

Organizational Support and Intrapreneurship: A Study with reference to Software Development Industry in Sri Lanka

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Introduction

Intrapreneurship is also known as corporate entrepreneurship and corporate venturing (Burgelman, 1983; Burgelman, 1984; MacMillan et al., 1986) and it is the practice of developing a new venture within an existing organization to exploit a new opportunity and create economic value (Pinchot, 1985). More specifically, this refers to both creation of new ventures within existing organizations and transformation of these organizations through innovation and strategic renewal. There are evidences that intrapreneurship helps managers to renew and revitalize their businesses, to innovate, and to enhance their overall business performance (Kuratko et al., 1990, Antoncic and Hisrich, 1990). Organizational support is of greater importance for intrapreneurship since the organizational supportive environment, as an internal climate factor is described as a facilitator for organizations to spur organizational entrepreneurial activities (Miller and Friesen, 1982). Previous researchers have found that the organizational support plays a major role for the accomplishment of intrapreneurship (Lutfihak et al., 2010). Large number of Sri Lankan patents has been secured by the software industry according to the Intellectual Property Rights Office in Sri Lanka. Further, Meyer (2003) argues that the software development sector has many entrepreneurial opportunities and they have exploited those entrepreneurial opportunities by using their employees' ideas and by using the commitment of employees. Accordingly, the first objective was to assess the level of intrapreneurship and the level of organizational support for intrapreneurship in software development sector in Sri Lanka. Second objective was to identify whether there are differences of the level of intrapreneurship in terms of organizational support.

Methodology

The population of this study was software development firms which have got registered in Sri Lanka Association of Software Industry (SLASI). Further, there are 70 software companies which have got registered under SLASI and the aim was to study the whole population. However, only 42 firms responded making a response rate of 60%. Data was collected by using a structured questionnaire. In addition, Cronbach Alpha reliability test was employed to assess the validity of the questionnaire. Thus, organizational support was measured by using Corporate Entrepreneurship Assessment Instrument developed by Kuratko et al. (1990), which has shown reliability level of 0.88 in the study context. The questionnaire items to measure intrapreneurship developed by the researcher have shown a reliability level of 0.89 confirming that these levels are exceeding the general acceptable level. Hence, it is suitable for the further processing. Data were analyzed using Kruskal Wallis test.

Results and Discussion

Mean values for the dimensions of main two variables namely, Organizational support and intrapreneurship can be summarized as follows (Figure 1, 2). Accordingly, it can be observed that mean value of the proactiveness level of the surveyed firms is at a higher level with compared to maximum level a firm can be proactive (Figure1). Further, innovativeness and new business venturing are at a relatively low level. Considering the mean value of level of organizational support, except management support (70.02), all other four dimensions are operating at a considerably lower level than the maximum level a firm can do. Rewarding or reinforcing (19.14) is at the highest low level out of the weak four dimensions mentioned above which can be graphically illustrated as follows (Figure2). According to the descriptive statistics,

it was found that nearly 64.3% of the sample (27 firms) was accounting for low intrapreneurship level and the rest 35.7% of the sample (15 firms) showing a high level of intrapreneurship.

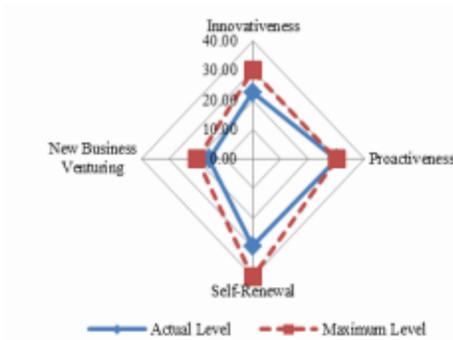


Figure 1. Level of Intrapreneurship

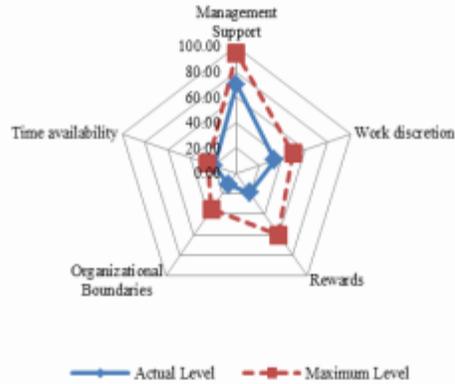


Figure 1. Level of Organizational Support

Table 1 differentiates the firms, which have a high level of intrapreneurship from the firms that have a low level of intrapreneurship in terms of five dimensions of organizational support.

Table 1. Classification of firms in terms of levels of intrapreneurship and organizational support dimensions (% of firms).

	Management Support %		Work Discretion %		Rewards/ Reinforcement %		Time Availability %		Organizational Boundaries %		
	Low	High	Low	High	Low	High	Low	High	Low	High	
Intrapreneurship	Low	59.7	40.7	55.6	44.4	70.4	29.6	44.4	55.6	51.9	48.1
	High	33.3	66.6	33.3	66.7	33.3	66.7	26.7	73.3	33.3	66.7

Source - Field Survey 2012

Accordingly, the most salient characteristic is that out of the firms which have been classified as high intrapreneurial firms, most of the firms are showing high level in all the five dimensions. More specifically, ¾ of high intrapreneurship firms are the firms with high time availability (73.3%) while in all other four dimensions, nearly 1/3 of firms are reflecting low management support, low work discretion, low rewards, and low organizational boundaries. Considering the firms with low intrapreneurship level, majority of the firms are operating with low levels of organizational support dimensions except in the case of time availability. In relation to time availability dimension, majority of firms of the low intrapreneurship category are the firms with high time availability (55.6%). Hence, it is clear that there is a kind of a difference in the level of intrapreneurship in terms of organizational support which was statistically verified by employing the Kruskal Wallis test. The results of the Kruskal Wallis test for the differences of level of intrapreneurship in terms of organizational support can be summarized as follows (Table 2).

It is clear that data support for a statistically significant difference ($P < 0.05$) in level of intrapreneurship in terms of management support, work discretion, reward, and time

availability. Hence, the level of intrapreneurship changes when the level of management support, reward, and time availability are changed.

Table 2. Kruskal Wallis test results for the difference of intrapreneurship in terms of Level of organizational support.

Variable	P value
Level of Intrapreneurship in terms of management support	0.001
Level of Intrapreneurship in terms of Work Discretion	0.039
Level of Intrapreneurship in terms of Reward/Reinforcement	0.001
Level of Intrapreneurship in terms of Time availability	0.005
Level of Intrapreneurship in terms of organizational boundaries	0.074

Source: SPSS output of surveyed data

Conclusions

The objectives of this study were to assess the level of organizational support and level of intrapreneurship in the software development industry in Sri Lanka and to identify whether there are differences of level of intrapreneurship in terms of organizational support. According to empirical results, it can be concluded that level of intrapreneurship is changed in terms of the level of organizational support dimensions.

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