

Managers' corporate entrepreneurial actions: Examining perception and position ☆

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Abstract

Are organizational factors that support entrepreneurial action supportive for all? We use the literatures on corporate entrepreneurship and managerial levels to propose that managers differ in structural ability to make the most of their organizational environment. Using a sample 458 managers and moderated Poisson regression analysis we found that the relationship between managers' perceptions of the organizational environment and the number of entrepreneurial ideas implemented varied across managers of different structural levels. Specifically, (1) the positive relationship between managerial support and entrepreneurial action is more positive for senior and middle level managers than it is for lower- (first) level managers, and (2) the positive relationship between work discretion and entrepreneurial action is more positive for senior and middle level managers than it is for first-level managers. These findings suggest that managerial level provides a structural ability to "make more of" organizational factors that support entrepreneurial action.

Published by Elsevier Inc.

Keywords: Corporate entrepreneurship; Managerial levels; Action

1. Executive summary

While there is a broadly held belief in the need for and inherent value of entrepreneurial actions on the part of established organizations (Morris et al., 2008), much remains to be understood about how corporate entrepreneurship (CE) as a strategy is enacted in organizational settings. One particular area of interest that has not been sufficiently examined is heterogeneity in the motivation for entrepreneurial action across managerial levels. In the current literature on CE strategies, it is theorized that organizations exhibit a cascading yet integrated set of entrepreneurial actions at the senior, middle, and first-levels of management (Floyd and Lane, 2000). At the senior level, managers act in concert with others throughout the firm to identify effective means through which new businesses can be created or existing ones reconfigured. The entrepreneurial actions expected of middle-level managers are framed around the need for this

☆ The authors would like to thank Phil Phan and two anonymous reviewers for their insightful comments on earlier drafts of the paper. We would also like to thank Matthew Semadeni for his advice.

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group to propose and interpret entrepreneurial opportunities that might create new business for the firm or increase the firm's competitiveness in current business domains. As recipients of these interpretations, first-level managers then work with their people to fashion the entrepreneurial actions through which the firm's core competencies can be used daily to exploit these opportunities.

In an effort to study entrepreneurial actions within the context of CE at different levels of management, we conducted an empirical study of 458 managers at different levels in their firms. We found that the relationship between perceived internal antecedents (as measured by the Corporate Entrepreneurship Assessment Instrument [Kuratko et al., 1990]) and corporate entrepreneurial actions (measured by the number of new ideas implemented), differed depending on managerial level. Specifically, (1) the positive relationship between managerial support and entrepreneurial action is more positive for senior and middle level managers than it is for first-level (lower level) managers, and (2) the positive relationship between work discretion and entrepreneurial action is more positive for senior and middle level managers than it is for first-level managers.

This paper makes two primary contributions. First, corporate entrepreneurship research has focused on the factors that promote entrepreneurial action but have relatively ignored the different groups that exist within an organization or have implicitly assumed homogeneity within organizations. We propose and find that managers of different levels have different roles that provide more or less structural ability to implement entrepreneurial ideas. Second, CE strategies have been applied generally to all managers (Kuratko et al., 2005a). Based on our model and empirical testing, it appears that managerial level is important in understanding CE actions and suggests that CE strategies need to be more fine-grained focusing on each specific managerial level. Overall from a practical standpoint, the future strategies and applications of CE strategies need to be more concerned with first, the perception by managers of organizational factors that precipitate CE actions and second, the specific level of management to which expectations are placed for delivering CE actions. Perception and position do make a difference.

Based on these empirical results, this study also has implications for current literature in entrepreneurship. The few studies that have explored managerial level (primarily conceptual studies) have emphasized the role of first-level managers in a “bottom-up” process of corporate entrepreneurship (Burgelman, 1983a,b, 1984). We offer a counter-weight to this “bottom-up” process with arguments and empirical support for the notion that given a specific organizational environment more senior managers have greater structural ability to “make more of” the conditions and thus implement more entrepreneurial ideas than do first-level managers. Additionally, while not a central focus of this study, the findings related to the empirical validity of the factors of the Corporate Entrepreneurship Assessment Instrument (CEAI) in explaining entrepreneurial outcomes adds to the growing base of research supporting the construct validity of the CEAI scale.

2. Introduction

In the 21st Century corporate entrepreneurship (CE) has increasingly been recognized as a legitimate path to high levels of organizational performance (Ireland et al., 2006a,b; Morris et al., 2008). Although there is a broadly held belief that managers are an important part of this entrepreneurial process (Kuratko et al., 2005a), the CE literature predominantly treats managers as a homogenous group. However, organizational strategy research has acknowledged that managers of different levels have different organizational roles (Floyd and Lane, 2000). Do different managerial levels provide a differential structural ability to capitalize on a supportive organizational environment to act entrepreneurially? By acting entrepreneurially we refer specifically to the number of new ideas implemented (see also Kuratko et al., 2005b).

Using a sample 458 managers and moderated Poisson regression analysis we investigated the above research question and found that the relationship between managers' perceptions of the organizational environment and the number of entrepreneurial ideas they implemented varied across managers of different structural levels. This study makes two primary contributions. First, CE research has focused on the factors that promote entrepreneurial action but have relatively ignored the different groups that exist within an organization or have implicitly assumed homogeneity within organizations. We propose and find that managers of different levels have different roles that provide more or less structural ability to implement entrepreneurial ideas. Second, CE strategies have been applied generally to all management levels. Based on our empirical study, it appears that CE strategies need to be more fine-grained focusing on each specific managerial level. Additionally, while not a central focus of this study, the findings related to the empirical validity of the factors of the Corporate Entrepreneurship Assessment Instrument (CEAI) in explaining entrepreneurial outcomes adds to the growing base of research supporting the construct validity of the CEAI scale. Based on these empirical results, this study also has implications for current literature in entrepreneurship. The few studies that have explored managerial level

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