EMPLOYEES’ INTRAPRENEURIAL ENGAGEMENT INITIATIVES AND ITS INFLUENCE ON ORGANISATIONAL SURVIVAL

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Abstract. Employee intrapreneurial engagement is considered to be one of the fundamental initiatives that can help organisations to achieve a sustainable competitive advantage in the midst of economic hardship and stiff competition particularly in a volatile and competitive business environment. The main objective of this study is to examine how employees' intrapreneurial engagement initiatives would influence organisational survival. Few studies analyse how employee intrapreneurial engagement may foster organisational survival. In order to bridge this gap, we conducted a survey with three main manufacturing companies in Nigeria. 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 experience. The insights discovered from this study would help to facilitate stakeholders to develop or foster employee intrapreneurial engagement and strong institutional strategies to ensure organisational survival.

Keywords: intrapreneurship, empowerment, involvement, autonomy, relationships, reward, engagement.

JEL Classification: L22, M12.

Introduction

Organisations in the 21st century operate in a very competitive and volatile business environment as a result of rapid technological advancement, the influence of globalisation, and the need for concentration of employees with distinctive capabilities that can think out of box to proffer solutions to the challenges faced by the organisations via intrapreneurship initiatives (Bimpitsos and Petridou 2012, Obeidat et al. 2014). The survival and sustainability of 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 and Bostjan 2011, Bhatia and Khan 2013). Intrapreneurship is being perceived to be one of the dynamic approaches that helps organisations to attain a better competitive position (Qureshi et al. 2015, Vargas-Halabi et al. 2017).

It is worthy to note that organisations with concentration of employees with distinctive competencies, suitable working environment and well structure organisational settings should encourage employees with intrapreneurial skills to innovate and implement ideas that will make organisations attain sustainable competitive advantage (Domingo et al. 2012, Lutfihak et al. 2010). 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, skill and innovation in the pursuits of opportunities that can reinforce the organisational overall strategic goals and performance (Adyeey et al. 2015, Antonic and Hisrich 2003, Sebora and Therapatvong 2010). Meanwhile, fostering employees intrapreneurial engagement should involve a number of things which include but not limited to: unwavering management support toward generating new ideas and innovations; development, monitoring and implementation of new business ideas; strategic time allocation for brain storming and critical thinking; flexible and decentralised system, work discretion liberty; adequate, appropriate and competitive reward systems and other benefits that will spur intrapreneurship spirit of the employees. Organisations that fail to promote and encourage intrapreneurial initiatives of its workforce are likely to lose employees with distinctive competencies (Ireland et al. 2009, Armstrong and Tylor 2014, Simon and 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. The relationship between employee intrapreneurial engagement and organisational survival is of great concern particularly in terms of how employee intrapreneurial engagement influences or enhances organisational sustainable growth and survival. However, the relationship between employee intrapreneurial engagement and organisational survival is not clearly established in the literature particularly within Nigeria context, the emphasis has been on influence of organisational variables than individual employees who are engaged to make these efforts (Aspelund et al. 2017, Camelo-Ordaz et al. 2012).

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.

1. 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 are totally different from the existing organisation (Aspelund et al. 2017, Piening and Salge 2015). The new business oftentimes leverages on the already established company’s activities, assets, competencies and other resources. Intrapreneurship also refers to employees creativities in organizations to embark on new business activities or initiatives. According to Antonic and Hisrich (2003), intrapreneurship is interrelated with corporate entrepreneurship with only a slight difference. “Corporate entrepreneurship refers to a top-down process, i.e. a management strategy to foster workforce initiatives and efforts to innovate and develop new business while intrapreneurship relates to the individual level and is about bottom-up, proactive work related initiatives of individual employees” (Piening and Salge 2015). As noted by Azami (2013) intrapreneurship motivates employees to come up with distinctive business initiatives without necessarily taking formal permission from the management. Employees who are intrapreneurally invigorated have strong desire to take initiatives in the pursuit of new business opportunities (Bhardwarj and Sushil Momaya 2007, Urbano and Turro 2013). However, the intrapreneural 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’ distinct 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 (Halim et al. 2017, Kacperczyk 2012, Simon and Barr 2015). Intrapreneurs in the organisations possess the capability to create, recognise, and take new opportunities at their disposal that will enable them to create and add value to the organisation (Ma et al. 2016).

Employees’ empowerment and organisational survival

It has been observed by some scholars that organisations that empower 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 and Imran 2014). Empowerment is described as a level of autonomy and responsibility given to employees in taking decisions about their job without necessarily taking approval from the immediate superior (Ghosh 2013, Falola et al. 2016). Empowerment compels employees to be motivated and enthusiastic in utilizing their distinctive capabilities and creativity towards organisational survival (Sharma and Kaur 2011). Employees’ empowerment is also one of the strategies that organisations use to drive innovative thought that foster creative abilities (Lee et al. 2012, Moses et al. 2016). 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 and
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 et al. 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 trigger genuine commitment.

**Employee autonomy**

Studies have established that employees’ autonomy tend 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 and 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 and Hodgetts 2007).

**Employee relationships**

Harmonious and cordial relationships between the employees and employers of labour oftentimes trigger best innovative ideas. A positive working relationship with one another irrespective of the grade level and designation provide platforms to persevere and create an environment that motivates innovative activities and entrepreneurial dispositions within an organization (Armstrong and 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).

**Competitive Rewards system**

Competitive 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 et al. 2014). Therefore, enriched performance based reward system can stimulate employees’ commitment in taking new business initiatives by exploiting new business opportunities (Hayton 2005).

2. Methods

In order to achieve the set objective of the study, this research adopted a quantitative study through a survey. 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 manufacturing industries in the area. Meanwhile, the manufacturing industries chosen for this study were the first generation manufacturing industries located in Ogun State, Nigeria. Five hundred (500) copies of questionnaire were administered to permanent senior employees of the ten (10) selected manufacturing industries using stratified and simple random sampling techniques, but only three hundred and seventy-six (376) copies were retrieved representing 75.2% response rate. Employees’ intrapreneurial engagement was measured using Corporate Entrepreneurship Assessment Instrument (CEAI) developed by Kuratko, Ireland, & Hornsby (2001) with little modifications to suit the constructs of the subject matter. This was measured on a five-point Likert scale that best describes the degree to which the respondents agree with each item in the questionnaire. A total of twenty items were used to operationalize the constructs (employees’ empowerment, involvement, autonomy, relationships and reward system) used to measure the employees intrapreneurial engagement. Data used for this study was collected via structured questionnaire from the employees of the selected organisations. All the first generation manufacturing industries within the area were given equal opportunities of been selected. To verify the reliability of the instrument, Cronbach’s alpha was used and the result shows .874 which is above the minimum benchmark of 0.7. In order to be sure of internal consistent of the instrument, the study also adopted measuring model for the validation of constructs, the fitness of the model as well as test of
hypotheses. Meanwhile, Confirmatory Factor Analysis was used to investigate reliability of items, item loading and composite reliability, construct and content reliability, scale validity and the fit of the measurement model as suggested by Fornell and Larcker (1981). It is also important to state that there are minimum benchmark that must be met before a model can be said to have a good fit. Confirmatory Factor Analysis loading and construct composite reliability must ordinarily exceed the minimum benchmark of 0.70, while error variance should be less than 0.5 and construct average variance extracted estimate must be above 0.5. The result of validity and reliability of this study is depicted in Table 1. Meanwhile, 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 2 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 $r = .837$, $p < 0.05$.

Confirmatory factor analysis was adopted to evaluate the validity and to assess the goodness of fit of the model (Byrne 2004). 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 ($\chi^2$), chi-square/degree of freedom ($\chi^2$/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

<table>
<thead>
<tr>
<th>Variables</th>
<th>Loading</th>
<th>Indicator Reliability</th>
<th>Error Variance</th>
<th>Compose Reliability</th>
<th>AVE</th>
<th>No. of Final Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIE</td>
<td>0.8386</td>
<td>0.7032</td>
<td>0.2968</td>
<td>0.81</td>
<td>0.86</td>
<td>5</td>
</tr>
<tr>
<td>EIE</td>
<td>0.8877</td>
<td>0.7880</td>
<td>0.2120</td>
<td>0.88</td>
<td>0.81</td>
<td>5</td>
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<tr>
<td>EIE</td>
<td>0.8676</td>
<td>0.7527</td>
<td>0.2473</td>
<td>0.83</td>
<td>0.81</td>
<td>5</td>
</tr>
<tr>
<td>EIE</td>
<td>0.8578</td>
<td>0.7358</td>
<td>0.2642</td>
<td>0.82</td>
<td>0.81</td>
<td>5</td>
</tr>
<tr>
<td>EIE</td>
<td>0.8568</td>
<td>0.7341</td>
<td>0.2659</td>
<td>0.85</td>
<td>0.87</td>
<td>5</td>
</tr>
<tr>
<td>Org. Surv.</td>
<td>0.8747</td>
<td>0.7651</td>
<td>0.2349</td>
<td>0.85</td>
<td>0.81</td>
<td>5</td>
</tr>
</tbody>
</table>

All loadings are significant at $p < 0.0001$.

<table>
<thead>
<tr>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>.163</td>
<td>.087</td>
<td>1.872</td>
<td>.061</td>
<td>Significant</td>
</tr>
<tr>
<td>.041</td>
<td>.062</td>
<td>.664</td>
<td>.507</td>
<td>Significant</td>
</tr>
<tr>
<td>.109</td>
<td>.070</td>
<td>1.550</td>
<td>.121</td>
<td>Significant</td>
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<td>.066</td>
<td>.778</td>
<td>.436</td>
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</tr>
<tr>
<td>.144</td>
<td>.075</td>
<td>1.931</td>
<td>.054</td>
<td>Significant</td>
</tr>
<tr>
<td>.837</td>
<td>.374</td>
<td>2.236</td>
<td>.025</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Note: C. R. = Critical Ratio; S. E. = Standard Error; *significant at 0.05
Source: Field Survey 2017
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 Tabachnick 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.

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 of this is that the ability of the organisations to empower employees will foster organisational survival. This finding corroborates the submission of Elnaga and Imran (2014) in their study of the effect of employee empowerment on job satisfaction. It was noted that employees are likely going to think outside the box and come up with intrapreneurial initiatives when they are empowered. This suggest that employee intrapreneurial engagement is a function of employees’ level of empowerment. The finding also validates the submission of Ma, Liu and Karri (2016). They noted that employee empowerment fosters internal corporate venturing and strategic initiatives. The organisation can only accomplish their intrapreneurial initiatives if only employees are empowered and enabling environment that will stimulate employee's engagement is created. 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. These findings validate the submissions of Irawanto (2015) and Serinkan, Kaymakci, Arat & Avcik (2013). This suggest that when employees are given autonomy to develop worthwhile intrapreneurship innovation with appropriate competitive reward system, it will motivate employees to think and behave like intrapreneurs and as well be committed to chart the course since they are involved in the process. This will invariably enhance their level of engagement and involvement. As noted by Osibanjo, Falola, Akinbode & Adeniji (2015), employees tend to exhibition in deviant behaviours if they are not empowered, involved in the decision making process and adequately remunerated. Therefore, employees' empowerment, involvement, autonomy, relationships and reward system as measures of employee intrapreneurial initiatives play a significant role in the survival of 21st century organisations particularly in highly competitive business environment.

**Conclusions**

The study provides insight into the significance of employees’ intrapreneurial engagement as a panacea to organisation
survival. The reason for this study was based on the need of the organisations to harness and explore intrapreneurial spirit of their workforce in maintaining sustainability particularly in the highly competitive business environment. It is also important to note that five variables were identified (employees’ empowerment, involvement, autonomy, relationships and reward system) and results show positive influence of all these on the organisational 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 employee intrapreneurial engagement to drive organisations’ quest for survival in the midst of competitiveness. This study will also help organisations to know how intrapreneurial initiatives can be used to achieve sustainable competitive advantage for the survival of the organisation in the highly competitive business environment.

Further to the results of the study, it can be concluded that manipulation of some variables such as employees’ empowerment, involvement, autonomy, relationships and reward system is important for the attainment of organisational goals and survival. From the managerial perspective, the outcome of this study sheds more light into the roles employee intrapreneurship engagement plays in the survival of the organisations. The implication of this to the management is that, if conducive working environment that allows employees to think outside the box is provided and efforts are being rewarded, there is every likelihood that employees will turn opportunities at their disposal into new innovations that will enhance organisational sustainability. This validates the submission of Serinkan et al. (2013) that if employees are given opportunities to explore and management provides good working environment, it will trigger intrapreneurial initiatives. Another managerial implication is that if employees are empowered and are given autonomy, it will encourage them to think of new business opportunities and innovate to take advantage of the opportunities around them. This is also in line with the submission of Alipour, Idris, Ismail, Uli, and Karimi (2011). It is also important to state that if there is competitive reward system, it will motivate employees to think and behave like intrapreneurs. Organisations are therefore expected to allow their employees develop worthwhile innovations regardless of the risk that is attached. Besides, organisations should also inspire their employees to come up with innovations, business ideas, proposals and also cheer them to implement ideas with needed supports and assistance. It is suggested that even when employees’ innovations, ideas and intended project fail, they should not be rebuked or besmirched but encouraged to re-strategise. This will allow them to brain storming and come up other strategic ways of implementing their ideas for the betterment of the organisation (Osibanjo et al. 2016). 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. The insights discovered from this study would help to facilitate stakeholders to develop or foster employee intrapreneurial engagement and strong institutional strategies to ensure organisational survival.

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