THE INTERNATIONAL JOURNAL OF
BUSINESS & MANAGEMENT

Clarifying the Influence of Management Support in Creating Entrepreneurial Orientation

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Abstract:
The study was undertaken with an aim to examine the influence of management support in creating entrepreneurial orientation among employees. The study adopted a quantitative approach by using web based online survey to collect data. The population was estimated to be 300 and response rate of 70.4 per cent was achieved. Three hypotheses were formulated testing entrepreneurial orientation dimensions. The data was analyzed with simple multiple regression using SPSS. The result indicated that management support tends to create innovativeness and also pro-activeness among employees, however failed to provide evidence for positive association between management support and risk taking propensity among employees.

Keywords: entrepreneurial orientation, management support, innovativeness, risk-taking, proactiveness

1. Introduction
Employees are the driver of an organization performance. It is important that the employees are empowered to execute their entrepreneurial intentions in the organization. This is in contrast to classical belief that entrepreneurial behaviors are executed and manifested by top management team only (Lee & Peterson, 2000; Covin, et al., 2006). In order to unlock the entrepreneurial intentions among the employees, the role of leaders in the form of management support become crucial. Several scholars (e.g. Engelen et al., 2012; Khan, Tang, and Zhu, 2015) have indicated that adoption of entrepreneurial attitudes and behaviors by the employees is a function of how the same behaviours are exhibited by the top management team. Therefore, in order to clarify the influence of management support towards entrepreneurial orientation activation among employees, an empirical investigation was conducted among employees from three cement manufacturing organization. Three prominent dimensions of entrepreneurial orientation namely innovativeness, risk-taking and also pro-activeness were used to identify the influence of management support towards these dimensions. The data was analyzed with SPSS version 19 and the hypotheses developed were validated. The theoretical and also managerial implication of the study was also elaborated.

2. Literature Review
2.1. Management Support
Entrepreneurial activities will not yield an expected outcome itself without an organization’s intervention. Strategic intention towards entrepreneurial activity which should be exhibited by top management team remain an essential element in creating such environments in the organization (Ireland, Covin, & Kuratko, 2009). In view of that management support is considered to be one of the key elements that will enable activation of entrepreneurial behaviour among employees in the organization. According to Stevenson and Jarillo (1989), Damanpour (1991), Pearce, Kramer, and Robbins (1997) and Morris, Kuratko, and Covin (2008), management support has a significant role to play in order to facilitate and promote entrepreneurial initiatives within the organizations. Floyd and Lane (2000) and Ireland, Hitt, and Vaidyanath (2002) inform that in order for the organization to be successful, managers who also constitute to management team at all organizational levels should play critical strategic roles in fulfilling organizational objectives. An organization’s effort to facilitate and promote entrepreneurial behaviour and activities by providing required resources is known as management support (Hisrich & Peters, 1986; MacMillian, Block, & Narasimha, 1986; Sykes & Block, 1989; Stevenson & Jarillo, 1989; Damanpour, 1991; Kuratko, et al., 1993; Pearce, et al., 1997). Various scholars (e.g. Damanpour 1991; Chandler, Keller, & Lyon 2000, Morris & Kuratko 2002) have tried to explain the core of management support as one of the organizational characteristics dimension in activation of entrepreneurial behaviour among employees. In a nutshell, the willingness of the management to facilitate and also to promote entrepreneurial activities and behaviours within the organization describes management support dimension (Quinn, 1985; Hisrich & Peters, 1986; MacMillan, 1986; Sykes & Block, 1989; Sathe, 1989; Stevenson & Jarillo, 1989; Damanpour, 1991; Kuratko, et al., 1993; Pearce, et al., 1997, Mohammad Reza & Amir Hossein, 2013). Kuratko, Ireland, Covin, & Hornsby (2005b) added that on top of facilitating and promoting entrepreneurial behaviour, the management support also refers to provision of resources that employee requires to initiate entrepreneurial actions. While top executives’ interests are captivated in board room discussions (Morris, Kuratko, & Covin, 2011),
management support is also found to be beneficial in driving the organizational workforce to achieve corporate objectives. This claim was justified by Merrifield (1993) who found that top management support and involvement have positive influence towards activation of entrepreneurial behaviour among employees. In addition to this, encouragement (Hisrich & Peters, 1984), support, commitment, and style, and the staffing and rewards (MacMillan, 1986) were also found to be other areas of support that can be extended by management in driving entrepreneurial actions within the organization. On top of this, management support can also take other forms such as providing required and adequate resources and expertise (Kanter, 1984; Pinchot, 1985), taking lead in championing innovative ideas, training and rewarding employees, and establishing procedures for dealing with new ideas (Zahra, 1993), and also training opportunities (Stevenson & Jarillo, 1989) to detect opportunities in institutionalizing the entrepreneurial mind set not only among the employees but also within the organization’s system and processes.

2.2. Entrepreneurial Orientation
Generally, it is the employees who innovate in the organization but not the organization itself. Similar claim was addressed by Covin and Miles (1999) that entrepreneurship would not exist without innovation. Therefore, it is important that the employees are given adequate support to exercise their entrepreneurial intention and behaviors. In order to do this, Miller (1983) highlighted the idea of organization configuration which affects the ability to be entrepreneurial in the organization. Such organization configuration in turn is expected to help the employees to discover and exploit the entrepreneurial opportunities and this can only be realized by reflecting how the organization is organized and operates (Wiklund and Shepherd, 2003). Entrepreneurial orientation dimensions have evolved from three (i.e. innovativeness, risk-taking and pro-activeness) to five (i.e. innovativeness, risk-taking, pro-activeness, competitive aggressiveness and autonomy). However, only the first three dimensions are found to be more prominent in the entrepreneurial research (Miller, 1983; Morris & Paul, 1987; Covin & Slevin, 1989, 1991; Zahra, 1991; Zahra, 1993; Zahra & Covin, 1995; Knight, 1997; Kreiser, Marino, & Weaver, 2002). Entrepreneurial orientation can never exist without risk taking attempts. Such attempts allow the organization to enjoy high return for committing for risky ventures. However, a risky attempt cannot be realized without major drivers such as sufficient resources, opportunity to enroll into such risky activities, and also unexplored technologies (Shapiro, 1994). Hence, without management support, it is almost impossible for employees to engage themselves into entrepreneurial activities. Similarly, proactive employees are able to engage into entrepreneurial initiatives. While engaging in such activities, the employees tend to identify opportunities, and they act on these opportunities with an objective to bring a meaningful change to the organization (Crant, 1996). Given strong management support, employees are better prepared to act proactively and they are well positioned to initiate innovation in their entrepreneurial attempts (Siebert, Kramer & Crant, 2001).

2.3. The Relationship between Work Discretion and Entrepreneurial Orientation
Numerous scholars (e.g. Damanpour, 1991; Chandler, Keller, & Lyon, 2000; Morris & Kuratko, 2002) have iterated the importance of management support in activating entrepreneurial activities in the organization. This includes the way management promotes entrepreneurial orientation mind set in the organization which will have impact on employee entrepreneurial behaviour (Rutherford & Holt, 2007) apart from sharing a vision for the future, acknowledging and approving new ideas, and providing resources that is needed to activate entrepreneurial orientation (Srivistava & Lee, 2005) as well as successful product introduction and development (Brown & Eisenhardt, 1995). According to Janssen (2000) and Janssen (2005), employee’s innovation behaviour is being affected by organizational characteristics especially management support. This notion was also further supported by Thornberry (2003) who indicated that an important ingredient in transforming managers to entrepreneurs will be management support. The kind of management support that could activate entrepreneurial orientation among employees includes institutionalization of an innovative, proactive and risk-taking behaviours among organizational citizens to identify their fullest potential in support of organizational performance achievement. According to Bharadwaj, Sushil & Momaya (2007), the extent to which management is willing to support its employees in their entrepreneurial attempts considered as the best means of activating entrepreneurial orientation among employees. However, Holt, Rutherford and Clohessy (2007) indicated that significant variations still exist in the management support construct in promoting entrepreneurial orientation among organizational citizen. At the same time, the management support in form of adequate resources and expertise shall be given sufficient attention in creating employee entrepreneurial orientation. Entrepreneurial orientation activation will also involve support from the middle management by providing necessary leadership so that the employees can champion innovative ideas given that needed resources and expertise are in place (Hornsby, et al., 2002). Notwithstanding, Morris and Kuratko (2002) further argued that employees will thrive better if there is an existence of pro-active management style. This is in line with findings by Kuratko et al (2014) that direct positive relationship is observed between management support and also entrepreneurial outcomes.

Hence, based on this discussion, the following hypotheses were formulated:

→ H1: There is a significant relationship between management support and innovativeness.
→ H2: There is a significant relationship between management support and risk-taking.
→ H3: There is a significant relationship between management support and pro-activeness.

Based on these testable hypotheses, the following conceptual framework was proposed for the research.
3. Research Methodology

3.1. Sample and Data Collection
Employees from three cement manufacturing companies at the state of Johor, Malaysia was the target of the study. The population of the study was estimated to be around 300 employees. In order to collect data, a structured internet based survey was developed by utilizing online form. This is because there is wide acceptance of web survey among respondents (Porter & Whitcomb, 2003; Dillman, 2007). The online form was designed in a way that all questions are mandatory to be answered failure which the form cannot be submitted. These questionnaires consisted 37 questions and these questions were categorized as follows: personal and organizational information (9 items), management support (5 items) and entrepreneurial orientation (23 items). The questionnaire was distributed via emails to the respondents by utilizing simple random sampling. Given a short interval, a follow up was made to the respondents to increase their participation in the survey. It was intended that this follow up action will help to reach maximum sample possible to improve the generalizability of the findings (Parker, 2005).

3.2. Measures and Instrumentation
Measures and instruments used in this research were adopted from previous studies. Management Support test instrument was adopted from Hornsby, Kuratko, and Montagno (1999) while entrepreneurial orientation dimension test instruments were adopted from Covin and Slevin (1989) and Seibert, Kraimer, and Crant, (2001). Management support was tested with 5 items and entrepreneurial orientation variable comprising the three dimensions were tested with 23 items. These items were adopted with some minor changes to suit the research settings of cement manufacturing environment. In order to locate respondents’ attitudes, a five-point Likert scale ranging from score of 1 (“strongly disagree”) to 5 (“strongly agree”) was used as it was the best measurement for behaviors (Wolfer, 2007).

4. Findings and Discussion

4.1. Data Analysis
In the process of collecting data for a period of three months, 181 usable questionnaires were received and there were no questionnaires omitted due to missing data. The research achieved a response rate of 70.4 per cent in two waves. According to Krejcie and Morgan (1970), sample size in the range of 30 to 500 is usually sufficient in most research. Majority of the respondents were male (i.e. 70.7 per cent), confirming the industry norm that the industry under study is of a male dominant business nature. Half of the respondents were in the age range of 31 years old to 40 years old. However, at least 75% of respondents were serving in these organizations less than 5 years. In line with the nature of cement business, most of the respondents were functioning in the operational areas followed by sales and marketing. They constitute to 43.1 per cent and 23.8 per cent respectively. At least 51.4 per cent of the respondents possess degree with diploma being the second largest.

4.2. Results of the Tests of the Hypotheses
The research tested three dimensions of entrepreneurial orientation construct. They are innovativeness, risk taking and pro-activeness. It was hypothesized that management support has significant relationship with entrepreneurial orientation dimensions. Simple multiple regression analysis using SPSS version 19 was conducted and the following results were obtained.

- H1: There is relationship between management support and innovativeness
H1 stated that there is significant relationship between management support and innovativeness. Table 1 shows the result of the regression analysis.
Management support is an essential factor in encouraging innovative behavior among employees. The relationship between management support and entrepreneurial orientation dimensions of which evidence about the predictive ability of management support towards innovativeness. Therefore, it can be inferred that availability of management support will encourage employees to behave innovatively.

- **H2**: There is relationship between management support and risk taking.

H2 stated that there is significant relationship between management support and risk taking. Table 2 shows the result of the regression analysis.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Standardized Beta</th>
<th>t-value</th>
<th>Sig. (p-value)</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Support</td>
<td>0.113</td>
<td>1.473</td>
<td>0.143</td>
<td>0.091</td>
</tr>
</tbody>
</table>

*Table 2: Risk Taking Relationship between Management Support and Risk Taking*

The t-value is 1.473 at p < 0.05. The result shows that the H2 is not supported. Hence, there is no significant relationship between management support and risk taking. The strength of relationship which was measured by standardized beta value (i.e. 0.113) did not provide sufficient support about the predictive ability of management support towards risk taking. Therefore, it can be concluded that risk taking intention will not necessarily exist although there is management support.

- **H3**: There is relationship between management support and pro-activeness.

H3 stated that there is significant relationship between management support and pro-activeness. Table 3 shows the result of the regression analysis.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Standardized Beta</th>
<th>t-value</th>
<th>Sig. (p-value)</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Support</td>
<td>0.178</td>
<td>2.416</td>
<td>0.017</td>
<td>0.169</td>
</tr>
</tbody>
</table>

*Table 3: Pro-Activeness Relationship between Management Support and Pro-Activeness*

The t-value is 2.416 at p < 0.05. The result shows that the H3 is well supported. Therefore, there is evidence of significant relationship between management support and pro-activeness. The strength of relationship which was measured by standardized beta value (i.e. 0.178) provided adequate evidence about the predictive ability of management support towards pro-activeness. Therefore, it can be inferred that when there is an existence of management support, employees tend to act more pro-actively.

### 5. Conclusions

Three hypotheses were tested for the relationship between management support and entrepreneurial orientation dimensions of which H1 and H3 was significant while H2 was insignificant. The statistical results indicated that there is positive association and significant relationship between management support and innovativeness and pro-activeness. According to Stevenson and Jarillo (1989), when management provide adequate support in the form of encouragement in generating new ideas, it enhances innovative interest and positively influences entrepreneurial behavior. Open and face to face communication as part of management support found to promote innovation (Filipczak, 1997; Bresnahan, 1997; and Ahmed, 1998). In addition, Tushman and O'Reilly (1997) have also provided further support of these findings. They reported that when the management provides adequate support and tolerate failures, it promotes innovation. Antoncic and Hisrich (2002) and Goosen (2002) concur that management support helps an employee to behave more proactively resulting in innovation. On a separate study, by using multiple linear regression analysis, Alpkan et al. (2010) utilized empirical data to test the relationship between organizational factors and innovativeness and provided evidence that there is relationship between management support and innovativeness. Antoncic and Hisrich (2002) and Goosen (2002) in their empirical investigation reported consistent findings with the results of this research. Besides, the literature has also shown that management support remains as one of the prominent factor in encouraging innovative behavior among employees (Hornsby et al., 2009). From the resource perspective, Khalil (1996) and Bresnahan (1997) highlighted that provision of sufficient amount of resources as part of management support is also increasing the likelihood of employees being more innovative in the workplace. Ideally, it is expected that an employee tends to be more innovative when there is an existence of strong management support for innovative attempts. This claim was justified by study conducted by Janssen (2005) and Amo (2006a) who argued that employees perceived themselves to be innovative when the management is supportive of innovation behavior. In line with this, in order to spur innovative behavior among employees, De Jong (2007) highlighted that emergence of direct management support is essential. In addition, verbal support (Krause,
2004) and enacted support through provision of required resources (Judge, Gryxell, & Dooley, 1997; Nijhof, Krabbendam, & Looise, 2002) apart from innovative efforts recognition (Judge, Gryxell, & Dooley, 1997) are also reported to trigger innovative behavior among individuals. The study indicated that there is no relationship between management support and risk-taking behavior. Another study by Poon and Raja Azimah (1990) identified that when the management is supportive and willing to take calculated risks, employees enjoy greater satisfaction in their jobs. This claim was further supported by various scholars in the literature (e.g. Khalil, 1996; Arad, Hanson, & Schneider, 1997; Robbin, 2004) who posited that it is the responsibility of the management to create values within the organization that supports risk taking behavior by demonstrating such behaviors as an acceptable behavior in the organization. Further to this, according to Frohman and Pascarella (1990) and Aber (1996), when management inculcate the risk-taking values in the organization, employees are better motivated due to the potential of being successful than the outcome of the success.

6. References


