pinchot, 1985). In the current research we assume that initiatives are expected from all the levels of employees up to middle management, whereas the main function of the top-level management is to inspire, coordinate and support such a behavior.

Individual entrepreneurial behavior can be presented as a whole of behaviors oriented on gathering of proper information and mobilizing the resources. The latter includes not only financial and physical resources but also human and time resources as well as “political” that is “selling” the idea to the upper-level management and other departments.

From the theoretical perspective, describing an *entrepreneur* is also a kind of a battlefield. Scholars approach an entrepreneur from different perspectives: as demographers (age, gender, nationality, field of occupation etc.), anatomists (physical peculiarities), psychologists (the traits approach), or sociologists (role behavior and small group studies); some say, that there is no difference, some – that there is no difference up to a certain moment. One of the most popular approaches in the last years appears to be the traits approach, which declares psychological profiles of entrepreneurs to be different from conventional managers, inventors, and society at large (Brandt 1986; Brockhaus 1982; Mancuso 1974; McClelland 1987; Shapero 1982). These traits can be psychological or not, among them there are extraversion, need for achievement, risk taking propensity, cognitive characteristics (over-confidence, intelligence, intuitiveness); non-psychological factors include a person’s age and gender, career experiences, the life experience, the nature of the search process a person engages in, an individual’s absorptive capacity etc.

Nevertheless, research using only situational or personal factors usually resulted in disappointingly small explanatory power (Davidson, Wiklund, Delmar, 2003; Krueger, 2000). Finally, “Who is an entrepreneur?” appears to be the wrong question (Gartner, 1988).

As we have already shown, a significant scholarly effort has been devoted to understanding the differences between entrepreneurial process and everyday employee’s activities. Does it also imply that a treatment of corporate entrepreneurs should also be different from traditional management practices? What exactly makes people abandon the tried and true work-flow and switch to the risky entrepreneurial behavior within their company? To answer this question we have to explore the nature and the predictors of entrepreneurial behavior. Krueger et al. (2000) suggest that this should rather be performed by observing the intentions towards the behavior. The question is, thus, how organization influences the intentions towards entrepreneurial behavior of employees within the company.

2. The approach

There are two major blocks in our model: individual intentions towards entrepreneurial behavior and organizational influence that forms, sustains or kills these intentions.

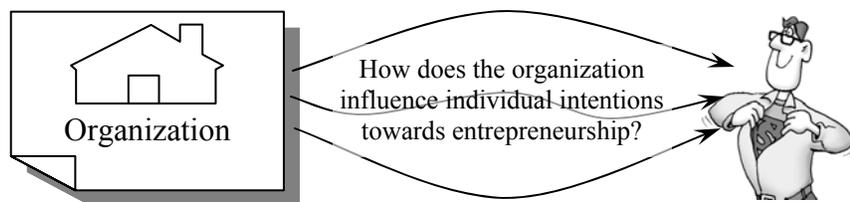


Figure 1. The idea

2.1. Individual level: intentional models

In this part we want to map the domain of intentional models used for studying entrepreneurial intentions. We further discuss the similarities and differences of the theories and propose additional elements to achieve a better fit for the corporate entrepreneurship research.

It is commonly accepted in the entrepreneurial literature that the entrepreneurial behavior can be analyzed through the lens of intentions: new ventures do not arise from the air – they are the product of individual’s consequent actions. Among the models of intentions, two mainstreams can be outlined – first one aims to adapt a more general model from psychology field to the field of entrepreneurship (Ajzen & Fishbein, 1980; Bird, 1988; Boyd & Vozikis, 1994), the second one evolved within the entrepreneurship domain (Shapero (1982), Shapero-Krueger (1993)).

Within the first stream, there are two major theories: theory of planned behavior and Bird’s model.

a) The theory of planned behavior is an extension of the theory of reasoned action (Ajzen & Fishbein, 1980). The original model had limitations in dealing with behaviors over which people had a restricted volitional control. Sheppard et al. (1988) mention that Fishbein and Ajzen have explicitly acknowledged that their model was developed to deal with behaviors (e.g., taking a diet pill, or shopping for a new car) and not outcomes from behaviors (e.g., losing ten pounds, or

owning a new car). The model dealt with only those behaviors that were under a person's volitional control. Therefore, actions that were at least in part determined by factors beyond individuals' voluntary control fell outside the boundary conditions established for the model.

According to the extended theory, human action is guided by three kinds of beliefs: beliefs about the future outcomes of the behavior (behavioral beliefs), beliefs about the normative expectations of others and motivation to comply with these expectations (normative beliefs), and beliefs about the presence of factors that may facilitate or impede performance of the behavior and the perceived power of these factors (control beliefs). In their respective, *behavioral beliefs* produce a favorable or unfavorable attitude toward the behavior; *normative beliefs* result in perceived social pressure or subjective norm (which also contributes to the forming of attitudes); and *control beliefs* give rise to perceived behavioral control.

Intentions are assumed to capture all these motivational factors. Given a sufficient degree of *actual* control over the behavior, people are expected to carry out their intentions when the opportunity arises. As a general rule, the stronger the intention to engage in a behavior, the more likely should be its performance. Intention is thus assumed to be the immediate antecedent of behavior.

The theory of planned behavior has proven its applicability in such domains as eating customs behavior, engaging in physical activities, safety behaviors as well as entrepreneurship (Ajzen, 2001b; Fayolle, et al., 2006; Krueger & Carsrud, 1993).

b) An alternative model of “contexts of intentionality” was proposed by Bird (1988). The model comes from cognitive psychology and suggests that an individual’s entrepreneurial intention is based on a combination of personal and contextual factors. Personal factors include prior experience as an entrepreneur, personality characteristics and abilities while contextual factors consist of social, political and economic variables (Bird, 1988).

Following the example of Ajzen (1987), Boyd and Vozikis (1994) integrated the concept of self-efficacy into Bird’s model. It is an important explanatory variable in determining the strength of entrepreneurial intentions and the likelihood that those intentions will result in entrepreneurial actions. This revised model suggests that intentions are a function of self-efficacy in addition to attitudes and perceptions regarding the creation of a new venture through rational and intuitive thought processes.

The second stream has evolved on the side of entrepreneurship. One of such models is the Shapero’s model of the “Entrepreneurial Event” (Krueger, et al., 2000). This model is “implicitly an intention model, specific to the domain of entrepreneurship” (Krueger, et al., 2000).

According to Shapero’s model, people judge the activity assessing the relative “credibility” of the behavior in this situation to this decision maker. “Credibility” requires a behavior be seen as both desirable and feasible. Perceived desirability is the personal attractiveness, whereas perceived feasibility is the degree to which one feels personally capable of performing this behavior.

The perceived feasibility is related to an individual's self-efficacy. Fitzsimmons and Douglas (2005) use them as synonyms and prove the good predictability of self-efficacy for starting a new business. Self-efficacy, however, appears to be a broader construct including the sources of efficacy judgments that subsequently influence behavior and goal attainment. Ajzen (2001b) claims, that the concepts are distinct and have different predicting power. Trafimow and Duran (1998) validated the distinction between both concepts.

Although desirability and feasibility are necessary, they are not sufficient. The model includes also "propensity to act", that is the personal disposition to act on one's decisions ("I will do it"). The influence of the propensity to act is postulated (Krueger, 1993) to have a moderating effect on the intentions (compared to the linear direct one): to form the intentions into well-shaped ideas, one has to be consistent in acting. Conceptualization and measurement of the propensity to act are based on the willingness of retaining the control over one's life.

Shapero also makes an important remark about the possible influence of some precipitating event – trigger – that changes the perception of the situation by the individual and provides the impetus to behave entrepreneurially when other conditions are conducive to such behavior (Hornsby, et al., 1993). The precipitating event "entered" the model slightly later, in the work of Krueger and Carsrud (1993).

Discussion of the approaches

While research on the intentional models has worked out different approaches to the formulation of the core variables, the models have the same basics: they entail an attitudinal component and an element of control. Krueger et al. (2000) tested the models of Ajzen and Shapero against each other and found support for both of them. At the same time, although the approaches are constantly elaborated and adjusted to different fields, it is still questionable, whether they can be applied to the field of the corporate entrepreneurship. Here we confront the following issues:

⇒ *Definition*: the notion of entrepreneurship is used in a different manner. If in the general entrepreneurial research scholars often talk about creation of a business as a synonym for entrepreneurship, in the field of corporate entrepreneurship this role can have more variations and thus has a very subjective meaning. From the practical point of view it is important to define, what exactly is understood under "entrepreneurial role" in the current organization.

⇒ *Operationalization*: as follows from the examples of empirical testing for the theory of planned behavior, the previous research using the theory was concentrated on rather clearly defined types of activities. As Ajzen elsewhere asserts, the behavior of interest should be defined in terms of its target, action, context, and time elements. How could this approach be applied to "entrepreneurial activity" in order to be commonly understood by the participants from "the field"?

⇒ *Timing*: Charng et al. (1988) argued that in order to predict consistent and repetitive behaviors as well as behavior that may not necessary occur soon, the theory of Fishbein and Ajzen should be augmented with *identity theory* variables.

How can these issues be resolved? A notion of identity theory can be of use here.

Some further suggestions

The identity theory also views the behavior as a result of decision process. Here, this approach allows adding to the basic elements a more elaborated picture of the image and the nature of an entrepreneur in the organization (by formulating the qualities of a corporate entrepreneur and opposing this role to other possible roles in the organization).

The initial concept of identity arose in the domain of sociology in the second half of 20th century and was developed by such authors as Stryker (1968), McCall and Simmons (1978), Turner (1978). Nowadays there is a certain stream of research dedicated to the application of role identity to the entrepreneurship in such fields as formation of role perceptions in entrepreneurs; models of role perceptions; genesis of entrepreneurial role perceptions².

Shook et al. (2003) called for reducing the number of alternative intention models. We propose to integrate the identity theory into the basic framework that includes attitudinal and control elements so far this framework received the empirical support.

As Ajzen also notices, beliefs may serve as an indirect measure for the intentions. Apart from this, Ajzen (2001b) has made the call for additional investigations for further beliefs helping to understand behaviors. Scholars do constantly pay attention to the importance of the role models (Davidsson (1995); Murnieks & Mosakowski (2007)), but the empirical evidence suggests that the sole presence of role models does not lead to the formation of intentions. At the same time, Krueger (2007) claimed that the entrepreneurial role *identity* belief is one of the most important beliefs in the structure of entrepreneurial intentions. Thus the focus of the analysis moves from the presence to the acceptance or rejection of the entrepreneurial role.

We suggest that using a model based on the principles that have proven their applicability to the domain of intentional behavior and also applying the lens of role identity belief – a well established sociological construct – will allow a better adjustment of the research to the field of corporate entrepreneurship.

Having discussed the employee element of the model, we come to the discussion of the entrepreneurship on the organizational level.

2.2. Organizational level

Talking about organization and its influence on corporate entrepreneurship, Miller (1983) has first suggested that an entrepreneurial firm is one that "engages in product market *innovation*, undertakes somewhat risky ventures, and is first to come up with *proactive* innovations, *beating* competitors to the punch" (1983:771, quoting Lumpkin & Dess, 1996).

² For references see Krueger (2007) and Downing (2005). Recent scholarly interest reveals also through the series of working papers: Hoang and Gimeno (2007), Hoang and Gimeno (2005), George et al. (2005); Murnieks & Mosakowski (2007).

Since that time, numerous researchers have based their studies of entrepreneurship on organizational level on Miller's (1983) conceptualization referring to it as entrepreneurial strategic orientation (Wiklund & Shepherd, 2005), entrepreneurial or strategic posture (Covin & Slevin, 1989).

The initial works in entrepreneurial orientation considered the concept in the terms of a new entry: "An EO refers to the processes, practices, and decision-making activities that lead to new entry" (Lumpkin & Dess, 1996). Lumpkin and Dess (1996) have especially paid attention to a distinction between entrepreneurial orientation and entrepreneurship by suggesting that EO represents key entrepreneurial processes that answer the question of *how* new ventures are undertaken, whereas the term entrepreneurship refers to the content of entrepreneurial decisions by addressing *what* is undertaken.

Later researchers shifted to a more general definition of the concept, referring to it as an entrepreneurship on a firm's level (Lee & Peterson, 2000). Lumpkin & Dess (2001) open their article by naming entrepreneurial orientation "strategy making processes and styles of firms that engage in entrepreneurial activities"; Covin, Green & Slevin (2006) define entrepreneurial orientation as a "strategic construct whose conceptual domain includes certain firm-level outcomes and management-related preferences, beliefs, and behaviors as expressed among a firm's top-level managers"; Lee & Peterson (2000) argue "this approach stresses the entrepreneurial process and the role of top management philosophies regarding entrepreneurship". Lumpkin & Dess (1996) even make a parallel of this instrument to the approach of entrepreneurial management of Stevenson and Jarillo (1990).

In the general sense entrepreneurial orientation involves a willingness to innovate to rejuvenate market offerings, take risks to try out new and uncertain products, services, and markets, and be more proactive than competitors toward new marketplace opportunities (Wiklund & Shepherd, 2005).

The underlying dimensions can be described as follows (Lumpkin & Dess, 2001):

Autonomy can be defined as independent action by an individual or team aimed at bringing forth a business concept or vision and carrying it through to completion.

Innovativeness refers to a willingness to support creativity and experimentation in introducing new products/services, and novelty, technological leadership and R&D in developing new processes.

Risk taking means a tendency to take bold actions such as venturing into unknown new markets, committing a large portion of resources to ventures with uncertain outcomes, and/or borrowing heavily.

Proactiveness is an opportunity-seeking, forward-looking perspective involving introducing new products or services ahead of the competition and acting in anticipation of future demands to create change and shape the environment.

Competitive aggressiveness reflects the intensity of a firm’s efforts to outperform industry rivals, characterized by a combative posture and a forceful response to competitor’s actions.

The original instrument worked out by Covin and Slevin (1989) on the basis of the Miller & Friesen (1982) and Miller (1983) works, contains three dimensions: innovativeness, risk-taking and proactiveness. This scale has substantially determined the knowledge accumulation around the construct of entrepreneurial orientation (Brown, et al., 2001). Lumpkin and Dess (1996) proposed to add two further dimensions: autonomy and competitive aggressiveness. Probably due to the absence of the questionnaire example in the initial paper, there have not been plenty of studies using them (Table 3).

Table. 3 Operationalizations of the EO construct

	Miller & Friesen, 1982	Miller, 1983	Miller & Friesen, 1983	Covin & Slevin, 1988, 1989, 1991	Miles & Arnold, 1991	Zahra & Covin, 1995	Lumpkin & Dess, 1996, 2001	Wiklund & Shepherd, 2003	Keh et al., 2007	Kollmann et al., 2007	Hughes & Morgan, 2007	Madsen, 2007
Innovativeness	x	x	x	x	x	x	x	x	x	x	x	x
Risk taking	x	x		x	x	x	x	x	x	x	x	x
Pro-activeness		x		x	x		x	x	x	x	x	x
Competitive aggressiveness						x	x			x	x	
Autonomy							x			x	x	

At the same time, other authors also tried to propose their dimensions for analysis of entrepreneurship on the firm-strategy level (e.g. Dess et al. (1997), Walter et al. (2006) proposed to examine assertiveness); or to offer an own view on the problem: Hart (1992) combined various dimensions into five "distinctive modes of strategy making": command, symbolic, rational, transactive, and generative.

Although the scale used in the studies has remained more or less stable, the authors tended to use it in different ways. Wiklund & Shepherd (2005) report that some of the studies treated entrepreneurial orientation as a unidimensional construct, some proposed to look at dimensions of entrepreneurial orientation as varying independently. Schollhammer (1982) argued that within five different types of entrepreneurship (acquisitive, administrative, opportunistic, incubative, and imitative) the extent, to which the subdimensions contribute positively to performance, may vary. These debates about dimensionality of the constructs Covin, Green and Slevin (2006) call “somewhat misleading” (p.80). Risk taking, innovation, and proactiveness could be manifested in organizations as distinct dimensions of behavior, though being strong only on one of the dimensions would not make the firm entrepreneurial.

Another stream of research was directed to identification of factors that predict entrepreneurial orientation or influence it’s relationship to company’s performance (e.g. Miller & Friesen, 1982;

Wiklund & Shepherd, 2003; Zahra, 1991), the identification of EO's effect on various dimensions of firm performance on samples of different sizes and life-cycle stages as well as in different environments (Hughes, et al., 2007; Keh, et al., 2007; Walter, et al., 2006; Wiklund, 1999; Wiklund & Shepherd, 2005; Zahra & Covin, 1995), and the identification of variables that moderate the EO-firm performance relationship (e.g., Covin & Slevin, 1988; Lumpkin & Dess, 2001). Previous research has also supported the fact that entrepreneurial orientation has a positive influence on performance over some period of time (Madsen, 2007; Wiklund, 1999; Zahra & Covin, 1995).

Scholars, however, mention that an entrepreneurial orientation *per se* is not necessarily desirable in all situations (Covin & Slevin, 1989). The success of entrepreneurial orientation may be affected by the firm's organization structure, corporate culture, and/or environmental dynamism (Walter, et al., 2006).

2.3. Internal organizational factors

Organizational context is defined as the set of administrative and social mechanisms that shape the behaviors of actors in the organization, over which top management have some control (Birkinshaw (1999)).

The question, which factors influence innovative behavior of employees, has been the subject of considerable research, study and analysis. As cited in Kuratko et al. (1990), among particular factors which are associated with success in corporate entrepreneurial ventures, there are issues such as financial factors (Von Hippel, 1977), incentive and control systems (Block & Ornati, 1987; Sathe, 1985), market and entry approaches (Hobson & Morrison, 1983; Roberts & Berry, 1985), and market-driven vs. technology-driven demand (Ellis & Taylor, 1988). Among obstacles to corporate entrepreneuring MacMillan et al. (1986) cited operational difficulties, inadequate planning, unrealistic corporate expectations, inadequate corporate support, and misreading the market. Souder (1981) found that the presence of six specific management practices was associated with the positive outcomes in 100 new ventures in 17 organizations. These factors were early identification of intrapreneurs, formal license (or authority to proceed), sponsorship, appropriate location, discretionary powers, and informal influence.

The question is, whether findings of multiple studies can be aggregated into some categories. Kuratko et al. (1990) outlined a set of factors that were consistent throughout the writings in this field (Hornsby, et al., 1993) and could be effectively used by researchers as well as by practitioners. The factors were: rewards (goals, feedback, emphasis on individual responsibility and results); management support (willingness of managers to facilitate entrepreneurial projects); resources (including time) and their availability; organizational structure (as arrangement of workflow, communication, and authority relationships (Covin & Slevin, 1991)); finally, risk-taking and tolerance for failure should it occur. In his study Kuratko (1990) has found that the outlined factors could be downscaled to 3 upper-level factors: management support for intrapreneurship (including risk-taking), organizational structure, and rewards and research availability (including resources and time).

Three years later Hornsby et al. (1993) worked over this classification by adding parameters such as organizational boundaries and work discretion. The time availability in their

study is already an independent factor. Organizational boundaries are the boundaries, real and imagined, that prevent people from looking at problems outside their own jobs like, for example, narrow job descriptions and rigid standards of performance. The conceptual view of work discretion is close to the notion of autonomy: discretion of the workers to the extent that they are able to make decisions about performing their own work in the way that they believe is most effective.

In order to understand, whether the research in the field has found some other categories of internal determinants of corporate entrepreneurship, we made anew a literature review on the topic. As this is not the main subject of the paper, full results are not presented here. Among key findings there are factors of work discretion and networking capabilities (facilitation by the company of establishment of relationships between workers of the company and field-specialists) as well as the fact that the risk-taking practice has merged with the factor of management support.

We propose to follow the suggestion of Zahra (1991) and aggregate the factors into two big groups, forming the “tangible” (structure, procedures etc.) and “intangible” (values, beliefs). We would further expect the “tangible” factors to have a moderating effect on the influence of entrepreneurial orientation on the individual behavior within the company.

The next step is verification of the proposed framework and the choice of the methodology of analysis.

3. Model and measurement issues

Thus, based on our literature review, we can formulate the following model, where intentions of employees towards corporate entrepreneurship are influenced by the entrepreneurial orientation of the company. This influence can be moderated by different internal structural (tangible) characteristics.

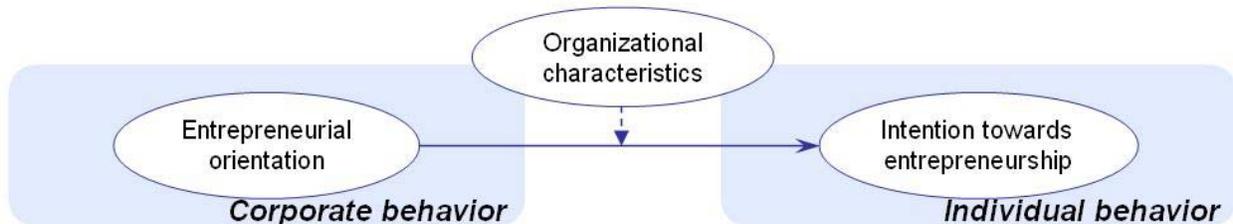


Figure 2. The model

Two further sections explore the potential measurements of the main constructs.

3.1. Intentional models

In the previous part we argued that the planned behavior approach could be augmented by the elements of identity model, the scale though is yet to be developed.

There is a classic approach to the measurement of role identity (Burke & Tully, 1977) based on the semantic differential: role A vs. role B (e.g.: entrepreneur vs. administrative employee). This procedure requires the researcher to name all the characteristics of the entrepreneur role which allow distinguishing it from the contrary one. A possible list of such

dimensions is presented in the previous section. A study of entrepreneurial role identity using semantic differential of Burke (Murnieks & Mosakowski, 2007) was published recently in the *Frontiers*. The study was though based on traits approach and not on the behavioral dimensions. Two other scales are devoted to more specific roles: role of innovator (Welbourne, et al., 1998) and role of a creative worker (Farmer, et al., 2003) and are based on the more elaborated procedure of Callero (1992). It consists of a list of actions describing the desired behavior and a Likert type scale with “true / not true” statements.

So far, further research is needed to validate the scale, but the first steps have already been made and this leaves the hope to see one day such an instrument at the service of the corporate entrepreneurship research.

One of the major factors, speaking *pro* theory of planned behavior is the availability of the scale and the manual for the measurement for the general public (Ajzen, 2001a).

Attitude toward the behavior is assumed to have two components which work together:

- ↳ beliefs about consequences of the behavior (e.g. “behavior will give me...”)
- ↳ the corresponding positive or negative judgments about each these features of the behavior (e.g. “this outcome is ... desirable/undesirable”).

Subjective norms are also assumed to have two components which work in interaction:

- ↳ beliefs about how important others would like them to behave (e.g. “I feel pressure from ... to make ...”)
- ↳ the positive or negative judgments about each belief (e.g. “doing what [important others] think I should do is important/ unimportant”).

Perceived behavioral control is also measured twice:

- ↳ how much a person has control over the behavior (e.g. “making this is 100% up to me”)
- ↳ how confident a person feels about being able to perform or not perform the behavior (e.g. “I could make it if I wanted to”).

At this stage of our research we propose to use the measurement approach based on the theory of planned behavior.

3.2. Entrepreneurial orientation

We have reviewed different practices of measuring entrepreneurial orientation. The scales used in the studies usually represent some combinations of the Covin and Slevin (1989) and Miller & Friesen (1982) items. The full scope of findings can be found in the Appendix A. Some recent studies (Hughes, et al., 2007; Madsen, 2007) use either a sample of items from a variety of articles, devoted to single dimensions of the EO, or develop their own original scales to investigate the phenomenon of entrepreneurial orientation.

Due to the design of our research project, we will use the survey data already available from the company and will, thus, undertake the interaction procedure (Churchill, 1979) of developing a scale, starting from generation of the sample of items and proceeding with purifying and validating of the scale.

4. Conclusion

In this paper we made a mapping of the theoretical field to construct the basis for our research. As the primary objective on this stage of the project we expect to be able to statistically assess the hypothesis that the entrepreneurial orientation of the company positively influences the intentions of employees towards adoption of entrepreneurial behavior. The secondary objective is to operationalize and measure important organizational characteristics, influencing the relationship between two core constructs.

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Appendix A.

Authors	Year	EO definition	EO Scale
Miller, Friesen	1982		Original scale
Zahra, Covin	1995	CE defined through dimensions of EO	Miller & Friesen, 1982
Dess, Lumpkin, Covin	1997	Entrepreneurial Strategy Making	Hart 1991, 1) top-management intentionality 2) organizational actor autonomy
Wiklund	1999	Entrepreneurial strategic orientation	Miller & Friesen, 1982 (8 items)
Barringer, Bluedorn	1999	Corporate Entrepreneurship	Covin & Slevin, 1986 (3 factors)
Brown, Davidsson, Wiklund	2001	Characteristic of the firm-level Entrepreneurial behavior	Covin & Slevin, 1989 w/o Innovation ¹ and Proactiveness ³
Lumpkin, Dess	2001	Strategy making processes and styles of firms that engage in entrepreneurial activities	Covin & Slevin, 1986/1989 + 2 original sub-constructs for proactiveness and competitive aggressiveness
Kreiser, Marino, Weaver	2002		Covin & Slevin, 1988/1989
Wiklund, Shepherd	2003	Firm's strategic orientation, capturing specific entrepreneurial aspects of decision making styles, methods and practices (L&D, 1996)	Covin & Slevin, 1989
Covin, Green, Slevin	2006	Strategic construct whose conceptual domain includes certain firm-level outcomes and management-related preferences, beliefs, and behaviors as expressed among a firm's top-level managers.	Covin & Slevin, 1989 Khandwalla, 1976/77 Miller & Friesen, 1982
Walter, Auer, Ritter	2006		Dess (1997): proactiveness, innovation, risk-taking, assertiveness (6 items)
Keh, Nguyen, Ng	2007		Covin & Slevin, 1989 Miller & Friesen, 1982
Hughes, Hughes, Morgan	2007	Decision-making styles, processes and practices that specify how a firm intends to operate and compete	<u>Risk-taking:</u> Barringer & Bluedorn (1999), Hult & Ketchen (2001), Morgan & Strong (2003) <u>Innovativeness:</u> Calantone, Çavuşgil & Zhao (2002) <u>Proactiveness:</u> Hult and Ketchen (2001) Morgan and Strong (2003)
Madsen	2007	A way how management may discover and exploit opportunities	Original scale
Tang	2008		Covin & Slevin, 1989