The Effect of Entrepreneurship and Culture on the Employee Commitment in Turkey

Gülactı Fındık and Erkut Altındağ
Beykent University, Turkey

Abstract: Notions of entrepreneurship culture in the development of society are vital. Today, with the speed of globalization and rapidly changing market conditions, companies can achieve a sustainable competitive advantage and be able to maintain productivity, which has increased the importance of domestic entrepreneurial activity in a company. The purpose of this study is to explain the concepts of entrepreneurship and intrapreneurship in a theoretical framework and to analyze their effects of entrepreneurial intents and activities on an organization and employees. A survey is conducted in the services sector as research, analyzed data collected from a total of 229 staff, including first-stage managers. In the framework of the research, correlation test and regression test were applied to investigate whether organizations' internal entrepreneurial activities have an effect on employee performance. According to the results, only new job opportunities for employers have a positive impact on employee commitment.

Keywords: Entrepreneurship, Entrepreneurship Culture, Organizational Climate, JEL CODES: M10, M19

Introduction

Concept and Definition of Intrapreneurship

In recent years, efforts to implement entrepreneurship, which has an increasing importance within an organization, have gained importance and attempts to apply many studies that would bring innovations within these organization have been made. One of these is the concept of intrapreneurship, which supports entrepreneurial practices within an organization (Ağca and Ümmügül, 2013).

The intrapreneurship’s role is significant to the fact that entrepreneurial and innovation activities come to the forefront in an organization with the orientation of the idea of entrepreneurship within the organization. Gifford Pinchot, who first used the concept of intrapreneurship in the literature, focused on the concepts of risk and return. In his first model in this regard, he suggested that an intra-entrepreneur working to achieve his objectives can use the returns he would obtain as a result of the work he has fulfilled in two parts by assuming a particular risk. The entrepreneur will be able to use the returns he/she received as a reward in the first part and in the realization of future intrapreneurship activities in the second part (Başar et al., 2013). This formation, named intrapreneurship [intra(corporate) + (entre) preneurship] by Pinchot (1985), allows entrepreneurship within the firm; it was observed that the concept of inter-organizational entrepreneurship is used in exchange for the intrapreneurship in the literature (Güney, 2008). The small enterprises plan to make a new investment or risk taking has to identify four key differences: Differences in resource mobilisation, the nature of emergent opportunities, differences in mission and management and performance measurement (Chell et al., 2016).

It is possible to classify different concepts of intrapreneurship, which have become an important issue in the literature (Zahra, 1993, 5), along with increase in firm-level entrepreneurship studies as corporate entrepreneurship, corporate venturing, internal corporate entrepreneurship, (Antoncic and Robert, 2001, 497), firm-level entrepreneurial orientation and continued entrepreneurship (Arat, 2013, 52).

Zahra (1991) defined the corporate (firm) entrepreneurship he used in the same meaning with intrapreneurship as formal and informal activities aiming to create new businesses in existing firms by creating innovations in products and processes and through market development. He stated that these activities indicated might be included in firm, department,
function and project levels for the improvement of the firm’s competitive position and financial performance (Ağca and Kandemir, 2008, 211). Along with the growing importance of entrepreneurship in business, studies of entrepreneurial activities have gained importance in many areas, from the management of businesses to the strategies they apply, from attitudes of the employees to show entrepreneurial behaviors to customers’ expectations. A business should have entrepreneurial thoughts, apply entrepreneurial activities and gain the competitive advantage to achieve success and to sustain this success. The most important tool to ensure a competitive advantage is “intrapreneurship” (Naktiyok and Kök, 2006, 80). Creating innovations to obtain a competitive advantage in uncertain and complicated market conditions with high competition is one of the most important ways to be innovative. A business can be successful in different ways such as differentiation in the markets they get into, cost leadership, reacting quickly to changes, organizational learning, the ways of doing new business and finding a new strategic direction (Akdoğan and Ayşe, 2006, 52). The reasons for businesses to give more importance to intrapreneurship, as:

- The need for making the necessary changes, innovations and improvements in the market to avoid decline and recession
- The weakening, which is realized due to the traditional methods of firm management
- And the turnover rate of personnel/customers, which have lost their faith in the bureaucratic organizations and have innovative thinking (Gürel, 2012, 64)

Organizations seeking to bring a competitive advantage to the national and international level have been able to reflect their production information and local skills on the new markets by creating facilities that could compete with international production opportunities through actions that include and support entrepreneurial thinking (Göçmen, 2007, 49). Therefore, businesses engaged in national and international activities are forced to be innovative and to keep up with change (Onay and Selin, 2010, 51). It is obvious that businesses that fail to keep up with change and innovation will fall behind the others. In the loss of personnel, it is seen that particularly skilled employees leave their businesses where they work to be entrepreneurs. Başar et al. (2013) focus on two important issues regarding employees’ leave of their businesses: (1) The fact that entrepreneurship is the status symbol; (2) venture capital financing model. The purpose is to ensure that the entrepreneurship becomes attractive for young people and entrepreneurs with new ideas will be supported in terms of management and finance. In addition, the desire to achieve economic independence allows employees to launch their own businesses in which to support innovative thinking.

**Intra-Entrepreneur**

The intra-entrepreneur is a person who tries to improve an organization through new methods and searching for new opportunities (Akdoğan and Ayşe, 2006, 51). Although it is essential for an intra-entrepreneur to produce a new product or design a service by necessity, an intra-entrepreneur is mainly an organization employee who (Doğaner, 2006, 43):

- Converts ideas and prototypes into profit-generating products
- Takes significant risks for the emergence of many products and services, which are admired and have become a part of life
- Not only performs these but also does not forget that he should be a good team organizer and team player
- Has an extremely normal intelligence level beyond the common belief but has extraordinary tendencies and ambition to struggle

While Pinchot defines the intra-entrepreneur as “the person who assumes responsibility for implementing a business idea within the organization,” Drucker defines intra-entrepreneurs as “The individuals who have entrepreneurial characteristics within the organization” (Kuratko, 2005) and Miner defines them as “the innovative managers” who develop new functions and struggle for new opportunities as a part of a strategy with a re-determined content in profit-oriented organizations” (Ağca and Durmuş, 2006, 162). Based on these definitions, intra-entrepreneurs are, essentially, the individuals who are engaged in entrepreneurial activities within the organization, bring innovation by observing and evaluating the opportunities and taking risks and increase the profitability and competitiveness of the business with these innovations. At the same time, intrapreneurship, as it is known, is a factor that provides an increase in the overall performance of the business and renews the workflows (Kuratko et al., 1990; Parker, 2011).

An entrepreneur is a person who turns applicable/marketable ideas into opportunities at the proper time and takes risks by taking part in competitive markets via applying these ideas. The entrepreneur maintains his activities as a creative and innovative individual creating new resources while taking part in the market through taking risks (Frederick and Kuratko, 2010, 23). In addition to the previous definitions, the entrepreneur improves the motivation system of the employees as well as increases the firm’s economic and...
financial performance through the better use of resources (Maier and Zenovia, 2011, 972).

The intra-entrepreneur puts entrepreneurial skills and new opportunities into practice and provides continuance of them within the existing business. The first entrepreneur assumes the role of catalyst in this case. Consequently, two situations may occur within the process. In the first situation, the intra-entrepreneur gets the award that will arise to a certain extent with the first entrepreneur by taking responsibility on friendly terms. In the second situation, the intra-entrepreneur independently sets up his own business by leaving the first entrepreneur (Top, 2008, 9). However, it is possible to talk about the entrepreneurship of individuals (internal entrepreneurship), groups, or institutions working in the enterprise as well as the individual (Döm, 2006, 47).

**Dimensions of Intrapreneurship**

The literature shows that the dimensions of intra-entrepreneurship have been shaped around two approaches: Entrepreneurial orientation and internal corporate entrepreneurship. While entrepreneurial orientation has been discussed as risk taking, product development, innovativeness, proactiveness (Hisrich et al., 2005), autonomy and competitiveness as the intrapreneurship tendencies within the business, internal corporate entrepreneurship has been discussed at the wide and large organization level by the pioneers of this movement; they revealed its dimensions as innovativeness, strategic renewal, self-renewal and starting internal businesses (Ağca and Mustafa, 2007, 92).

The dimensions of intrapreneurship, which include both movements and the classification of the pioneers of this dimension, were included in the studies carried out by Antonic and Hisrich (2003). A similar study is presented in Table 1 by Aına and Mustafa (2007).

As shown in Table 1, the most discussed intrapreneurship dimensions are innovativeness, risk taking, proactiveness, autonomy, new business venturing, self-renewal, or strategic renewal and competitive aggressiveness.

**Innovativeness/Innovation**

Innovation is the means by which entrepreneurs make changes to bring about a different business or service (Çiftçi et al., 2014, 78). Drucker (1984), who regarded innovation as a means of entrepreneurship, defined innovation as “the useful information that provides an opportunity for the employees working in the same organization with different knowledge and skills for the first time to get efficiency” (Kızıloğlu, 2011). McGinnis and Verney (1987) defined it as “learning to do something which was not previously known and maintaining to do it” or “doing it in a different way, not in the way it was previously done” (Serinkan and Gülşah, 2013, 81).

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Definitions</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk taking</td>
<td>Making investment decisions and performing strategic actions in an environment of uncertainty to make use of the new opportunities despite the possibility of losing</td>
<td>Miller and Friesen, 1983; Covin and Slevin, 1991; Lumpkin and Dess, 1996; Morris and Kuratko, 2002; Antonic and Hisrich, 2003</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>The tendency of the organization, especially top management, to act as a leader and start the first attempt</td>
<td>Miller and Friesen, 1983; Covin and Slevin, 1991; Lumpkin and Dess, 1996; Morris and Kuratko, 2002; Antonic and Hisrich, 2003</td>
</tr>
<tr>
<td>Autonomy</td>
<td>Independence exhibited by an individual, group, or organization in presenting an idea or vision and achieving it</td>
<td>Zajac and Bazerman, 1991; Lumpkin and Dess, 1996;</td>
</tr>
<tr>
<td>New business venturing</td>
<td>Creating new products, new jobs and new autonomous units or semi-autonomous firms in the existing organizations</td>
<td>Zahra (1991); Stopford and Baden-Fuller, 1994; Zahra and Covin, 1995; Antonic, 2000; Antonic and Robert, 2001</td>
</tr>
<tr>
<td>Competitive Aggressiveness</td>
<td>Being aggressive against competitors (aggressive positioning or challenging competitors directly and intensely in the market)</td>
<td>Covin and Slevin (1991; Lumpkin and Dess, 1996; Antonic, 2000; Antonic and Hisrich, 2003)</td>
</tr>
</tbody>
</table>

It is seen that many studies on innovation, which have been carried out in recent years, are based on the Oslo manual. According to this manual, it is the realization of a product or service, which has been newly developed or is at a good level within the business organization or external relations in the implementation process within the organization and in external relations. In other words, the minimum conditions, product, marketing and organizational methods, which are required for innovation, should be new (or significantly improved) for the organization (OECD, 2006, 50).

The product/service and technology/process innovativeness reflect a firm’s tendency to support new ideas and experiences (Akdogan and Ayse, 2006, 53). While intrapreneurship’s tendencies to support, develop and apply innovations provide an opportunity to bring innovations in the product/service processes of the firms, they create an opportunity for the renewal of the existing technical or technological processes.

Drucker presents the source of opportunities in innovation dimensions. The first four of these sources are related to the company itself, while others are related to external environmental elements (Burns, 2001, 53) (as follows):

- Unexpected: Unexpected successes or failures, unexpected events, etc
- Incongruity: Inconsistencies between the difference between the predicted and realized
- Inadequacy in underlying processes: Possible shortcomings in the accepted basic processes, change and development
- Changes in market structure and industry: Includes unexpected changes
- Demographic changes: Changes in demographic structures due to war, natural disaster, change in birth rate
- Changes in perception, mood, purpose or importance: This change is due to reasons such as the ups and downs of the economy, cultural change, or changing of fashion

**Risk Taking**

As another dimension of entrepreneurship orientation, risk taking is used in the meaning of “making attempt for the unknown,” “the possibility of losing or negative results,” “the feeling of uncertainty,” “the pressure created by borrowing of the resources or promising to use in large amounts” (Altuntaş and Dilek, 2010, 54). Risk taking is a key factor in separating managers and entrepreneurs in an organization (Kızıloğlu and İbrahimoglu, 2013, 106).

Dess and Lumpkin (2005) separated the risks taken by organizations and top managers and suggested that there are three types of risk as (1) business risk, (2) financial risk and (3) the personnel risk. Getting into new markets without knowing the results or being attached to technologies, which have not been proven, comprises business risk; the fact that the business puts a large part of its resources to grow or gets into debt at high levels comprises the financial risk; and the possibility that top managers may affect the whole business and their decisions may be a significant problem for their career comprises the personnel risk (Arat, 2013, 69).

**Proactiveness**

Although the proactivity dimension of intrapreneurship was defined as “Taking the action before the bad consequences that may arise in the future,” it has been used in the meaning of “Directing the events by predicting and affecting the future, not going behind the events in the management” (Ağca and Ümmügül, 2013, 304).

Acting proactively in organizations indicates pioneering, taking risks and using competitive assertiveness and courage, which emerge in the tendencies and activities of the top management (Kızıloğlu and İbrahimoglu, 2013, 106). Being able to make use of opportunities, being able to manage the competitive environment, being able to develop appropriate strategies to changing demands in changing environmental conditions, being able to remain continuously active in the market, being able to put new product/services to the market at first, the maturation of product life cycles and the decisions of the stage of withdrawal in the market all describe the proactive behaviours of an entrepreneurial firm.

**Autonomy**

The autonomy within the frame of an organization refers to individuals or teams involved in the organization who act independently and take initiative for the creation of an idea or vision and its successful implementation of it (Altuntaş and Dilek, 2010, 53).

The concept of autonomy, which is typically explained in both an arrow and broad sense, generally means “The person’s opportunity and desire to direct himself while pursuing the opportunities” (Arat, 2013, 70). In the narrow sense, it includes the selection of business practices and methods in the business environment, preparation and checking of the work programs and the person’s selection of his own performance criteria. In a broad sense, it is divided into three sections as strategic autonomy at the organization level, administrative autonomy and operational autonomy (Kayş, 2010, 101).

**Strategic Autonomy**

The freedom about what the objectives of an organization could be and what kind of strategy will be followed to achieve the objectives.
**Administrative Autonomy**

Responsibility of managing operations as the responsibility of conducting them by means as decided in an operation existing in any part of an organization.

**Operational Autonomy**

The person’s freedom of decision-making via his own will and knowledge in acting toward the objectives set out in an organization and the problems faced within strategic and administrative restrictions.

**New Business Venturing**

New business venturing, one of the most outstanding features of intrapreneurship, is one of the important dimensions of intrapreneurship because it develops a new business and market in an existing organization by the re-evaluation of products and resources. In this context, the formation of formally autonomous or semi-autonomous divisions in large organizations can be shown as indicators of the entrepreneurial orientation within an organization (Akdoğan and Ayşe, 2006, 53). These ventures are represented by the names of internal entrepreneurship, creating an autonomous business unit, firm-level entrepreneurship, new internal trends and corporate entrepreneurship and incubator entrepreneurship in the literature (Ağca and Mustafa, 2007, 97).

Large businesses can put radical technological innovations resulting from intensive R and D activities into practice or can perform gradual and radical innovations by following market opportunities by undertaking a new business venture outside the main business because the bureaucratic structure and formal procedures in large businesses do not allow for innovative ideas within the business (Öğüt et al., 2006, 86).

As cited from Zahra by Ağca and Kurt, new business venturing dimensions include the new businesses created through the re-determination (identification) of products, technological and administrative processes and market conditions (Ağca and Kurt, 2007, 98). The fact that a firm redefines its existing products or services, or begins to produce new product/service, makes innovations by testing and developing new techniques and technologies, getting into new markets, or creating its own market will improve the intrapreneurship in the firm as a result of the new business ventures.

**Self-Renewal/Strategic Renewal**

Although environmental changes such as changing market conditions and rapidly developing technology, the fundamental changes that may occur in the sector and crisis conditions that might arise pose a threat for some businesses, these may be opportunities for some businesses. These changes, which cannot be predicted by most of the businesses, give rise to the need for strategic renewal in businesses (Öğüt et al., 2006, 84). While the strategic renewal, which was expressed in different ways in the literature y Guth and Ginsberg (1990) as “the creation of new wealth through a new combination of resources,” it was expressed by Zahra as “the redefinition of the organization’s mission by rearranging resources in a creative way, making changes in the products and technologies” (Kayış, 2010, 55). Sustainable innovation is an important need in order to remain strong and advantageous in a global competitive environment (Demir, 2016, 312). Defining the creation of new jobs in existing organizations as a wider range of activities related to the conversion or renewal of the existing organizations and efforts to change the rules of competition in the sector as “intrapreneurship” (Antonicic and Robert, 2001, 497) and emphasizes the continuity of the renewal process in existing organizations.

**Competitive Aggressiveness**

The competitive aggressiveness indicates the tendencies of an organization that gets into the market for the first time or an existing organization to directly or severely challenge competitors (Kızıloğlu and İbrahiimoğlu, 2013, 106). Porter suggests three approaches for those who adopt the sense of competitive aggressiveness (Ağca and Mustafa, 2007, 100):

- ‘Doing businesses in different ways out of the ordinary’ in the meaning of rearranging the source components
- ‘Changing the content’ in the meaning of redefining products, services and marketing channels and the relevant field
- ‘Spending more than’ the industry leader’

According to a study on entrepreneurship processes displayed by US firms in the global market, it was concluded that competitive aggressiveness explained more differences (37%) than the other strategic or structural variables, which were analyzed within the intrapreneurship. Here, as a result of intrapreneurship, it was demonstrated that alarge part of the positive changes occurring in these firms was dependent on competitive aggressiveness (Serinkan and Gülşah, 2013, 91). All efforts will become a sustainable competitive advantage as new products, services and processes through innovation, as long as they are supported and coordinated by the managers (Bulut et al., 2009).

**Factors Affecting Intrapreneurship**

For the successful realization of intrapreneurship practices, the internal and external environmental conditions of the organization should support these studies.
As shown in Fig. 1, the factors, which are discussed in two groups as organizational factors and environmental factors, affect the intrapreneurship and therefore the organizational performance. It is obvious that the intrapreneurship affects the profitability and growth of an organization. Therefore, it can be said that organizational and environmental factors affecting the intrapreneurship are important for the continuation of the business.

**Organizational Factors**

The entrepreneurship concept pursues the goal of organizing with the purposes of creating an organization, getting resources and capital and forming the organizational structure. The entrepreneurship work starts with the objective of the organization; in the end, it reaches the organizational structure or ends as the result of an inability to complete its formation (Örnek and Yasin, 2015, 1147). The obstacles to intrapreneurship and organizational factors supporting it are considered necessary for successful intrapreneurship practices. These factors are the organizational structure, managerial support, organizational culture, effective communication, proper controls and organizational values.

There are structural changes that may occur in the organizational structure depending on the growth of businesses from small business and the diversification of their activities (Eren, 2013, 411). These structural changes are effective on many factors from structuring management to employee roles, from the decision-making process to formal rules. These factors are important for a successful entrepreneurship in an existing business; therefore, organizational structure has a great effect on intrapreneurship practices. Here, the point to be emphasized is which organizational structure has a positive or adverse effect on intrapreneurship.

**Managerial Support** is often expressed as the support of the top management in the literature and is one of the important factors for intrapreneurship practices to be successful in organizations (Cingöz amd Akdoğan, 2013, 200). Top management that encourages and supports the employees to take risks, to make use of the opportunities and to be able to use resources has accepted and encouraged the awareness of intrapreneurship in terms of management. In addition, to what extent the management’s commitment is high is also important for intrapreneurship. The organizational support factors such as the support of the management, providing all kinds of sources, encouraging and rewarding in terms of entrepreneurship and time allocation are regarded as important organizational factors affecting intrapreneurship.

**Organizational Culture** is the “key values, standards, norms, beliefs and the community of understandings shared by the organization members.” Culture is one of the most valuable tools that connect an organization to society, determines its place in society, importance and even success (Eren, 2013, 445). Organizations as a social unit, ensuring external and internal harmony, the features that distinguish the organization from other organizations, are accepted to be correct by existing and new members to solve problems are regarded as a system (Kızıloğlu and İbrahimoğlu, 2013, 107). The culture, which is also
accepted as the first step in supporting the entrepreneurial activities (Cingöz and Akdoğan, 2013, 200), can affect the entrepreneurial studies of the organization. Organizations with the management mentality supporting risk taking, innovation and creativity can develop the intrapreneurship within the organization.

Effective Communication is one of the most important factors in the success of intrapreneurship. Antoncic indicated that the quality and quantity of communication should provide positive support to the intrapreneurship (Serinkan and Gülşah, 2013, 93). Some organizations resort to new organizational practices that will improve formal communication between departments or between managers and employees. In this way, the opportunity of free and open communication is provided through formal or nonformal communication and positive contributions are made to the success of the intrapreneurship activities (Kızıloğlu, 2011, 28).

Formal Controls pave the way for which a project will be beneficial to the business in determining the intrapreneurship project within the organization and which project will bring harm; this includes behavioral patterns expected from employees, encoded operating rules, arrangements and procedures. However, it may have some negative effects as well as positive effects for intrapreneurship. In the projects prepared, excessive bureaucracy and hierarchy implemented by management can prevent these projects and push employees to despair (Kızıloğlu, 2011, 29). Therefore, this situation negatively affects intrapreneurship activities. The fact that managers determine how much density informal control will be used will be useful for the intrapreneurship activities.

Organizational Values are another factor affecting intrapreneurship. This includes management philosophy and formal norms that guide the behaviors of employees, namely, the practices that regulate the relations of the members of the organization and direct their actions. According to the researchers, these applications are positively associated with intrapreneurship (Çiğdem, 2011, 73).

Covin and Slevin argue that the process of intrapreneurship in organizations should act as a determinant element in the formation of the organizational values. These values will increase the harmony between the values of the organization and the values possessed by employees and will be determined to increase the organizational commitment of employees. Thus, employees will behave enthusiastically and courageously in producing new ideas and applying new ventures (Kızıloğlu, 2011, 31).

Environment and techniques to develop these factors should be created in business. For creativity, innovation must be developed and implemented for the entrepreneur within the organization. These are the ways to develop a creative atmosphere (Zimmerer and Scarborough, 2001, 48-49): (1) To expect creativity from employees and request it; (2) to tolerate and accept failures; (3) to encourage curiosity and attention; (4) to see problems as a struggle component; (5) to give instruction for creativity; (6) to support creativity in the enterprise; (7) awarding creativity; (8) to make a creative behaviour as a model.

Environmental Factors

The external environment, which is addressed as a determinant of entrepreneurial activities within the firm discussed at the individual and organizational levels, is considered as the second main determinant affecting the intrapreneurship. The researchers included the external environment variables into the subject while trying to explain the intrapreneurship and its results and revealed that the external environment is an important determinant in terms of affecting the intrapreneurship.

The studies of Guth and Ginsber (1990) by Ağa and Kurt concluded that the significant environmental changes such as liberalization (deregulation) significantly affected the strategies and lead to non random changes; organizations enter into more entrepreneurial efforts along with the increase of environmental dynamism and aggression and the structure of the industry affects the opportunities for successful new ventures (Ağa and Mustafa, 2007, 102-103).

A dynamic external environment leads organizations to make innovations and become different in order to survive against competition and also offer new opportunities for the organization. Furthermore, making changes in the market to which products and services are offered and the differences in customer expectations and needs can be considered within the environmental dynamism (Göçmen, 2007, 87). This situation directs businesses to make innovation and market development activities and creates opportunities for intrapreneurship practices.

The negative environmental factors outside of the positive environmental factors can affect intrapreneurship. According to Antoncic, “the unfavorable change and competitive behavior” are the negative environmental factors that may be encountered (Arat, 2013, 80). It is possible that businesses may be negatively affected by the change of environmental conditions. The environmental factors such as the future changes in demand, radical industry changes, the lack of market opportunities and the severe competition between the competitors negatively affect a business and force us to find innovative ways to reduce these problems or eliminate them completely (Göçmen, 2007, 90). Thus, it will accelerate and increase the intrapreneurship activities within the business.

Methodology

The aim, scope and limitations of the research, the methods used during the research, the data obtained from the research and the evaluation of them, the reliability
analyses of the research scale, factor analysis, correlation and regression analyses are separately addressed in this section. Within the frame of the study, this section investigates whether intrapreneurship activities of organizations are effective on employee performance; thus, the survey method was used for the employees in the service sector. The importance of intrapreneurship activities has increased in the recent times to ensure the efficiency and sustainability of organizations and gain profit. The practices of intrapreneurship activities in organizations are considered to have an effect on the performance of an organization’s employees. The aim of this thesis study is to measure and evaluate to what extent the intrapreneurship activities in businesses are effective on employee performance. This study is limited to private businesses operating in the service sector in Istanbul. To ensure the accuracy of the surveys answered, a face-to-face survey collection technique was used. Apart from this, surveys were received in person and via the Internet after meeting with acquaintances. In this study, in which the survey technique was used as a data collection tool, a total of 240 surveys were applied; 11 of them were not regarded valid because of including missing answers; and a total of 229 surveys were put into practice. Three different scales were used to measure the dependent and independent variables in the research: (1) Organizational climate scale includes questions related to price factor, information sharing, opportunities, obedience and warm climate; (2) intrapreneurship scale includes questions related to the business’s innovation and entrepreneurship factor; (3) employee performance scale includes questions related to emotional strength, commitment and burnout within the business. The variables and the number of questions of variables in the survey, consisting of 75 questions, are shown in Table 2.

Besides, issues such as the demographic characteristics of employees, the person’s age, gender, education level, for how many years he/she has been in business life, his/her mission in the institution and for how many years he/she has been working in the same institution were also addressed. The data obtained from the sample group by the survey were analyzed via Statistical Package for Social Sciences (SSPS 17.0) package program. After the effect of the business’s organizational climate and the intrapreneurship activities on employee performance had been determined, the factor and reliability analyses, the average of the variables loaded on each factor, correlation and regression analyses were performed. The hypotheses, which were previously developed, were tested as a result of the evaluation of the data collected by survey method. These hypotheses are listed as follows:

H₁: The organizational climate has a direct and positive effect on employee commitment.
H₂: The intrapreneurship factor has a direct and positive effect on employee commitment.

The data obtained from the research are given in the following Table 2 and 3.

Table 2. Variables and number of questions asked

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational climate</td>
<td>38</td>
</tr>
<tr>
<td>Intrapreneurship</td>
<td>20</td>
</tr>
<tr>
<td>Employee performance</td>
<td>17</td>
</tr>
<tr>
<td>Total number of questions</td>
<td>75</td>
</tr>
</tbody>
</table>

Table 3. Demographic information

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Group</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>96</td>
<td>41.9</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>130</td>
<td>56.8</td>
</tr>
<tr>
<td>Educational level</td>
<td>College</td>
<td>36</td>
<td>19.6</td>
</tr>
<tr>
<td></td>
<td>University</td>
<td>86</td>
<td>71.3</td>
</tr>
<tr>
<td></td>
<td>Graduate School</td>
<td>60</td>
<td>97.4</td>
</tr>
<tr>
<td>The rate of business activity areas</td>
<td>Regional</td>
<td>8</td>
<td>3.7</td>
</tr>
<tr>
<td></td>
<td>Domestic</td>
<td>88</td>
<td>40.2</td>
</tr>
<tr>
<td></td>
<td>International</td>
<td>123</td>
<td>56.2</td>
</tr>
<tr>
<td>Sectors worked in</td>
<td>Food/Beverage/Tobacco</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Wood/Paper/Printing</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Clothing/Textiles</td>
<td>10</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td>Finance</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Automotive</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Telecommunication</td>
<td>51</td>
<td>22.8</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>158</td>
<td>70.5</td>
</tr>
<tr>
<td>Department</td>
<td>Manufacture</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Accounting</td>
<td>3</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>Personnel</td>
<td>52</td>
<td>24.9</td>
</tr>
<tr>
<td></td>
<td>Sales/Marketing</td>
<td>47</td>
<td>22.5</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>104</td>
<td>49.8</td>
</tr>
</tbody>
</table>
Table 4. Reliability analyses of the variables

<table>
<thead>
<tr>
<th>Total Number of Variables</th>
<th>Cronbach’s alpha (α) values</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>0.968</td>
</tr>
</tbody>
</table>

Table 5. Reliability analyses of the variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of questions</th>
<th>Cronbach’s alpha (α) values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational climate</td>
<td>38</td>
<td>0.946</td>
</tr>
<tr>
<td>Intrapreneurship</td>
<td>20</td>
<td>0.939</td>
</tr>
<tr>
<td>Employee commitment</td>
<td>17</td>
<td>0.866</td>
</tr>
</tbody>
</table>

The reliability, which can be defined as “the internal consistency of the measurement taking into account the average relationship between the questions in a variable,” is the determined results resulting from repeated measurements (Kösedağ, 2014, 55). In the Table 4, it is seen that the reliability value in the table is 0.968, which is above 0.700, the threshold value of the Cronbach’s alpha coefficient. These values, obtained from the research scale consisting of 75 questions, are enough for the studies carried out in the field of social sciences. However, the analyses of all scale groups were performed separately before the factor analysis (the results are shown in Table 5).

It is seen that the reliability values of the scales are significantly above the limit values for each scale. It can be said that the scales were understood as a meaningful whole by the participants.

The reliability, which can be defined as “the internal consistency of the measurement taking into account the average relationship between the questions in a variable,” is the determined results resulting from repeated measurements (Kösedağ, 2014, 55). In the Table 4, it is seen that the reliability value in the table is 0.968, which is above 0.700, the threshold value of the Cronbach’s alpha coefficient. These values, obtained from the research scale consisting of 75 questions, are enough for the studies carried out in the field of social sciences. However, the analyses of all scale groups were performed separately before the factor analysis (the results are shown in Table 5).

It is seen that the reliability values of the scales are significantly above the limit values for each scale. It can be said that the scales were understood as a meaningful whole by the participants.

The factor analysis is a statistical technique aiming to measure the variables, which measure the same structure or qualification with a small number of factors by bringing them together. The factor analysis process is defined as “creating a factor through factorization or uncovering new variables or obtaining the functional definitions of the concepts by using the factor load values of the items.”In short, it is used to determine the dimensions in which the concepts of the factor analysis are explained (Kayış, 2010, 116). The construct validity of the scale was tested by the factor analysis and whether the scale was one-way or multi-directional was investigated. The variables were included in the factor analysis and KMO levels were evaluated, which are 0.896 for organizational climate, 0.927 for intrapreneurship and 0.899 for employee performance at last. According to the results of the KMO values, which were determined to be close to perfect, the whole survey was in accordance with the factor analysis and the scale had a multidimensional feature in the population in which the sample was chosen.

The factor analysis is a statistical technique aiming to measure the variables, which measure the same structure or qualification with a small number of factors by bringing them together. The factor analysis process is defined as “creating a factor through factorization or uncovering new variables or obtaining the functional definitions of the concepts by using the factor load values of the items.”In short, it is used to determine the dimensions in which the concepts of the factor analysis are explained (Kayış, 2010, 116). In short, it is used to determine the dimensions in which the concepts of the factor analysis are explained (Kayış, 2010, 116). The construct validity of the scale was tested by the factor analysis and whether the scale was one-way or multi-directional was investigated. The variables were included in the factor analysis and KMO levels were evaluated, which are 0.896 for organizational climate, 0.927 for intrapreneurship and 0.899 for employee performance at last. According to the results of the KMO values, which were determined to be close to perfect, the whole survey was in accordance with the factor analysis and the scale had a multidimensional feature in the population in which the sample was chosen.

The factor analysis is a statistical technique aiming to measure the variables, which measure the same structure or qualification with a small number of factors by bringing them together. The factor analysis process is defined as “creating a factor through factorization or uncovering new variables or obtaining the functional definitions of the concepts by using the factor load values of the items.”In short, it is used to determine the dimensions in which the concepts of the factor analysis are explained (Kayış, 2010, 116). The construct validity of the scale was tested by the factor analysis and whether the scale was one-way or multi-directional was investigated. The variables were included in the factor analysis and KMO levels were evaluated, which are 0.896 for organizational climate, 0.927 for intrapreneurship and 0.899 for employee performance at last. According to the results of the KMO values, which were determined to be close to perfect, the whole survey was in accordance with the factor analysis and the scale had a multidimensional feature in the population in which the sample was chosen.

The correlation coefficient demonstrates the direction and strength of the relationship of a variable with another variable. The correlation coefficient (r) represents a value between -1 and +1. The values close to +1 indicate that the positive correlation between the two variables is strong and the values close to -1 indicate that the negative correlation between the two variables is strong. The limit values, which have been frequently mentioned in the literature, are as follows (Bozkurt and Erdurur, 2013, 70):

- Between 0.30-0.00 indicates a low correlation
- Between 0.70-0.30 indicates a moderate correlation
- Between 0.70-1.00 indicates a high correlation

The correlation analysis table reveals that, although there was a significant correlation relationship between the dependent variables of emotional strength and commitment and other independent variables, the obedience factor was observed to be low correlated and negatively inclined. This situation indicates that the obedience factor has perceptively lower importance than the emotional strength and commitment factors and that it was neglected by those who answered the survey compared with the other variables. It is highly correlated with all sub factors of the organizational climate and the emotional strength and commitment variables of the employee performance factors. In other words, the importance of organizational climate on employee performance appears. The most important reason is that the obedience factor was determined to have negative relationships with others due to the negative structure of the questions of these variables. This situation shows the accuracy of the model in terms of the consistency of the research results. To achieve this result, negative questions were not reversed; they were left as they were.

As shown in the organizational climate factor, it was concluded that the entrepreneurship factor was related to other employee performance scales except for the employee performance obedience factor. In particular, the introduction of new services and products into the market reacted positively in terms of employees; the employee performance is positively affected when alternatives arise such as training given accordingly, course programs, the opportunity for career planning depending on the firm’s growth strategy. Nevertheless, the regression analyses were performed to accurately finalize the model and they were analyzed within causality relationship.
According to the analysis results, it was concluded that the H2 hypothesis was partially supported and the innovation and entrepreneurship’s new opportunities factor had a positive effect on the commitment factor of the employee performance factors. It is also seen that the opportunities factor in the organizational climate scale had a positive effect on the dependent variable of commitment. The information sharing, another factor of organizational climate, was determined to be negative but ineffective. We also analyzed two more dependent variables in this model: emotional strength and burnout. Only obedience subfactor affects emotional strength ($\beta = 0.270$; $R^2 = 0.238$). There is no cause and effect relationship between all factors and burnout.

Hypotheses

H1: The organizational climate has a direct and positive effect on employee commitment.

When the organizational climate factor, the first scale of the survey, was evaluated with the employee performance factor, the organizational climate was determined to have a direct and positive effect on employee performance according to the factor results of the correlation and regression analyses. The H1 hypothesis was accepted according to this result.

H2: The intrapreneurship factor has a direct and positive effect on employee commitment.
When the intrapreneurship factor, the second scale of the survey, was evaluated with the employee performance factor, new opportunities in businesses were determined to have a direct and positive effect on the employee performance, according to the factor results of the correlation and regression analyses. The $H_2$ hypothesis was partly accepted according to this result.

The acceptance of the hypotheses suggests that the interorganizational entrepreneurial activities and organizational climate are effective on the performance of the organizations’ employees. However, when a detailed analysis of the variables was performed with subfactors, it was seen that two independent variables were partially supported.

The entrepreneurship and innovation factor, which are determinants of intrapreneurship, is effective on employee performance, especially on employees’ commitment to the organization and the high performance that can be obtained from employees. Intrapreneurship activities, such as new policies, new human resource practices, untested systems and processes, being able to implement projects with high resource allocation and high risk despite the possibility of losing, being organized to increase the powers of employees at all levels and giving each unit the responsibility to manage its own activities, are effective in employees’ commitment to the organization. Depending on these intrapreneurship activities, positive performance can be obtained from employees due to the fact that employees are emotionally motivated and adhere to the organization.

In employees’ commitment to the organization, the organizational climate factors such as receiving a recompense for their performance in the material and spiritual sense, communication between employees, being able to have a team spirit, cooperation, exchange of ideas, risk taking and promoting new methods also can be effective in employees’ performance. The price factor, information sharing, opportunities and warm climate factors, which are the determinants of organizational climate, were determined to be effective on employee performance, especially on employees’ commitment to the organization and emotional strength toward the organization.

It was concluded that, although the emotional strength and commitment of the subcomponents of employee performance, which is a dependent variable, were in a positive relationship with intrapreneurship and organizational climate factors, the burnout factor of the dependent variable factors was negative on entrepreneurship and innovation from the intrapreneurship factors and on warm climate, obedience and opportunities from the organizational climate factors, but it was ineffective on them. In addition to this, the burnout factor was determined to be in a positive relationship with information sharing and price factors from the organizational climate factors.

The promotion of entrepreneurial activities within the organization is effective on the high performance obtained from business employees. Therefore, for employees in businesses, it is necessary to support developing new ideas and projects, ensure enough time and environment, provide financial resources, implement are ward and punishment system that encourages risk-taking and be tolerant when they fail. In this way, entrepreneurial activities can be implemented within the organization and high performance can be obtained from employees.

**Discussion**

Changing dynamics, along with globalization and rapid increase in information and communication technology, have increased the importance of entrepreneurial activities for firms. As a process of making all kinds of innovations and changes, entrepreneurship includes activities such as establishing or developing a new business, making innovation and taking risks. Firms that are obliged to keep pace with today’s competitive conditions are in need of making continuous innovations, engaging in new ventures, acting proactively, increasing the variety of products and services and responding to customers around the world in order to realize their objectives and ensure their dynamics and continuity. This need requires entrepreneurship practices in businesses. The concept, which is called interorganizational entrepreneurship and emerges as intrapreneurship in the literature, includes entrepreneurial activities implemented within a business.

Intrapreneurship includes all kinds of entrepreneurial activities performed within the existing firm. The fact that firms can survive and ensure sustainable competitive advantages in today’s competitive environment is possible with intrapreneurship activities. Because some situations will be experienced, e.g., there will be a recession in organizations without entrepreneurship, firms will fall behind their rivals because the functional ongoing operation of the business is closed to innovation and firms will disappear without keeping pace with the market in time. The effective implementation of an intrapreneurship within an existing organization is directly related to organization employees. Therefore, there is a relationship between the intrapreneurship and interorganizational personnel performance. The effects of intrapreneurship activities in businesses on employee performance were examined in this study.

**Conclusion**

This study, which is highly significant for business owners, managers and academicians, has shown that all kinds of intrapreneurship activities such as ensuring the sustainability of businesses, getting ahead of rival firms
and gaining profit are closely related to the performance of each employee who has the potential to be an entrepreneur. In addition to this, the climate of the organization also affects employee performance. This concept, which emerges as the organizational climate in the literature, is expressed as the perceptions of existing employees within the organization regarding the organizational environment in which they exist. The values that constitute the organizational climate such as the structure, policies, practices and procedures of the organization affect the behavior and, thus, the performance of each employee in the organization by gaining continuity in time. The effects of organizational climate, which is also called the psychological climate, on the employee performance within the organization were examined.

The hypotheses of the study were tested by the data obtained from individuals to demonstrate the effect of two independent variables analyzed by being divided into subcomponents as intrapreneurship and organizational climate on the dependent variable of employee performance. The findings of the research hypotheses were obtained as a result of the correlation and regression analyses. To give information about the entire study, the entrepreneurial culture in the first section, the intrapreneurship in the second section and the organizational climate in the third section were discussed. The hypotheses of the study were formed in the fourth section of the study and hypotheses of the study were tested by the data collected from a total of 229 employees working in the service sector. The hypotheses of the research were built on the fact that the intrapreneurship and organizational climate are related to the employee performance within the organization. Moreover, demographic factors associated with the intrapreneurship and organizational climate were analyzed. Accordingly, analyses were performed to determine whether employees’ gender, age, education level, the sector worked in, department and business activity area made a significant difference in perceptions about intrapreneurship activities. According to these results, it was determined that the majority of respondents were males and had a bachelor’s degree. It was determined that the majority of employees performed services in the worker-civil servant status and the most of the areas of activity of their businesses carry on a business in the international arena.

Acknowledgment

The authors have no support or funding to report.

Author’s Contributions

Gülaçtı Fındık: Contributed from conceptualizing the ideas, analysis and writing the manuscript.

Erkut Altındağ: Contributed by organizing data, analyzing the data and helped in writing the manuscript.

Ethics

This article is original and contains unpublished material. The corresponding author confirms that all of the other authors have read and approved the manuscript and no ethical issues involved.

References

DOI: 10.1016/S0883-9026(99)00054-3


Pinchot, G., 1985. Intrapreneuring: Why you don't have to leave the corporation to become an entrepreneur.

Serinkan, C. ve A. Gülşah, 2013. İşletmelerde örgütsel değişim ve iç girişimcilik (Organizational change and intrapreneurship in business). Beta Basım A.Ş.


