



Developing a Model for Employees' Intrapreneurial Engagement and Organizational Survival

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Abstracts: The survival of any organisation in the midst of economic hardship and competitiveness is becoming a serious concern. One of the strategies organisations can adopt is to tap into the intrapreneurial potentials of their employees. The main objective of this study examines the strategic roles of employees' intrapreneurial engagement and its implication for organisational survival. A descriptive research method (Structural Equation Model {AMOS 22}) was applied to analyse the two hundred and fifty-nine (259) copies of valid questionnaire completed by the respondents using stratified and simple random sampling techniques. However, the study indicated that fostering employees' intrapreneurial engagement have positive significant implications on organisational survival. This suggests that employees' empowerment, involvement, autonomy, relationships and reward system have significant effects on organisational survival. It is therefore recommended that organisations should challenge their employees by providing them with autonomy and the freedom to innovate and carve out spaces for them to take risks and experiment.

Keywords: Intrapreneurship, Empowerment, Involvement, Autonomy, Relationships, Reward, Engagement

Introduction

The survival and sustainability of 21st century organisations in the midst of increasing competitive pressure requires that organisations invigorate intrapreneurial initiatives among the employees toward enhancement of job performance and organisational survival

(Jasna & Bostjan 2011; Bhatia & Khan, 2013). Intrapreneurship is being perceived to be one of the dynamic approaches that helps organisations to attain a better competitive position (Qureshi, Rasli, Jusoh & Kowang, 2015). Fostering employee's intrapreneurial engagement however

becomes an indispensable strategy that can be adopted for employees' willingness to take proactive initiatives towards improved work and exploring business opportunities (Parker, 2011; Arnab, 2014). Engagement of employees via empowerment, involvement, autonomy, relationships and adequate reward system are likely to compel employees to generate new ideas and innovation in the pursuits of opportunities that can reinforce the organisational overall strategic goal and performance (Antonicic & Hisrich, 2003; Sebor, & Theerapatvong, 2010). However, organisations that fail to promote and encourage intrapreneurial initiatives of its workforce are likely to lose employees with distinctive competencies (Ireland, Covin & Kuratko, 2009; Armstrong & Tylor 2014; Simon & Barr, 2015). Besides, in spite of the attention given to intrapreneurship or corporate entrepreneurship, many organisations are yet to fully explore the opportunities and profusely engage employees' intrapreneurial potentials towards sustainable organisational survival especially in Nigerian manufacturing sector.

It is on this premise that this paper seeks to investigate the effects of employees' Intrapreneurial engagement and its implications for organisational survival. The significance of this work stemmed from its objectives as follows: (i) to analyse how employees' empowerment affects organisational survival; (ii) to examine the effect of employees' involvement on organisational survival; (iii) to evaluate the influence of employees' autonomy on organisational survival; (iv) analyse the effect of employees' relationships and the role of

reward system on organisational survival.

Literature Review

Intrapreneurship as a Concept

The concept of intrapreneurship which is also known as corporate entrepreneurship is a process by which an existing organisation consider new business opportunities that is totally different from the existing organisation (Piening & Salge, 2015). The new business oftentimes leverages on the already established company's activities, assets, competencies and other resources. As noted by Azami, (2013) intrapreneurship motivates employees to come up with distinctive business initiatives without necessarily taken formal permission by the management. Employees who are intrapreneurial invigorated have strong desire to take initiatives in the pursuit of new business opportunities (Urbano & Turro, 2013). However, the intrapreneurial opportunities that the employees can take advantage of are: generation of new business ideas that will position the organisation for sustainable competitive advantage; productive engagement of employees' distinctive competencies or capabilities in generating fresh insight; encouragement of employees' commitment and involvement in taking new initiatives; empowering employees to go beyond the normal schedule among others (Kacperczyk, 2012; Simon & Barr, 2015).

Employees' Empowerment and Organisational Survival

It has been observed that any organisation that empowers its employees are more likely to get the best out of them which will invariably trigger innovation and commitment that will positively have a direct impact on job performance (Elnaga & Imran,

2014). Empowerment is described as a level of autonomy and responsibility given to employees in taking decisions about their job without necessarily taken approval from the immediate superior (Ghosh, 2013). Empowerment compels employees to be motivated and enthusiastic in utilizing their distinctive capabilities and creativity towards organisational survival (Sharma & MKaur, 2011). Employees' empowerment is also one of the strategies that organisations use to drive innovative thought that foster creative abilities (Lee, Hwang, & Choi, 2012). Employee empowerment to take initiatives, participate in decision making process, solving problems and taking charge of projects as well as having freedom to get the job done require clear effective communication and feedbacks (Elnaga & Imran, 2014). This will motivate and stimulate employees' mental and physical capabilities to engage in critical and creative thinking that will make them see new business ideas and opportunities that the organisation can venture into. However, as suggested by Molina & Callahan (2009), employees must be well trained, equipped and fairly remunerated to get the best out of them.

Employee Involvement

The ability of the organisations to encourage employees' participation or involvement in the day-to-day affairs of the organisations will boost employees' creative thought and critical thinking (Irawanto, 2015). It has been discovered that employees' who have been empowered and adequately trained are more involved and committed in taken new initiatives and are ready to work beyond normal job schedules (Bockerman, Bryson & Ilmakunnas, 2012). Evidently, employees'

involvement makes them have a sense of belonging thereby enhancing performance. Other scholars such as BarNir (2012); Bhatia & Khan (2013) posited that involving employees in a project from the beginning is one of the strategies that triggers genuine commitment.

Employee Autonomy

Studies have established that employee's autonomy tends to compel the individual employees in an organisation to be more committed and as well use their discretion to see to the achievement of the organisational goals and objectives. Employees autonomy involves delegation of responsibilities and authority to employees and oftentimes activates innovativeness (Rutherford & Holt, 2007). Besides, employees' freedom to use their discretion makes them to have psychological ownership of their job thus, propelling them to exert energy, invest time and come up with groundbreaking ideas that will eventually position the organisation for competitive advantage. Organisations must take proactive steps in fostering employees' intrapreneurial engagement by providing a platform that will allow the employees to have full control of their work process and offer necessary support even when they commit errors while innovating (Kuratko & Hodgetts, 2007).

Employee Relationships

Harmonious and cordial relationships between the employees and employers of labour oftentimes triggers best innovative ideas. A positive working relationship with one another irrespective of the grade level and designation provide platforms to persevere and creates an environment that motivates innovative activities and

entrepreneurial dispositions within an organization (Armstrong & Taylor, 2014). Some of the things that can foster employee relationships in the world of work includes but not limited to getting to know each other, playing together during break and close of business among others (Clark, 2008).

Rewards System

Reward system plays a vital role in making employees to act as intrapreneurs. The competitiveness and fairness of reward system determines the extent to which organisations can foster employees' intrapreneurial engagement. The employees' perception and level of trust in the reward system determines their level of engagement, involvement, commitment to innovation, and their willingness to undertake the risks connected with the intrapreneurial activity (Falola, Ibidunni & Olokundun, 2014). Therefore, enriched performance based reward system can stimulate employees' commitment in taken new business initiatives by exploiting new business opportunities (Hayton, 2005)

Research Methods

The data for this study were collected from a survey of employees in selected manufacturing industries located in Agbara, Ogun State, Nigeria. However, the choice of the Agbara was because of the high concentration of industries in the area. Meanwhile, manufacturing industry chosen for this study were the first generation manufacturing industries located in Agbara, Ogun State, Nigeria. Three hundred (300) copies of questionnaire were administered but only two hundred and

fifty-nine (259) copies were retrieved representing 86.3% response rate. Employees' intrapreneurial engagement was measured using Corporate Entrepreneurship Assessment Instrument (CEAI) developed by Kuratko and Hornsby (2008) with little modifications to suit the constructs of the subject matter. Five-point Likert scale that best describes the degree to which the respondents agree with each item in the questionnaire was used. A descriptive research design and (Structural Equation Model (AMOS 22) was used to analyse the degree of relationship and resultant effects between the dependent and independent variables of the study.

Result And Discussion Of Findings

Sequel to Regression Weights depicted in Table 1 below which shows the level of correlations that exists between the variables can be categorized as strong or low. The relationship between employees' autonomy and employees intrapreneurial engagement is positive and estimated to be $r=.163$ ($p<0.05$). The level of relationship between employees' empowerment, reward systems and intrapreneurial engagement are positive and estimated to be $r=.041$ ($p<0.05$) and $r=.109$ ($p<0.05$) respectively. Similarly, there was a positive relationship between employee relationships, involvement and intrapreneurial engagement estimated at ($r=.051$, $p<0.05$) and ($r=.144$, $p<0.05$) in that order. Also, the relationships between employees intrapreneurial engagement and organisational survival are positive and estimated to be at ($r = .837$, $p<0.05$).

Table 1: Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Empl_Intra_Enga	<---	Empl_Auton	.163	.087	1.872	.061	Significant
Empl_Intra_Enga	<---	Empl_Empower	.041	.062	.664	.507	Significant
Empl_Intra_Enga	<---	Empl_Reward	.109	.070	1.550	.121	Significant
Empl_Intra_Enga	<---	Empl_Rel	.051	.066	.778	.436	Significant
Empl_Intra_Enga	<---	Empl_Invol	.144	.075	1.931	.054	Significant
Org_Survival	<---	Empl_Intra_Enga	.837	.374	2.236	.025	Significant

Note: C.R. = Critical Ratio; S.E. = Standard Error; * significant at 0.05

Confirmatory factor analysis was adopted to evaluate the validity and to assess the goodness of fit of the model (Byrne, 2001). Structural Equation Modelling AMOS (Analysis of Moment Structure) path analysis version 22.0 was used for the analysis of the variables in order to determine the level of fitness. Various model fit indices such as chi-square (χ^2), chi-square/degree of freedom (χ^2/df), Comparative Fit Index (CFI); Normed Fit Index (NFI); Relative Fix Index (RFI); Incremental Fix Index (IFI); Tucker Lewis Index (TLI) and Root Mean Square Error of Approximation (RMSEA) were considered. Meanwhile the significance level was set at $p < .05$. The results of CFA analysis suggest that the factor loadings for all major variables range between 0.71 and 0.93.

The Cronbach alpha values reported for the variables are as follows: employees' autonomy = 0.87, employees' empowerment = 0.79, reward system= 0.84, relationships = 0.77, involvement = 0.78, and organisational survival = 0.89. the model was tested using SEM. The minimum benchmark for model fitness index which must be above 0.9 as posited by Awang, (2012) and Tabachinck and Fidell, (2007) was considered. However, the result shows that all the fit indices are above the minimum value ($\chi^2 = 12.450$, $p = .003$, $\chi^2/df = 4.036$; CFI= 919; NFI=.969; IFI = .933; GFI =.986; TLI = 957; RMSEA =.087; AGFI =.905). All the fits indices are above the minimum acceptable value indicating a good fit. The result of structural equation model is depicted in figure 1:

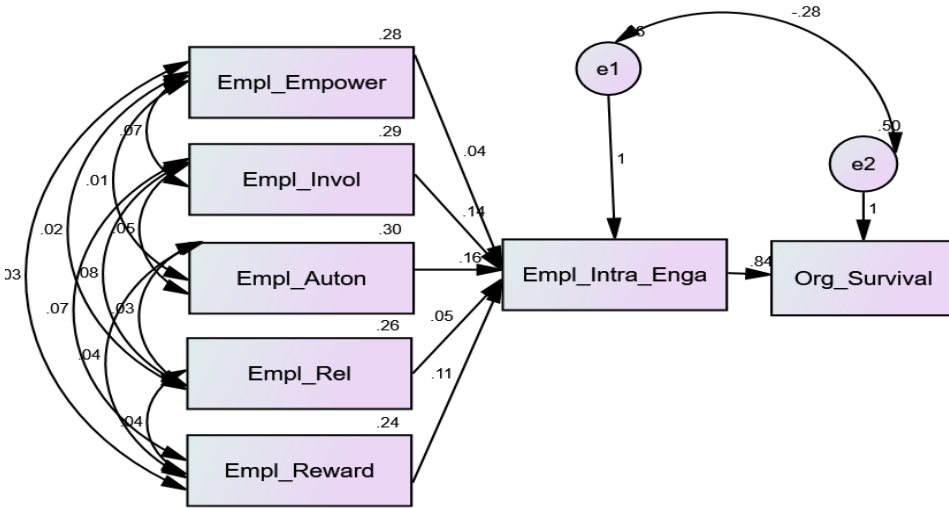


Fig. 1: Results of the Structural Equation Model of the Data Collected

Discussion of the Findings

The model shown in figure 1 indicates the regression between employees’ empowerment, involvement, autonomy, relationships and reward system on organisational survival. All the variables tested have positive path coefficients as strategies that tend to foster employees intrapreneurial engagement and enhancement of organisational survival. However, the path coefficient scores (regression weights) of the observed constructs explain the regression between the studied variables. The regression weight between employees’ empowerment and intrapreneurial engagement is .041 (p<0.001) which indicate that when **empowerment** goes up by 1 standard deviation, **intrapreneurial engagement goes up** by 0.041 standard deviations, therefore, the regression weight for empowerment in the prediction of **intrapreneurial engagement** is significantly different from zero at the 0.05 level. The implication is that the ability of the organisations to empower employees will foster organisational survival.

similarly, the effects of employee autonomy and relationships show the path coefficient of .163(p<0.001) and r=.051(p<0.05) respectively. Therefore, when **autonomy** goes up by 1 standard deviation, **intrapreneurial engagement goes up** by 0.051 standard deviations while relationship goes up by 0.051 standard deviations in that order. The effect of employees’ involvement and reward system on **intrapreneurial engagement** is positive with the regression weight of .144, (p<0.05) and .109, (p<0.05), therefore, when involvement and reward system goes up by 1 standard deviation then **intrapreneurial engagement goes up 0.144 and 0.109** standard deviations respectively. It is important to note that employee **intrapreneurial engagement** has a strong relationship with organisational survival with positive coefficient value of .837 (p<0.05). Evidently, when **intrapreneurial engagement goes up by 1**, organisational survival goes up by 0.837.

Conclusion

The study provides insight into the significance of employees' intrapreneurial engagement as a panacea to organisation survival. The study will assist the management and other stakeholders in the manufacturing industry to understand the significant relationship that exists between employees' empowerment,

involvement, autonomy, relationships and reward system and its significant effects on organisational survival. It is also imperative to state that the study serves as an eye opener to the management of manufacturing industries to ensure that adequate efforts are taken to foster employees' intrapreneurial engagement to drive organizations' quest for survival in the midst of competitiveness.

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