

A health audit for corporate entrepreneurship on selected non-profit organisations

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Mini-dissertation submitted in partial fulfillment of the
requirements for the degree *Master* of Business Administration at
the Potchefstroom Campus of the North-West University

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October 2016

ACKNOWLEDGMENT

Most of all I would like to thank the constant support of God who has listened to me, when I wanted to give up but picked me up and gave the internal strength to complete this goal in my life. He was with me when I reached my yearly goals and celebrated them with me.

My family, Mom, Dad and my son, you all had patience with my moods and with my absenteeism due to my studies. Thank you for pushing me and telling me I am good enough and I will reach all my goals in life – including this one.

Thank you to my supervisor, Dr Henry Lotz, for guiding me on the right path and being supportive towards this study.

My fellow MBA colleagues in my group, UBUNTU, Sonya Bekker, Johan Combrink and Marius Coetzee; you supported me and stood by me through every obstacle.

Last but not least, thank you to the non-profit organisations that allowed me to utilise their time to complete this project.

ABSTRACT

Corporate entrepreneurship is becoming a fast growing agent for change and by utilising certain factors within this field, corporate entrepreneurship can be recognised as a mean of promoting, sustaining competitiveness and transforming organisations into opportunity driven and value creating innovative organisations.

The purpose of this study is to conduct an Entrepreneurial Health Audit within Non-Profit Organisations. The aim is to identify the levels of entrepreneurial behaviour, innovative levels within the selected Non-Profit Organisations and to address all gaps in an attempt of becoming more entrepreneurial.

A number of articles, published work and web articles have been used to help determine the definitions of important terms within entrepreneurship.

All research was done in a formal manner and the sample size was small consisting of two Non-Profit Organisations with total data sample size of 50. Data was collected through an Entrepreneurial Health Audit questionnaire. The data was analysed through various techniques.

This study does contribute towards the study of corporate entrepreneurship within a Non-Profit Organisation in South African context.

It was found that the Non-Profit Organisations have moderate to high entrepreneurial intensity. There was also a big difference between management and employees perception on what entrepreneurship is and their innovative levels.

Several recommendations were made in order to improve the entrepreneurial climate within the organisations and certain programs were highlighted to help with the process.

The findings and results of the study were used to highlight to management what entrepreneurial skills are currently in the organisation and what skills needs to be implemented to improve entrepreneurial behaviour within the organisations.

Key terms: Non-profit, entrepreneur, corporate entrepreneurship, entrepreneurial health audit, sustainability, entrepreneurial behaviour, entrepreneurial characteristics, entrepreneurial thinking, entrepreneurial triggers

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ABBREVIATIONS

CSR: Corporate Social Responsibility
EHA: Entrepreneurial health audit

NPO: Non-profit organisation

SPSS: Statistical Package for the Social Sciences

ANNEXURE: ENTREPRENEURIAL HEALTH AUDIT QUESTIONNAIRE

CHAPTER 1: NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

Entrepreneurship is not limited to the initial start-up of a new organisation. In the business world today, entrepreneurial thinking is changing the way people are thinking and the way business is done on a daily basis. Entrepreneurship derives from the French verb that means 'to undertake' Therefore, this can refer to undertaking the risk of a new enterprise (Chand, 2015: 1).

Non-profit organisation are different, they still need to be established in the same way as a profit-orientated venture, since they need to generate funds from a variety of sources so that their organisation may continue to be a service, and can guarantee sustainability for years to come (Cooney, 2015: 1).

The purpose of this study is to define the concept of corporate entrepreneurship and to analyse non-profit organisations' (NPO) current situation via a questionnaire based on the entrepreneurial health audit (EHA) and certain section also focus on the entrepreneurial climate questionnaire.

Corporate entrepreneurship is becoming an important topic in all well-established businesses and it is important that management at all levels inside such organisations understand the concept, and promotes such behaviour among personnel (Kuratko *et al*, 2011: ix).

The non-profit organisations relating to this study are two organisations, namely Child Welfare Branch Potchefstroom and an NPO, which works with mentally- and physically-disabled patients, and which has asked to remain anonymous.

Furthermore, this study will identify characteristics of entrepreneurship and the degrees of entrepreneurship that hinder entrepreneurial behaviour in these NPOs.

The outcome of these findings will advocate to management what strategies or policies they need to implement to improve or decrease certain behaviours. The outcome of the data will also contribute towards the science of corporate entrepreneurship.

1.1.1 Motivation of the topic: Managerial implications of the research

The importance of the research is the key success factor for the creation and sustainability of non-profit organisations by introducing an entrepreneurial culture. Top management, middle management as well as any individual in this field can use this information to understand the effect and importance of entrepreneurship in any type of organisation, including non-profit organisations.

This study will furthermore assist management to better understand the obstacles and improvements needed to contribute to the sustainability of such an organisation. As a result, senior management will have a better insight into and understanding of the importance of certain concepts of entrepreneurship, such as innovation, creativity and more, which will create a competitive edge and enable the organisation to achieve sustainability.

1.2 PROBLEM STATEMENT

The lack of donor funding, issues surrounding legislation and insufficient government support are just some of challenges that non-profit organisations face in South Africa. (Nevhotalu, 2016:22).

It is therefore essential that such existing organisations need some sort of competitive advantage to survive in today's business environment, even though they focus on corporate social responsibility (CSR). Applying certain entrepreneurial characteristics and behaviours can help these organisations to gain a competitive advantage and to improve the possibility of sustainability in the future (Seelos *et al.*, 2005:244).

Non-profit organisations need to manage the same way profit-orientated businesses, since they also need to generate income from a variety of source to maintain sustainability. (Cooney, 2015:1) Many of these organisations do not realise that they need to think out of the box and use certain characteristics and degrees of entrepreneurship, such as innovation and creativity, which are crucial to survive. Those that implement the above-mentioned lack the knowledge on how to implement these programmes or strategies. This study can identify some characteristics that influence entrepreneurship and entrepreneurial thinking and how they can be implemented in non-profit organisations. The focus of this research will be based on assisting all levels of management in these organisations on the

appropriate steps to follow, and factors to prevent, when encouraging entrepreneurial thinking.

Van Aardt and Van Aardt (1997) argued “that successful entrepreneurial managers have characteristics that enable them to become more successful managers”. They add that these entrepreneurs are comfortable with change, have clarity of direction, are persistent, are able to apply integrative problem-solving approaches, and are known for their thoroughness and participative leadership styles. Therefore, this adds to the significance of this study and emphasises the contribution that entrepreneurship can have on managers in these organisations if they understand these perceptions and frustrations. By acting like an entrepreneur, these valued organisations can continue with their work and have long-lasting sustainability.

1.3 OBJECTIVES OF THE STUDY

1.3.1 Primary Objectives

The primary objective is to conduct an entrepreneurial health audit on the relevant NPOs to assess the degree of entrepreneurship

1.3.2 Secondary Objectives

- To gain a better understanding of the concept Entrepreneurship, Corporate Entrepreneurship by means of a literature study
- To obtain insight into the dynamics of the Entrepreneurial Health audit
- To measure the overall entrepreneurial intensity within certain Non- Profit organisations, by means of the entrepreneurial performance index (EPI)
- To examine the correlations between the different antecedent within the internal work environment that supports entrepreneurial behaviour within selected non-profit organisations; and
- To offer recommendations for future research and practices

1.4. SCOPE OF THE STUDY

1.4.1 Field of study

The field of this study falls within the subject discipline of entrepreneurship, with special reference to Corporate Entrepreneurship.

1.4.2 Geographical demarcation

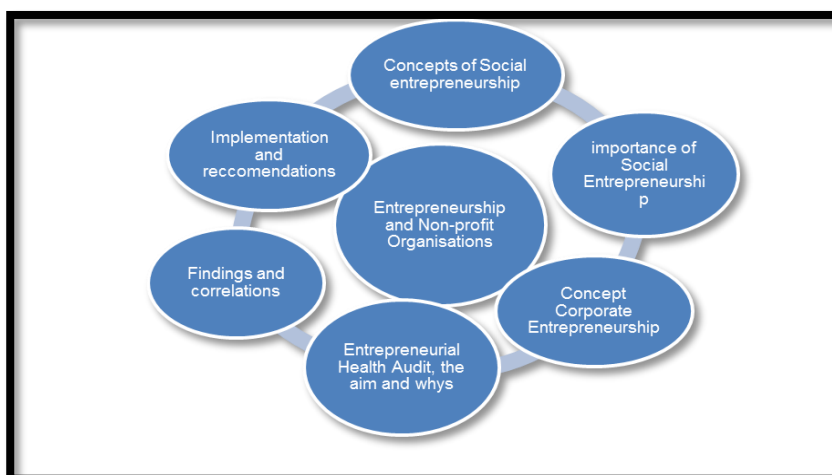
The study was conducted in the Potchefstroom area which is situated in the North-West Province, South Africa.

1.5 RESEARCH METHODOLOGY

1.5.1 Research design

The quantitative approach can be described as a research strategy that emphasises quantification in the collection and analysis of data (Saunders *et al.*, 2003:151). Within this study, the author has adopted the above-stated research method using a deductive approach and it will be conducted by using a questionnaire with standardised options of alternative answers. Since the aim of this research is to show that 'thinking like an entrepreneur' has a positive influence on the constructs of non-profit organisations, a cross-sectional design will be used in the research, because a cross-sectional study is one that takes place at a single point in time (Trochim & Donnelly, 2007:6).

Figure 1.1: Summary of research map



1.5.2 Literature review

For the purpose of this study, the following points were focused on:

- Discuss and define entrepreneurship, corporate entrepreneurship and corporate entrepreneurship
- Triggers of entrepreneurship
- The role of an entrepreneurial health audit
- Antecedents of an entrepreneurial health audit
- The importance of all these concepts
- Analysing NPOs via EHAs
- Recommendations on how to improve the current states

The main sources used for the literature review were:

- Journals
- Articles
- Websites
- Dissertations
- Internet sources
- NWU databases: Google Scholar, LexisNexis

Keywords that were used separately and in combination:

- Non-profit
- Entrepreneurship
- Impact of entrepreneurship
- Entrepreneurial health audit
- Corporate entrepreneurship

1.5.3 Empirical research

1.5.3.1 *Research population*

The sample of the study will consist of employees within non-profit organisations. The information will be gathered via a questionnaire enabling the researcher to clarify the current position of these organisations via the perception from different levels in the organisations, namely:

- Senior management

- Middle management
- Junior management
- Employees

Sample biographical information gathered in this research is as follows:

- Gender;
- Age;
- Race;
- Qualification;
- Job grade;
- Sector;
- Group composition; and
- Group size.

1.5.3.2 Research tool

Data will be collected via the EHA questionnaire which used certain sections from the entrepreneurial climate questionnaire that were developed to address the extent to which these organisations are capable of fostering sustainable entrepreneurial behaviour as a path to improve their performance. The questionnaire used in this study is an existing questionnaire developed by Ireland, Kuratko and Morris 2006.

The questionnaire will be based on a five-point Likert scale ranging from *Strongly Agree*(1) on one end to *Strongly Disagree*(5) on the other.

1.5.3.3 Data analysis

Data collected will be evaluated via a statistical program at the North-West University, namely the Statistical Package for Social Sciences (SPSS). The techniques used in this study for the data will be as follows:

- Pearson's correlation coefficients are calculated to determine the relationship between entrepreneurship and non-profit organisations and the influence these will have on the sustainability of such organisations; and
- The mean value for each question, as well as the standard deviation will be calculated. The mean values will be converted into averages from the responses on the five-point Likert scale. The Likert scale has been used to measure the

employees and management's attitudes towards entrepreneurial thinking in their organisations by providing a range of responses to the questions.

1.6 LIMITATIONS TO THE STUDY

One of the major limitations to this study was the size (number of employees) of the non-profit organisations. The fact that the institutions were based in Potchefstroom can also limit the findings which will not be represented of the whole province or country.

CHAPTER 2: LITERATURE REVIEW OF ENTREPRENEURSHIP

2.1 INTRODUCTION

The reality is that the current political state of our country is in turmoil and we need more innovative, creative leaders who are willing to take risks and create bigger and better opportunities. Entrepreneurs contribute to overall national income; they create social change and overall community development (Shobbith, 2016:1).

The literature review will focus on the concepts of entrepreneurship, corporate entrepreneurship. The aspects, what triggers these characteristics or behaviours in individuals in an organisation and how they can be measured in terms of the use of an entrepreneurial health audit, will be discussed.

Furthermore, an in-depth discussion on this analytical tool (EHA) and how important it is to use to obtain information regarding the entrepreneurial behaviour within these NPO's. With these results certain strategic decisions can be made by managers, and how they can incorporate these antecedents to secure sustainability.

2.2 DEFINITION OF CONCEPTS

The following concepts will be discussed and a definition will be provided for the purpose of the study.

2.2.1 Entrepreneur

There are many different definitions of an entrepreneur. According to the Organisational Economic development (2016:1) this concept is defined as: *“A person who sets up a business or businesses, taking on financial risks in the hope of profit”*.

According to Hisrich, Peters and Shepard (2008:8), Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence.

However, one of the best definitions comes from people who actually are businessmen and who started off as entrepreneurs.

Chris Oakley, chairman of Web Designing Company Chapter Eight, who led one of the biggest acquisitions in the world's largest media buyout, defines an entrepreneur as:

"A person, who sees opportunity where others do not, recognises a demand to be met to improve the current business situation. These individuals have confidence in themselves and that the opportunity given will be a success through hard work and risk taking via learning through mistakes along the way. Entrepreneurs are not influenced by, or discouraged by sceptical people or experts but rather seek their advice and use information gathered that will be helpful towards their success" (Martin, 2010: 1).

They work extremely hard to grow their investment and understand that results need the backing of a good team that has the necessary skills and vision.

For the purpose of this study the definition presented by Spinelli and Adams (2012:87) will be used, namely that Entrepreneurship is a way of thinking, reasoning, and acting that is opportunity obsessed, holistic in approach, and leadership balanced for the purpose of value creation and capture

2.2.1.1 Characteristics of Entrepreneurship

Below is a list of some of most cited entrepreneurial characteristics a person can also have; however, there are many more as they are continually being expanded upon:

- They are disciplined

Entrepreneurial individuals are more focused on making the business or organisation successful. They aim to eliminate distractions and any negative aspects that will stop them from achieving their goals. A successful entrepreneur is extremely disciplined and strives to achieve all his/her objectives created to reach his/her final goals (Adams 2016:1). By being disciplined, one could elaborate that an entrepreneur is detailed oriented and perfectionistic (Lambing & Kuehl 2003:28).

- Confident

Entrepreneurs do not doubt that they will succeed or whether they are worthy of succeeding; they have the confidence and knowledge that they will make this business work. (Adams 2016:1). Entrepreneurs are confident in their abilities; they

constantly believe that they will accomplish all their goals. This is not unfounded confidence as many entrepreneurs have in-depth knowledge of the market place and the industry they are involved in (Lambing *et al.*, 2003:26) It is therefore not surprising that Burns (2008:30) remarks that entrepreneurs must be confident in the future of their business, otherwise, how can they expect others to do so?

- Self-starter

Entrepreneurial individuals know that if something must be done, they can start it themselves. Although they set parameters, they always set projects and goals they must follow to reach that path. One calls this being proactive and not waiting for something to happen, but doing yourself (Adams 2016:1).

- Open-minded

An entrepreneur sees an opportunity in every situation. They are constantly creating ideas on how to improve situations within the organisation and also within people's skills (Adams 2016:1). By being open-minded, entrepreneurs see the bigger picture; they see things from more a holistic perspective. They scan the environment, which allows them to see the entire business and not just small facets (Lambing & Kuehl 2003:28).

- Competitive

One of the strongest entrepreneurial behavioural characteristics is that these individuals need to win. They know they can do the job better and succeed and make any organisation successful. (Adams 2016:1)

- Creative

This imagination and ability to envisage alternative scenarios is one of the reasons, according to Lambing and Kuehl (2007:20), why entrepreneurs are successful. It assumes a willingness and interest to look for new and novel ways of doing things (Rauch & Frese, 2007:358).

- People person

The entrepreneur has strong communication skills, not just to sell a product, but also to improve employee relations. They are not just managers, but leaders, and know how to motivate employees by coaching them toward success. (Adams 2016:1). Entrepreneurs are good judges of people, they use logic and can persuade people when to make a concession and when to exact running a successful business requires entrepreneurs to get along with many different people often with conflicting aims (Timmons & Spinelli, 2009:51).

- Strong work ethics

Successful entrepreneurs do not limit themselves to office hours. They are often the first person to arrive at work and the last to leave. They strive to be successful and constantly find ways to improve their skills and the work environment. (Adams 2016:1). Successful entrepreneurs have a high level of personal standards, integrity and reliability. They do what they say they are going to do because they have a long-term perspective (Rauch & Frese, 2007:359)

- Passionate

To be an entrepreneur means passion; they enjoy the challenge and the work they are doing. They are willing to offer the extra hours so that they can succeed and reach all goals. They do not just have a casual interest with this organisation; if they do not have full interest within this organisation, they know it will not succeed (Lambing & Kuehl 2003:28).

- High energy levels

According to Kuratko and Hodgetts (2001:104), having a stressful environment and demands, requires that entrepreneurs have high energy levels Entrepreneurs need to adapt to this environment and monitor their energy levels through proper diets and exercise. Most importantly, one also needs to have a balance between work and relaxation (Bolton & Thompson, 2003:63).

- Risk-takers

Risk is a big part of entrepreneurial projects; rash and instant decisions are made. Entrepreneurs need to know how to manage risk. This is an important quality of entrepreneurs; they know how to calculate risk very carefully (Lambing & Kuehl, 2009:19).

- Responsible

Entrepreneurs are personally responsible for their success and achieving their goals (Kuratko *et al.*, 2001:100). Entrepreneurs believe in governing their own success or failure in their new projects (Timmons & Spinelli, 2009:53).

- Inspire

Entrepreneurs have that ability to inspire others, they attract people by giving them the autonomy and freedom to create new ideas and share in accomplishments. (Timmons & Spinelli, 2009:51)

They are driven to help people and to encourage other to use all talents to create new opportunities.

- Opportunists

Entrepreneurs must have the ability to see opportunities in the market environment. They must be able to identify these new opportunities and rely on their expertise to improve or create new opportunities.

When an entrepreneurial individual is in creative mode, they constantly think of new ideas, do research on marketing trends and then connect the dots. (Timmons & Spinelli 2009:51)

- Patient

Entrepreneurs need a high level of patience, as they need to manage visions on a long-term basis. An entrepreneur wants to build a sustainable business that will

affect the world and have realistic capital gains, and this requires patience (Timmons & Spinelli 2009: 50).

- Adapt to change

Change is often viewed as frightening and something that should be avoided (Burns, 2008:179). Entrepreneurs like change and search for it; they respond changes and exploit it at every opportunity (Lambing & Kuehl, 2007:20).

- Quick learners

Entrepreneurs deal with their own mistakes and learn very quickly what not to do and what you may and can do again to reach certain objectives. This characteristic defines who they are and what may lead to a successful new ventures (Raab *et al.*, 2005:74).

- Tolerance for failure

Every move an entrepreneur makes, whether it creates obstacles, failure or even setbacks in a new venture, teaches a valuable lesson to that individual. The most effective entrepreneurs have had many failures, but have learnt from them (Kuratko *et al.*, 2001:102).

- Limited status for power

A successful entrepreneur is driven by the need to be successful, not to gain status or power. They want to achieve a certain objective and goal (Timmons *et al.*, 2009:60).

To conclude entrepreneurs are not just born but are moulded into the individual they become through, education, family life and social and work experiences. (Morris, Kuratko and Covin 2008:147).

2.2.2. Corporate entrepreneur

Corporate entrepreneurship can be defined as the continuous development of new ideas and opportunities in big successful established businesses. These innovative new ideas will lead to improving the overall sustainability, profitability and competitive advantage of this businesses strategy. (May, 2016:1).

The use of innovative ideas may also create new opportunities in the market for this company and completely change their competitive position. Yes, this involves a form of risk taking, but the rewards could be massive toward the sustainability of this industry (May, 2016:1).

Corporate entrepreneurship is important, especially in large organisations, as taking new risks and being innovative have a ripple effect on leaders, team players and their overall increase of corporate unity.

Corporate entrepreneurship is a concept used to define the entrepreneurial behaviour within an organisation. According to Kuratko, Morris and Covin (2008:11-12), it involves aspects such as development, implementation of new ideas and behaviours. According to Ling *et al.* (2008) (cited by Kuratko *et al.*, 2008:12), corporate entrepreneurship is a sum of an organisation's innovation, renewal and venturing efforts. Innovation can be defined as introducing new ideas in market place. The concept of renewal involves structural and strategic changes within the organisation. Venturing efforts are all the efforts created by the entrepreneur that lead to the creation of new business ideas within the corporation.

Corporate entrepreneurship can be identified under many different labels and can be classified under many broad concepts, including internal corporate entrepreneurship, entrepreneurship, entrepreneurial management and strategic entrepreneurship. (Damanpour, 1991: 355). It furthermore includes the development, implementation, production of new ideas and behaviours within organisations.

Corporate entrepreneurship is more complex in terms of it also challenges organisational strategy, structures and processes.

Burgelman (1983) suggests that corporate entrepreneurship refers to: “the process whereby a firm engages in diversification through internal development. Such diversification requires new resource combinations to extend the firm’s activities in areas unrelated or marginally related to its current domain of competence and corresponding opportunity set”

There are two aims of corporate entrepreneurship and that is the creation and pursuit of a new venture opportunity and strategic renewal within the organisation (Guth and Ginsburg, 1990:50).

Corporate venturing is creating new business within the existing organisations that may or may not lead to strategic renewal, while the later refers to the creation of wealth through the combination of resources. (Guth and Ginsburg, 1990:50).

There are certain variables within corporate entrepreneurship and these varies in terms of the degree of entrepreneurship in the organisation. (Kuratko *et al*, 2011:74).

These variables are namely innovativeness, risk-taking and pro-activeness. To assess the overall level of corporate entrepreneurship within an organisation the concepts of degree and frequency must be considered within these three variables. (Kuratko *et al*, 2011:74).

These variable will be discussed in detail further in this study on page 19-22 as they are important aspects in the measurement instrument namely the Entrepreneurial Health Audit.

To conclude one can quote Morris and Kuratko (2002:32) “the entrepreneurship is approached as an overall orientation within an organisation and defines corporate entrepreneurship as a term used to describe entrepreneurial behaviour inside established mid-sized and large organisations”.

2.3 ENTREPRENEURIAL BEHAVIOURAL TRIGGERS

According to Morrison (2006:59) the process of entrepreneurship has certain foundations and triggers of behaviour. Individuals who are drawn to become entrepreneurs have certain internal intuitions that can be affected by society and cultural aspects. These holistic aspects trigger certain dominant behaviours in people, which, in turn, trigger external and internal aspects in an individual to be more like an entrepreneur. Morrison (2006:59-60) is also of the opinion, to initiate the entrepreneurial process one looks within individual members of society and the degree in which entrepreneurship exists. The question is: What triggers these behaviours within and organisation?

The relationships between society and cultural factors have an impact on how an individual understands and accepts the role of what entrepreneurship means.

A brief discussion on these two concepts and how they affect entrepreneurial behaviour follows:

2.3.1 Culture and society

According to Hostede 1997 (as cited by Morrison, 2000:60), entrepreneurial behaviour starts in the environment from a young age as a child grows up, and then continues at school and later in the working environment. Culture is important as it determines the attitudes of those individuals towards the use of entrepreneurial behaviour. The term entrepreneurial culture has become a popular concept and expresses the attitudes of individuals toward buying into the business environment (Morrison, 2006:62).

Gordon (as cited by Morrison, 2006:62) posits that entrepreneurial culture grows within the current business environment of the country, but also from broader concepts in society such as experiences, beliefs, attitudes and values of that society as a whole. Therefore, we can summarise by saying that future hopes and aspirations are not only of a business nature but also of society in that given country (Morrison, 2006:63).

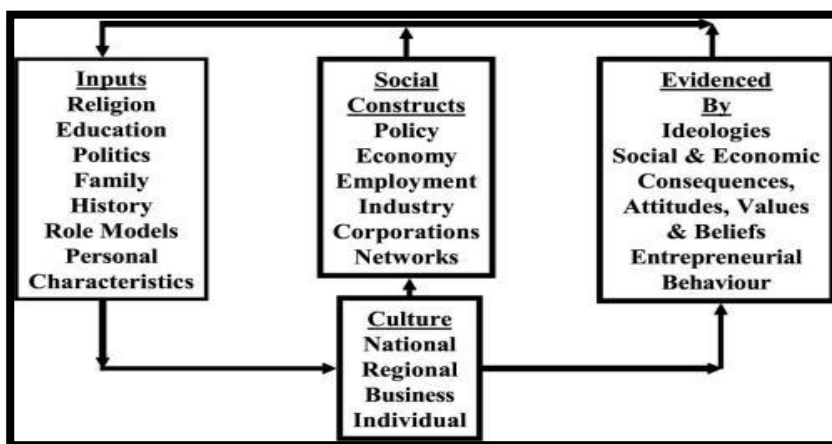
Entrepreneurship has a universal effect in societies; as thinking and behaving like an entrepreneur allow people to draw from all their resources in that environment. This behaviour affects the physical environment, values and purposively tries to influence

society as a whole. If a country or business supports entrepreneurial behaviours, it actually serves society (Morrison, 2006: 62-63).

Certain cultural and societal factors that influence certain individuals' behaviours to think like an entrepreneur in an organisation can be highlighted.

Figure 2.1 below summarises the important concepts that influence an individual to the degree that entrepreneurship is initiated and sustained.

Figure 2.1: Dynamics on entrepreneurial culture



Source: (Morrison, 2006: 64).

Now that there is a clear understanding of cultural and societal factors that trigger entrepreneurial behaviour, one can look at what organisational and individual characteristics influence entrepreneurial behaviour.

These triggers originate from inside and outside the organisation.

(Ireland, Kuratko and Morris 2006:13).

Although external factors influence entrepreneurial behaviour, the focus of this study is on the internal entrepreneurial health of this business. The internal factors will be discussed in paragraph 2.4.2 in further detail.

2.4 THE ROLE OF ENTREPRENEURIAL HEALTH AUDIT AS MEASUREMENT TOOL

The main purpose of using this instrument is to examine the organisation's entrepreneurial and innovative characteristics. (Peterson *et al.*, 2004: 1).

The entrepreneurial health audit can be summarised into four important steps, which can be briefly seen below:

2.4.1 Steps

- Step 1: Analyse the organisation's entrepreneurial intensity by means of the entrepreneurial performance index (EPI) of Morris (1998).
- Step 2: Internal work environment is analysed to understand the factors accounting for the degree of entrepreneurial intensity in this organisation
- Step 3: Understanding of the processes
- Step 4: Results

2.4.2 Antecedents

As noted above, there are four steps when using the EHA. Certain antecedents can be determined in each step (Ireland *et al.* 2006: 21):

Step 1: Assessing the organisation's entrepreneurial intensity

Entrepreneurial intensity looks at the degree and frequency of entrepreneurial behaviour in a specific organisation. This can mean the organisation's performance levels from an entrepreneurial point of view are shown via the intensity score in the EHA. It does not mean that higher levels of performance are always desirable; it can mean that within an organisation, when entrepreneurial intensity exceeds expectation, this will, in turn, affect the performance levels positively.

When you interpret the intensity score, one must remember the norms for entrepreneurial intensity and that they will differ across organisations (Ireland *et al.*, 2006 22).

To assess the intensity of entrepreneurship, measures such as innovativeness, risk taking and pro-activeness are needed.

- Innovativeness

This can be defined as when employees use creative ways to solve problems or provide solutions in an organisation. This may take place in suggestions in the form of creating a new service that the organisation offers and new processes. (Ireland *et al.*, 2006:22) The importance of innovation was first emphasised by Lumpkin and Dess (1996:141) proposing that innovation is the single dimension that has to be employed by all entrepreneurial businesses.

Drucker (1985:133) implies that innovation is a specific function of entrepreneurship. It is the way in which an entrepreneur creates resources and enhances potential with the focus on creating wealth and value

Furthermore according to McFaszean, O'Loughlin and Shaw (as cited by Lotz and van Der Merwe, 2013:19) Innovativeness reflects a business tendency to engage in and support new ideas, novelty, experimentation and creative processes that may result in a new product, services or processes.

Business environments of today need innovation, due to constant changes and uncertainty. (Kropp, Lindsay & Shoham, 2008:104). The greater the environmental dynamism and hostility, the greater the requirement for innovation will be.

There are many more other definitions that one can propose for innovation but most of them come to the following conclusion that innovation represents moving from one practice to a new one by changing the old one with new ideas (Lotz *et al.*, 2013:19)

- Pro-activeness

An organisation is proactive when it accepts and recognises entrepreneurial opportunities, these demands of the organisation to recognise failure and to encourage employees to continue with efforts to use opportunities and be the

source of innovation and competitive advantage in the marketplace (Ireland *et al.*, 2006: 22, 24).

According to Madsen (2007:187) pro-activeness can refer to a posture of anticipating and acting on future wants and needs in the marketplace thereby creating a first-mover advantage competitors.

The advantage of being pro-active is securing access to the rare resources and gaining knowledge on key factors and issues, carving out the market share and positions so that the organisation can defend their position against rivals. (David, 2007:200).

To be the first mover can have risks and isn't always successful. The introduction of new products may not be accepted in the market place. It is essential that a careful analysis takes place of the environment and thorough research is done on a pro-active strategy, this can lead to a competitive advantage (Dess & Lumpkin 2005:151). They also argue that acting in anticipation is important component of entrepreneurship, yet being first can also narrow your options.

Lumpkin and Dess (1996:146) suggest that pro-activeness refers to processes aimed at anticipating and acting on future needs by seeking new opportunities which may or may not be related to the present line of operations and the introduction of new products and brands ahead of competition.

To sum up one could say that a proactive business is thus a leader rather than a follower, since it has the will and the foresight to seize new opportunities, even if it not always the first to do so (Gürbüz & Aykol, 2009:323).

- Risk-taking

The risks involved suggest the willingness to commit to certain new opportunities and realising that there might be a chance of failure and success. Risk is fully calculated within organisations and when new creative suggestions are made, management does measure up all potential gains and losses, which can be associated with this decision to use entrepreneurial ideas (Ireland *et al.*, 2006).

Dewett (2004:258) defines risk as the extent to which uncertainty about certain significant or disappointing outcomes of a decision will be realised.

A characteristic of risk taking is the potential to act too quickly on an opportunity or to wait too long before acting on an opportunity (Mullins and Forlani, 2005:51)

Risk is however inevitable in operations in any organisations and nearly every decision made by managers involves risk.(Von Stamm, 2008:37) However, this risk does not refer to extreme or uncontrollable risk, but rather to moderate and calculated risk (Morris *et al.*, 2008:62).

Step 2: Diagnosing the internal work environment

The purpose of this step is to analyse why the organisation develops its current entrepreneurial intensity. Within the EHA questionnaire certain sections were comprised by using sections out of the corporate entrepreneurial climate instrument, one can then assess, evaluate and manage the organisation's internal work environment and how it supports entrepreneurial behaviour. This instrument also measures the degree to which the organisation supports entrepreneurship (Ireland *et al.*, 2006: 24).

This instrument has been developed based on certain antecedents within the work environment, namely:

- **Managerial support:** The support management offers to employees to promote entrepreneurial behaviour. This may also include promoting innovative ideas and giving resources to staff to utilise their entrepreneurial characteristics to improve organisation suitability (Ireland *et al.*, 2006: 27).

The fundamental idea of management support is to encourage employees and to believe that innovation is rooted in the role of all employees (Kuratko, Montagno & Hornsby, 1990:49-50)

Management support is the willingness to promote and facilitate entrepreneurial activities within an organisation. This includes activities like encouraging innovative ideas, solutions and providing employees with resources to take entrepreneurial action. (Kuratko & Hornsby, 2001:12)

- Work autonomy: Commitment of management to allow failure, freedom to delegate authority and to make certain decision within the organisation. Employees are given freedom to make certain decisions that involve their work or processes within their work. (Ireland et al., 2006: 27).

To encourage entrepreneurial behaviour management should understand that entrepreneurs do have a high need of independence. Independence mean different things to different employees, it could mean to some that one can be in the position to control one's own destiny or just being in the position where you can fulfil your potential.(Hefer 2008:70)

- Reinforcement: Developing systems that will reinforce entrepreneurial behaviour and encourage employees to be creative and seek opportunities. (Ireland et al., 2006: 27).

Positive reinforcement recognizes and rewards desired behaviour. Management can offer praise and offer to give incentives to continue this behaviour. (Joseph, 2017:1)

- Time availability: Employees have time to be innovative and to evaluate their workload such that they may pursue innovative ideas. Management will have to evaluate workload and time needed to complete projects so that their work is structured in ways that there is time to achieve all goals and to create new ideas. (Ireland et al., 2006: 27).

Oosthuizen (2006:137) suggests "to make time available is to create space for idea stimulation, this means that individuals who are innovative and those who are required to be innovative should not be hassled by bureaucracy and routine work"

Having the time can enable would be entrepreneurs to consider new opportunities for innovation that may be hindered due required work schedules (Shepherd, McMullen and Jennings, 2007:77)

- Organisational boundaries: Expectations of organisational work and how they can be developed by using innovative ideas (Ireland et al., 2006:27). In an organisation it is recommended to have flexible organisational boundaries as this could be more useful towards entrepreneurial activities within the organisation, this will enhance

the flow of information within the internal environment of organisations, such as the exchange of ideas between different departments .(Miller, Fern and Cardinal, 2007:309)

This instrument benefits the organisation and adds value as it acts as a tool to indicate to practitioners the possibility of successfully incorporating an entrepreneurial strategy within the organisation. It is used as assessment tool for training needs for entrepreneurship, employee skills and increasing sensitivity towards challenges to support entrepreneurial behaviour. By gaining knowledge from this instrument, managers from top, middle and lower levels will be able to determine the role of entrepreneurship within the organisation and how they can reinforce such behaviour (Ireland *et al.*, 2006:28).

If all the antecedents are well designed and accepted within the organisation, then the chance of managers and employees engaging in entrepreneurial behaviour will be strong (Ireland *et al.*, 2006:28).

Step 3: *Create an understanding of the processes leading to a successful entrepreneurial strategy*

In step 3 of the Entrepreneurial health audit one can now create an understanding of the degree to which all the entrepreneurial behaviour is understood and accepted in the relevant organisation. An entrepreneurial strategy can only be implemented in an organisation if all individuals affected are committed to this plan. Commitment will increase if employees are fully aware of what the outcomes are and how they will be met. All parties involved within the decisions regarding implementing more entrepreneurial behaviour must find ways to explain why this strategy is important and why it will be to the organisation's advantage to implement these behaviours. Once this has been finalised, the organisation can set these strategies into motion. The organisation can draw up processes on visions, missions and the importance of this strategy and finally create a development programme to help all parties understand the value of having entrepreneurial behaviour within the organisation (Ireland *et al.*, 2006:28-29).

Step 4: *Results*

The main focus point here is to see what results the EHA has established within the relevant organisations. From these results, one can then see what entrepreneurial behaviour is dominant in this organisation and what behaviours need to be improved upon. This can give management insight into what will sustain an entrepreneurial mind-set in these organisations (Ireland *et al.*, 2006:28-29).

An entrepreneurial mind-set is the way people think about opportunities within their current organisation. These opportunities can add value towards the organisation as employees become more creative and innovative. Using the EHA will provide management insight into three core issues. It will help them to understand what can be done to improve the current situation and to compete within the marketplace (Ireland *et al.*, 2006:28-29).

2.5 SUMMARY AND IMPORTANCE OF ALL THREE CONCEPTS

The term entrepreneurship can be categorised into three different concepts as mentioned above as well as why they are important in the current business environment (Corner & Ho, 2010:635). Although one can clearly define what entrepreneurship means and what impact it has, it is still unclear what it means when you apply it to a non-profit organisation.

Opportunities are the key concept when examining entrepreneurship. According to Drucker 1985 (as cited by Corner, 2010: 636), the heart of entrepreneurship is the notions of an opportunity. Opportunities are a positive set of circumstances that lead to creating new ventures. If you combine all three concepts we can gather that each one has an important role to play towards each other. By implementing certain entrepreneurial characteristics into your organisation, one can improve your competitive advantage and transform many stale organisations into value-creating innovative organisations. Dees 1998 noted that the entrepreneurial mind-set can be incredibly powerful and can have a positive impact on NPOs (cited by Corner, 2010:636).

Why then corporate entrepreneurship? Yes non-profit organisations is unique in comparison to corporate entities but they create social value. Social value is what we need in resolving social issues in the world today. Examples of this can be generating income for the socially disadvantaged or delivering services such as medical supplies to poverty-driven populations. By engaging these organisations with entrepreneurial and corporate tools, they can actually add value and solve certain social problems and generate solutions (Corner *et al.*, 2010:636).

CHAPTER 3 EMPIRICAL STUDY

3.1 RESEARCH METHODOLOGY

Research can be divided into two broad approaches, namely qualitative and quantitative research. The qualitative approach is described as a research strategy that usually emphasises words rather than quantification in the collection and analysis of data; this, however, means that qualitative research does not employ statistical measurements. Qualitative research concerns ideas, feelings and attitudes. The goal of a qualitative research is to get a better understanding of the research problem. In a qualitative study, the researcher delves deeper into the research area through interviews and documentation. Qualitative research also emphasises the inductive approach (Saunders *et al.*, 2003:151). Through an inductive approach, the researcher collects data and develops theory from data analyses.

The quantitative approach, which has been used in this study can be described as a research strategy that emphasises quantification in the collection and analysis of data (Saunders *et al.*, 2003:480.). In a quantitative research, the phenomena that are studied can be measured and quantified; therefore, the results are often presented in numbers.

A questionnaire is a written set of questions to which individuals record their answers. This data are then analysed and results are configured (Sekeran & Bougie 2013:147). Since the aim of this research is to show that 'thinking like an entrepreneur' has a positive influence on the constructs of non-profit organisations, a cross-sectional design will be used in the research as a cross-sectional study is one that takes place at a single point in time (Trochim & Donnelly, 2007:6)

3.2 STUDY POPULATION

The sample of the study will consist of all employees (50) from two non-profit organisations. The information will be gathered via a questionnaire enabling the researcher to clarify the current position of this organisation via the perception from different levels in the organisations, namely:

- Senior management
- Middle management
- Junior management
- Employees

The NPOs used are:

Child Welfare

Child Welfare is an organisation that offers a service to ensure that children are safe and that families have the support to care for these children successfully (childwelfare.org).

Their main functions and roles are as follows:

- Support and coordinate services to prevent child abuse
- Provide services to support families to help protect and care for children
- Investigate and report any cases of neglect and abuse
- Arrange for children to be fostered in a safe environment
- Support the wellbeing of children living with families or foster families
- Work with children and families to achieve adoption or reunification

NPO 2 (asked to keep name confidential)

They actively work with the community to educate them on mental health needs.

They aim to address the following issues:

- Enable people to identify community mental health needs
- They provide services to people who have difficulties coping with everyday life, and who have an intellectual and psychological disability.
- Promote awareness of mental health issue
- Encourage diagnosis of mental illness
- Address the stigma associated with it
- Strive for recognition and protection of the rights of individuals with intellectual or psychological disabilities

The reason why these NPOs were chosen is because they both work with child welfare.

3.3 DATA COLLECTION METHOD

Data was collected via the EHA questionnaire that was developed to address the extent to which these organisations are capable of fostering sustainable entrepreneurial behaviour as a path to improve their performance. The EHA Questionnaire consists of three steps which focus and measure as follows:

- Step1: entrepreneurial intensity
- Step2: internal environment
- Step3: core attributes of entrepreneurs

The questionnaire will base on a five-point Likert scale ranging from *strongly agree* (1) on one end to *strongly disagree* (5) on the other. Except in section 2.3, the 5 point likert scale ranged from significantly less (1) and significantly (5)

The questionnaires were provided to the directors of each NPO. Different levels of management and employees were given two weeks to complete the questionnaire and then submit back to me for evaluation.

3.4 DATA ANALYSIS

The collected data were analysed by the Statistical Consultation Services at the Potchefstroom Campus of the North-West University using the following program to analyse the data: SPSS Inc.

The EHA is divided into three sections:

- Section 1: Biographical details

Table 3.1: Biographical table

Age	18-30	30-40	40-50	50-60	60-70	
	36%	26%	17%	21%	0%	
Gender	Male	Female				
	21%	79%				
Race	Black	Coloured	Indian	White	Other	
	49%	15%	2%	34%	0%	
Marital status	Married	Single	Divorced	Widowed	Other	
	49%	40%	11%	0%	0%	
Highest level of education	Matric	College	University	Postgraduate	Other	
	30%	20%	30%	13%	7%	
Current position	Employee	Junior management	Middle management	Senior Management	Director	Other
	57%	0%	9%	9%	4%	22%

The biographical characteristics are presented in table 3.1. The biographic results presented that:

- Ages of respondents: 36% were between the ages of 18-30, 26% were between the ages of 30-40, 17% 40-50 years and there was no result for the ages between 60-70 years.
 - Gender: 21% of respondents were male, while 79% were female
 - Race: The majority percentage fell under Black (49%), while 34% of respondents were white, only 15% coloured and 2% Indian. There was no results under other
 - Marital status: 49% of all respondents were married, 40% single and 11% divorced. There was no results by widowed or other
 - Highest education level: 30% of respondents had only a matric qualification, 30% also had a university qualification. While 20% had a college diploma and 13 % had a post graduate qualification. Only 7 % indicated other qualifications
 - Current position: The majority all fell under employees at 57%, while 9 % fell under middle and senior management. Only 4 % were directors and 22% indicated other.
- Section 2 measure the firms entrepreneurial intensity
The instrument measures the organisation's innovativeness, orientations to risk-taking and the degree of pro-activeness.
 - Section 3 measure five factors that are antecedents of entrepreneurship:
 - Management support

- Work discretion/autonomy
- Reinforcement
- Time availability
- Organisational boundaries

The following data findings were established according to the sections mentioned above:

3.5 RESULTS AND CORRELATIONS

Please see the annexure to clarify which sections fit in with each antecedent mentioned in table below.

3.5.1. Frequency table of high and low results

Table 3.2: Descriptive statistics

Descriptive Statistics						
	Cronbach's alpha	N	Minimum	Maximum	Mean	Std. Deviation
Company orientation characteristics	0,548	47	1,67	4,00	2,5000	,49392
Company orientation decision-making	0.713	47	1,50	4,33	2,5468	,59712
New service introduction	0.553	41	1,67	4,67	2,9959	,61744
Management support	0.718	48	1,89	4,39	2,9174	,63629
Work discretion/ autonomy	0.851	48	1,50	3,80	2,6549	,52980
Rewards/ reinforcement	0.716	48	1,67	3,50	2,3451	,45990
Time availability	0.897	48	1,50	5,00	3,1757	,78121
Organisational boundaries	0.892	47	1,14	3,57	2,2614	,55354
Specific climate variables	0.60	48	1,97	4,31	2,7027	,45597
Section 3	0.761	48	2,07	3,45	2,6762	,39172
Section 1 +2	0.603	47	1,58	3,83	2,5234	,46353
Valid N (list wise)		40				

Factor means description:

Time availability to the organisation had a mean value of 3.1757, which meant employees tended to disagree most with of these questions, and organisational boundaries had the highest mean value of 2.2614. This meant respondents tended to agree more with the

questions with regard to organisational boundaries. This implies that employees don't have time to create new innovative ideas or improve entrepreneurial behaviour.

If you look at all the other average means in each section of the questionnaire, they all move more towards agreement with the questions asked in each section.

The company orientation was divided into two constructs namely characteristics of the organisation and decision making. The mean value for company characteristics was 2.5000 and for top level decision making value is 2.568. Employees and management agreed more with the questions in the section that measured company orientation for both constructs.

Therefore, there is a high measurement toward company orientation within these NPOs. This implies that the organisation does agree that new services are introduced, improvements are made, solutions are sought after and new services are emphasised with low costs.

Within the organisation they agree that cautious steps are taken towards problem solving, active search for opportunities, compromising among employees and customers and growth.

Risk taking and making bold decisions with uncertain outcomes were items that most employees were unsure of and this implies that risk taking and making bold decision outcomes might be of concern.

New service introductions mean value was 2.5595, which suggests that that employees and management do not always seem to agree that new service introduction is strong within these organisations.

Management support for corporate entrepreneurship the mean value is much closer to the disagreement factors of the questionnaire than to the agreeing side of the questions. One could say that there is a middle ground or moderate feeling within the organisation with regard to management support. The mean value is 2.917, which, if you look at the questionnaire scale, suggests there is a high level of management support, such as

management support new ideas, encourages innovation. Although there is support, but due to financial constraints money is not always available.

Work discretion, the mean value is 2.6549, and it seems that individuals within the organisation agreed more with the questions suggesting that they feel that there is a level of work discretion and autonomy.

Rewards/reinforcement the mean value is 2.3451, suggesting that the sample data within the organisation agreed more with the questions and there is a high frequency that employees have support with regard to reinforcement in the workplace. This coincides with positive management support discussed earlier.

Time availability, the mean value is 3.1751, which suggests that the answers lean more toward the disagreement side of the questionnaire. Therefore, the mean value is low with regard to time availability within these organisations. The employees feel they do not have enough time to incorporate new ideas or entrepreneurial behaviour.

Organisational boundaries, the mean value are 2.261, and these points more to the higher side of the scale regarding agreement toward the questions. The employees, on average, agree that there are certain organisational boundaries, such as rules and operating procedures, the respondents felt this was not a constraint toward entrepreneurial behaviour.

Specific climate variables for these two organisations had the mean value of 2.7027, and points more toward the agreement side of the scale with regard to questions in the health audit. Employees agree in a positive manner that specific climate variables do have a positive impact on them in the current organisations climate.

In general it can be concluded the respondents agreed with all questions within in these sections.

3.5.2 Reliability factors (Cronbach's alpha)

To assess the consistency of this measurement instrument, the Cronbach alpha coefficients were calculated. These coefficients represent the consistency by computing

the average of the reliabilities from the multi-item scale (Zikmund & Babin, 2007:322), as indicated in table 3.1.

All the constructs were reliable as their cronbach alpha value where above 0.6 accept for company orientation characteristics (0.548) and new service introduction (0,533).

After deleting the question: Top management's philosophy that emphasis's services and to avoid any new services and costs, the cronbach alpha increased to an acceptable 0.675.

After deleting question: How many existing services did you significantly revise or improve upon during the past year, the cronbach alpha increased to an acceptable 0.768.

It must be noted that within section 3 diagnoses of the internal work environment; which can be divided into 6 Antecedents. The 6 factors obtained from these questions are management support, work discretion/autonomy, rewards/reinforcement, organisational boundaries, and climate variables. Section three did have reversed questions which did have a negative result on the cronbach alpha values, which impacted the reliability of the questions.

- Question 3.2.1: I feel like I am my own boss and do not have to double check all my decisions with someone else
- Question 3.2.2: Harsh criticism and punishment result from mistakes in my job
- Question 3.4.1: During the past three months, my workload kept me from spending time on new development ideas
- Question 3.4.4: My job is structured so that I have very little time to think about wider organisational problems.
- Question 3.4.5: I feel that I am always working with time constraints on my job
- Question 3.5.3: In my job I have doubts about what is expected of me
- Question 3.5.4: There is uncertainty in my job
- Question 3.6.18: Budgets are finalized and accepted; there is no room for change
- Question 3.6.26: This company uses the motto" if it is nor broken, do not fix it"

In conclusion, in both sections, all participants' responses were used to determine the relevance and reliability of the extracted factors; therefore, the instrument, i.e. the entrepreneurial health audit, used to measure entrepreneurial characteristic within the organisations, is acceptable, relevant and reliable as all values are above the acceptable 0.6.

3.5.3 Correlations of factors

Table 3.3: Correlations

Correlations													
			Comp Orientation characteristic s	Company orientation Decision making	New service introduction	Management support	Work discretion/ autonomy	Rewards/ reinforcement	Time availability	Organisational boundaries	Specific variables climate	Section 3	Section 1+2
Spearman's rho	Company orientation characteristics	Correlation Coefficient	1.000	.404**	-.214	.449**	.387**	.314*	-.026	.447**	.565**	.454**	.831**
	Company orientation Decision making	Correlation Coefficient	.404**	1.000	-.417**	.502**	.475**	.155	.159	.258	.372*	.468**	.815**
	New service introduction	Correlation Coefficient	-.214	-.417**	1.000	-.154	-.075	.032	-.081	-.150	-.185	-.176	-.352*
	Management support	Correlation Coefficient	.449**	.502**	-.154	1.000	.485**	.538**	.571**	.305*	.793**	.891**	.552**
	Work discretion/ autonomy	Correlation Coefficient	.387**	.475**	-.075	.485**	1.000	.433**	.100	.077	.472**	.581**	.529**
	Rewards/ reinforcement	Correlation Coefficient	.314*	.155	.032	.538**	.433**	1.000	.184	.457**	.653**	.694**	.293*
	Time availability	Correlation Coefficient	-.026	.159	-.081	.571**	.100	.184	1.000	.016	.372**	.627**	.064
	Organisational boundaries	Correlation Coefficient	.447**	.258	-.150	.305*	.077	.457**	.016	1.000	.484**	.502**	.424**
	Specific climate variables	Correlation Coefficient	.565**	.372*	-.185	.793**	.472**	.653**	.372**	.484**	1.000	.837**	.557**
	Section 3	Correlation Coefficient	.454**	.468**	-.176	.891**	.581**	.694**	.627**	.502**	.837**	1.000	.551**
	Section 1 + 2	Correlation Coefficient	.831**	.815**	-.352*	.552**	.529**	.293*	.064	.424**	.557**	.551**	1.000

In order to see the relationship and importance between two or more constructs, the size and effect should be measured within your measurement tool. This is important as it shows an objective measure of importance of the effect of each construct (Field, 2009:647).

- $r = 0.10$ (small effect): in this case, the effect explains 1% of the variance
- $r = 0.30$ (medium effect): the effect accounts for 9% of the variance
- $r = 0.50$ (large effect): the effect accounts for 25% of the variance (Field, 2005:32)

All the factors have a medium to large statistically significant relationship with each other. If you look at the total value of Company orientation, the value is 1, which suggests that it has a perfect relationship. If you examine the different constructs within company orientation, there is mainly a medium to large relationship, which suggests that there is a statistically significant relationship between the different constructs in the questionnaire. There was one construct that was just below 0.3, with a small margin of 0.007, thereby suggesting it is closer to a medium relationship, which indicates a positive statistical relationship.

The one negative value of -0.3652 suggests that the more participants tend to agree in this section, the more participants in this construct tended to disagree

One can highlight certain correlations values from company orientation section and interpret the data as follows:

- Company orientation has a positive correlation with all the antecedents listed in the questionnaire; consequently, there is a positive statistically significant relationship. The values fall between 0.3 and 0.6, and therefore the statistically significant relationships are between medium to large, which suggests that they are important and meaningful.
- Within company orientation (company characteristics), the highest significant statistical relationship is between company orientation (1) and specific company variables (0.565), which suggest that the statistically significant value is a perfect and large relationship.
- Within company orientation (decision making), the highest significant statistical relationship is between company orientation (0.404) and specific company variables (0.502), which suggests that the statistically significant relationship is large

- In section 2.3, new service introduction has a negative correlation (-214) value, which suggests that the more the individuals disagreed within this section the more they agreed with the opposite sections.
- Company orientation and new service introduction have an opposing relationship with one another. The company orientations value is positive at .404, as opposed to the new service introduction with a negative value of -417. This implies that the more the individual agreed with the questions in the company orientation section, the more they disagreed with new service introduction. One can also see that most of the negative correlations were picked up within section 2.3, new service introductions.

The total value of section 3, (internal work environment) is 0.551, which suggests that there is a large relationship and this indicates that there is a statistically significant relationship between the constructs.

The internal work environment consists of six antecedents listed above in the table. If you examine the different constructs within section 3, there is a medium to large relationship, which suggests that there is a statistically significant relationship between the different constructs in the questionnaire. There was one construct that was a perfect 1, namely specific climate variables, and all of the other correlation values fall between 0.3 and 9.9, and therefore we can suggest that there is medium to large positive statistically significant relationships between all the constructs. To highlight a few points from this section, we can examine the following:

- Management support has the highest positive statistically significant relationship with specific organisational variables, suggesting that the more the participants agreed with management support, the more they agreed with specific organisation variables needs. One can also agree that all the remaining antecedents do fall within a medium to large statistically significant relationship and also have the same effect as mentioned above
- Work discretion/autonomy has the highest positive statistically significant relationship with management support, suggesting that the more the participants agreed with work discretion, the more they agreed with management support needs. One can also agree that all the remaining antecedents do fall within a

medium to large statistically significant relationship and also have the same effect as mentioned above.

- Rewards/reinforcement has the highest positive statistically significant relationship with specific climate variables, implying that the more the participants agreed with rewards/reinforcement, the more they agreed with specific organisation variable needs. One can also agree that all the remaining antecedents do fall within a medium to large statistically significant relationship
- Time availability has the highest positive statistically significant relationship with management support, meaning that the more the participants agreed with time availability, the more they agreed with management support needs. One can also agree that the entire remaining antecedents fall within a small statistically significant relationship with time availability.
- One should also emphasise that time availability had negative correlation results, which implies that the more the individuals disagreed in this section, the more they agreed with the other sections. The statistically significant relationship within the other antecedents were small and not of a perfect relationship.
- Organisational boundaries' highest positive statistically significant relationship is with specific organisational variables, suggesting that the more the participants agreed with organisational boundaries, the more they agreed with specific organisational variable needs. One can also agree that all the remaining antecedents do fall within a medium to large statistically significant relationship.
- Specific organisational variable's highest positive statistically significant relationship was with specific organisational variables. One can agree that all the remaining antecedents do fall within a medium to large statistically significant relationship.

It could be suggested that the entire construct had a medium to large statistically significant relationship, except for time availability, which fell more into the small relationship value.

3.5.3 T-Test

Table 3.4: Group statistics

Comp		N	Mean	Std. Deviation	Std. Error Mean	Effect Size
Company orientation Characteristics	A	20	2.6667	.57988	.12966	0.50
	CW	27	2.3765	.38562	.07421	
Company orientation, decision making	A	20	2.7350	.60866	.13610	0.54
	CW	27	2.4074	.55918	.10761	
New Service introduction	A	17	3.0000	.72648	.17620	0.01
	CW	24	2.9931	.54391	.11103	
Management support	A	20	3.2611	.64062	.14325	0.92
	CW	28	2.6720	.51578	.09747	
Work discretion/autonomy	A	20	2.8067	.58547	.13091	0.44
	CW	28	2.5464	.46705	.08826	
Rewards/reinforcement	A	20	2.5400	.38912	.08701	0.72
	CW	28	2.2060	.46197	.08730	
Time availability	A	20	3.2333	.69333	.15503	0.12
	CW	28	3.1345	.84845	.16034	
Organisational boundaries	A	20	2.5000	.52335	.11703	0.79
	CW	27	2.0847	.51547	.09920	
Specific climate variables	A	20	2.9384	.50461	.11283	0.80
	CW	28	2.5343	.33488	.06329	
Section 3	A	20	2.8799	.36101	.08072	0.97
	CW	28	2.5307	.35029	.06620	
Section 1 + 2	A	20	2.7008	.50862	.11373	0.61
	CW	27	2.3920	.38593	.07427	

In order to determine how respondents' perceptions of their relative entrepreneurial characteristics compare to those of their superiors, the mean scores are compared by means of a dependent or paired t-test (p -values) and effect sizes (d -values) in terms of the entrepreneurial characteristics measured. (Ellis & Steyn, 2003:51).

The measure of the size of the effect is called an effect size and is simply an objective and standardised measure of the magnitude of the observed effect (Kent, 2007:392).

Many measures of effect size have been proposed, the most common of which is Cohen's d and is also used in this study. Cohen, as quoted by Ellis and Steyn (2003:52) gives the following guidelines for interpretation of the effect size:

- $d = 0.2$: small effect
- $d = 0.5$: medium effect
- $d = 0.8$: large effect

There is a practical significance as the data sample is small. The statistical significance of data tests the effect size of the data that were measured and the practical significance of questions listed in sections and how it affects the study being done namely, the entrepreneurial health audit.

In this study, the underlying factors that were measured were:

Sections 2.1 and 2.2 of the questionnaire consist of two factors, namely company orientation (characteristic and decision making) and new process introduction. The effect size of company orientation has a value effect of 0.50 and 0.54, which means it has a medium effect; this implies that the effect is regarded as a visible effect.

New service introduction has no effect at all as it has a small effect of 0.01. This means that it has no significant effect on the questionnaire.

Section 3, which diagnoses the internal work environment of the questionnaire, is divided into six antecedents, namely management support, work

discretion/autonomy, rewards/reinforcement, time availability, organisational boundaries and specific climate variables.

Management support has an effect value of 0.92, which means there is a large effect since the result difference is above 0.8, which means there is practical significance towards this questionnaire.

Work discretion and autonomy have an effect value of 0.44; it is close to medium, yet just falls below it. Therefore, it can be seen as a small to medium-sized effect. Consequently, some of the results can be seen as visible and parts not.

Rewards and reinforcement have an effect value of 0.72; the effect size is medium and means that the results are regarded as visible from the questionnaire.

Time availability has an effect value of 0.12; result effects are small, and therefore there are no visible effects towards the questionnaire

Organisational boundaries have an effect value of 0.79; the effect size is medium to high and just under the large effect by 0.01. Therefore, the effect size can be seen as visible and partially practically significant.

Specific climate variable has an effect value of 0.80, which means there is a large effect since the result difference is above 0.8, which means there is practical significance.

In total, the companies orientation within this questionnaire, effect value is 0.61, which means the results are regarded as visible within this section toward the study.

The total effect value of the diagnostic of the internal work environment is 0.97, which means that the results in this questionnaire have a large effect and are practically significant towards this study.

According to all data analysed above, the entrepreneurial health audit played an important role in determining what entrepreneurial behaviour is currently strong or

weak within these NPOs. With all this information, one can now offer management proper recommendations on how to improve these entrepreneurial behavioural characteristics from a management and employee perspective.

CHAPTER 4 RECOMMENDATIONS

4.1 RECOMMENDATIONS AND IMPLEMENTATION

Having assessed the NPOs' entrepreneurial intensity, the degree to which the internal environment supports entrepreneurship and entrepreneurial behaviour, one can now offer management suggestions on how to implement or improve entrepreneurial behaviour in their organisations. Management can use this as a positive tool and explain to each individual how using certain entrepreneurial skills can affect and empower them in a positive way. These suggestions should be implemented within the organisation and done in such a manner so that all employees accept changes, suggestions and are committed to new strategies or suggestions and will be fully aware of the outcomes that are being sought by management in these relevant NPOs (Ireland *et al.*, 2006:28).

Key role-players in the decision-making process must find ways to explain the purpose of changes and explain what will be expected from them.

New actions should be incorporated within the organisation to enhance the entrepreneurial skills that are currently strong and strengthen those that are weaker as suggested by Ireland, Kuratko and Morris 2006. (Ireland *et al.*, 2006:28-29).

Having full commitment to help shape this vision and improve entrepreneurial behaviour is critical towards the success of this study.

The following suggestions can be implemented by management to improve and strengthen current entrepreneurial behaviour within these NPOs and the employees.

Ways to improve the organisational entrepreneurial climate:

- Prove that the social value that the NPO offers fulfils a need in the marketplace:
Just like any other organisation, it must explain why they are needed in the marketplace and what their worth will be.
(Arora, 2016: 1).

- Develop and articulate a specific strategy to encourage innovative activities within the organisation (Peterson & Johnson 2004:1).

Clearly define the objectives for adding entrepreneurial behaviour within the organisation. Use bottom-up and top-down innovations combined, so that the bottom-up innovations benefit from employee engagement and the top-down innovations benefit from better alignment with the organisational goals (Luke, 2012:34).

A good example would be that these NPO's should articulate to employees that innovative ideas are supported within the company's strategic plan and all new ideas are be communicated from every department or level of management so that these innovative ideas can lead to new services within the organisation and improve entrepreneurial behaviour.

- Management must also clearly understand the definition of entrepreneurial thinking and support staff to generate social value by creating a social entrepreneurial climate and rewarding the creation of social value through social innovative ideas.
- Innovation must be included in the organisation's mission, values and goals. When these organisations revisit their mission and values they should incorporate that innovation plays a strong role within achieving new goals.
- Management should also revise their own philosophy on what management is: Managers should remove their perceived definition of what managers are supposed to do and apply or experiment with more contemporary management's approaches to enhance entrepreneurial behaviour within the organisation. Managers are trained and motivated to support innovated ideas, i.e. line managers get support through support from direct supervisors and so on this idea and if management follows these philosophies by setting the example of what is required then employees will follow by example. (Luke, 2012:34).
- Management within these organisations should have proper control and evaluate entrepreneurial activities to make sure that effective implementation processes are followed. Management could request feedback on new project ideas and screen new innovative ideas that can improve the effective implementation of entrepreneurial activities.

- Implementation of an entrepreneurial climate can be set in an environment with explicit goals, system of feedback, positive reinforcement and rewards upon results. By emphasising to employees that the organisation environment will be climate created around entrepreneurial behaviour one could ensure and increase entrepreneurial behaviour.
- There should be commitment toward these innovative ideas, know there will be failure, but this must be seen as a learning experience and not a way to eliminate ideas completely. Give feedback to all employees whether positive or negative as communicating any form of feedback will allow employees to learn and encourage such behaviour. (Peterson, *et al.*, 2004:1).
- Management should analyse the organisation's barriers, facilitators and triggers to entrepreneurial thinking; by looking at the culture of the organisation and discussing common barriers that inhibit innovative behaviour. One can pinpoint the external and internal triggers that affect the organisation.
- Management must focus on time as one of the constructs that is emphasised as a weak point within the organisation. Time should be made available to be creative and innovative to bring forward new ideas. Within this organisation, if time is offered, then new ideas can lead to new services being introduced that could further develop the organisations and their entrepreneurial skills.

Suggestions to improve entrepreneurial behaviour within employees:

- Provide positive reinforcement and emphasise the specific individual responsibility and reward them based on results, Petersen also recommends this point as mentioned above. (Peterson, *et al.*, 2004:1).
- Encourage employees and give them freedom to express and develop ideas. When these organisations have strategic, monthly or weekly meetings, encourage employees to participate and have a voice about ideas, whether they agree or disagree, this opens up channels for creativity among personal.
- While analysing a project that is important, it is even more important to use the analysis as a progression tool and it should be used as a supportive tool

rather than being imposed on the relevant employee. By being of supportive nature one will encourage the employees to realise mistakes and also test new convictions and to accomplish self-analysis. This aspect is supported by Petersen. (Peterson, *et al.*, 2004:1).

- Explain what innovation means and understand what management means when they wish for more innovative ideas. Management needs to be clear on their vision and should express it to employees in a clear way.
- Encourage open communication of ideas and autonomy.
- Performance appraisal as supported by Luke can be a great tool to encourage entrepreneurial behaviour within an employee. Offer rewards based on the achievement of certain performance goals (Luke, 2012: 34). A great example is offering incentives or even growth opportunities within the organisation.
- Creating growth opportunities for new ideas can definitely encourage entrepreneurial behaviour. Management can offer new skills development opportunities within certain employees who have strong entrepreneurial characteristics or employees who are willing to improve their knowledge and develop new skills
- Create an environment that is full of confidence: Not everyone has confidence, but that does not mean that everyone is not capable of it. By allowing autonomy within work and ideas, employees will gain the confidence levels to be even more creative, innovative and share those ideas for the benefit of the NPO.
- Encourage teamwork among employees: Team players know how to succeed by creating different dynamic relationships. A successful entrepreneur uses a team to get the work done without breaking stride.
- Lead by example: An employee who has strong entrepreneurial skills has strong leadership skills. Allow employees to have the freedom to show the importance of teamwork, i.e. supporting each other. This will build confidence among all employees

From these suggestions, the following programmes can be used to implement these suggestions toward entrepreneurial thinking within these organisations, Ireland, Kuratko and Morris has suggested a few (Ireland *et al.*, 2006:29).

4.2 ENTREPRENEURIAL DEVELOPMENT PROGRAMS:

Introduction programme to entrepreneurship: Defining the concepts entrepreneurship and examining the current strategy within the organisation

4.2.1 Entrepreneurial breakthroughs:

Look at an overview of previous entrepreneurial breakthroughs within the organisations and see what practices were used. This will also challenge employees to think more innovatively and creatively and take risks to be more pro-active within the organisation (Ireland *et al.*, 2006: 29).

4.2.2 Creative thinking programme

Thinking creative must sound foreign to employees who have not attempted to implement entrepreneurial behaviour within an organisation. There are many misconceptions about being creative. One should try highlighting inhibitors of creativity among employees and engaging in exercises to facilitate creative thinking (Ireland *et al.*, 2006:29). Brainstorming is one tool that can be used to facilitate creativity.

4.2.3 Idea development programme

Allow employees to set up ideas on how to improve the organisation. How they feel the current situation can be improved. Issues such as strategic fit can be examined and employee can also identify resources required to complete new ideas or projects that will benefit the organisation (Ireland *et al.*, 2006:29).

- *Identifying barrier and triggers programme*

Once barriers or trigger have been identified using the EHA, one could incorporate exercises where the employees complete exercises that will help them deal with certain barriers in their internal and external environments (Ireland *et al.*, 2006:29)

4.2.4 Venture planning or intra-planning:

Here, employees examine all aspects of barriers to facilitators of entrepreneurship and how to behave in such a manner that they create a more innovative, creative environment within an organisation; now they can start completing a plan to implement it.

Employees are taught to develop:

- Goals
- Teams
- Assessing current situations
- Creating timeline for projects
- Evaluate projects

To conclude one does suggest that using any of these recommendations or programmes should be on-going of nature. As new entrepreneurial opportunities surface in an organisation, the external and internal environment and changes from being used as new employees join the organisation (Ireland, *et al.*, 2006:29).

It is expected from employees who have those skills to work together and find the best way to proceed to implement entrepreneurial behaviour within the organisation (Ireland, *et al.*, 2006:29).

4.3 CONCLUSION

To conclude, an entrepreneurial mind-set is a certain way of thinking about opportunities within the organisation's external environment (Ireland, *et al.*, 2006:30). Organisations that have a strong entrepreneurial mind-set are seen as valued organisations. The entrepreneurial health audit is a valued tool used to assess the degree to which an organisation is willing to engage entrepreneurial behaviour. In all aspects, this tool offers management insight into all three core issues, namely innovativeness, risk-taking and reactivity.

These core issues help management to find ways to improve their competitive environment and to improve certain aspects on work performance among employees.

Within this study, these core issues have been highlighted and will help management to develop and empower entrepreneurial behaviour among current employees and to improve the overall sustainability of such an organisation.

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ANNEXURE: ENTREPRENEURIAL HEALTH AUDIT

Entrepreneurial health audit survey:

This survey is a tool used to gain knowledge on what the entrepreneurial status of the organisation is. All information will be kept confidential

I will be assessing/diagnosing the organisations':

- Step1: entrepreneurial intensity
- Step2: internal environment
- Step3: core attributes of entrepreneurs

Thank you for your time.

Section 1: Biographical details

Date.....

Location.....

1.1 Age

18-29	30-39	40-49	50-59	60-70
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1.2 Gender:

Male	Female
------	--------

1.3 Race

Black	Coloured	Indian	White	Other
-------	----------	--------	-------	-------

1.4 Marital status

Married	Single	Divorced	Widowed	other
---------	--------	----------	---------	-------

1.5 Highest level of education

Matric	College	University	Postgraduate	other
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1.6 Current position

Employee	Junior management	Middle management	Senior management	Director	Other
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Section 2: Company orientation

For the following, please circle the number that best describes your level of agreement with each question

2.1 Our company is characterised by:

	Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
2.1.1	A high rate of new services that are introduced compared to our competitors	1	2	3	4	5
2.1.2	An emphasis on continuous improvement in methods and service delivery	1	2	3	4	5
2.1.3	Risk-taking by players in this organisation and exploring growth opportunities	1	2	3	4	5
2.1.4	A 'live and let live' philosophy in dealing with competitors	1	2	3	4	5
2.1.5	Seeking unusual, novel solutions by senior members' top problems via brain storming etc.	1	2	3	4	5
2.1.6	Top management's philosophy that emphasises services and to avoid any new services or costs	1	2	3	4	5

2.2 In our company, top-level decision-making is characterised by:

	Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
2.2.1	Cautious, one-step-at-a-time adjustments to problems	1	2	3	4	5
2.2.2	Active search for big opportunities	1	2	3	4	5
2.2.3	Rapid growth is the dominant goal	1	2	3	4	5
2.2.4	Large, bold decisions despite uncertainties of the outcomes	1	2	3	4	5
2.2.5	Compromise among conflicting ideas, government, customers, employees	1	2	3	4	5
2.2.6	Steady growth and stability are primary concerns	1	2	3	4	5

2.3 New services introduction

2.3.1 What is the number of new services your organisation introduced during the past two years.....

	Question	Significantly less		same		Significantly more
2.3.2	How many existing services did you significantly revise or improve upon during the past two years?	1	2	3	4	5
2.3.3	How does the number of these new services introductions at your organisation compare to similar competitor organisations?	1	2	3	4	5
2.3.4	To what degree did these new service introductions include services that did not previously exist in this market?	1	2	3	4	5

2.4 New process introduction

2.4.1 Please estimate the number of significant new methods or operational processes your organisation implemented during the past two years.

E.g. new systems, improved processes etc.

.....

.....

.....

.....

.....

.....

Section 3

Diagnosing the internal work environment:

I am interested in how you perceive your workplace and organisation. Please read the following questions, use the scale below and please indicate how much you agree or disagree with each statement.

3.1 Management support for corporate entrepreneurship

	Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
3.1.1	My organisation is quick to use improved methods	1	2	3	4	5
3.1.2	My organisation uses improved methods developed by employees	1	2	3	4	5
3.1.3	In my organisation, developing one's own ideas is encouraged for improvement of this organisation	1	2	3	4	5
3.1.4	Upper management is aware and very receptive to my ideas and suggestions	1	2	3	4	5
3.1.5	Promotion usually follows from the development of new innovative ideas	1	2	3	4	5
3.1.6	Employees who come up with new ideas often receive management support	1	2	3	4	5
3.1.7	The 'doers on project' are allowed to make decisions without going through elaborate approval procedures	1	2	3	4	5
3.1.8	Senior management encourages innovators to bend rules and rigid procedures in order to keep ideas on track	1	2	3	4	5
3.1.9	Many members of top management have been known for their experience with the innovation process	1	2	3	4	5
3.1.10	Money is often available for new projects ideas	1	2	3	4	5
3.1.11	Individuals with successful ideas receive additional rewards or compensation for their	1	2	3	4	5

	ideas and efforts					
3.1.12	There are several options within the organisation for employees to get financial support for their innovative ideas	1	2	3	4	5
3.1.13	People often get encouraged to take calculated risks with ideas around here	1	2	3	4	5
3.1.14	Individual risk-takers are often recognised for their willingness to champion new ideas, whether successful or not	1	2	3	4	5
3.1.15	The term risk-taker is considered a positive attribute of people	1	2	3	4	5
3.1.16	The organisation supports many small and experimental ideas, realising that some will fail	1	2	3	4	5
3.1.17	An employee with a good idea is often given free time to develop	1	2	3	4	5
3.1.18	There is a considerable desire among people in the organisation to generate new ideas without regard for crossing departmental boundaries	1	2	3	4	5
3.1.19	People are encouraged to talk to employees in other departments of this organisation about new ideas	1	2	3	4	5

3.2 Work discretion

	Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
3.2.1	I feel like I am my own boss and do not have to double check all my decisions with someone else	1	2	3	4	5
3.2.2	Harsh criticism and punishment result from mistakes in my job	1	2	3	4	5
3.2.3	The organisation provides the chance to be creative and try my own methods of doing my job	1	2	3	4	5
3.2.4	This organisation provides the freedom to use my own judgement	1	2	3	4	5
3.2.5	This organisation provides the chance to make use of your abilities	1	2	3	4	5
3.2.6	I have freedom to decide what I do on my job	1	2	3	4	5
3.2.7	It is my own responsibility to decide how my job gets done	1	2	3	4	5
3.2.8	I always get to decide what I do on my job	1	2	3	4	5
3.2.9	I have autonomy in my job and am left on my own to do my own work	1	2	3	4	5
3.2.10	I seldom have to follow the same work methods or steps to do my major tasks from day to day	1	2	3	4	5

3.3 Rewards/reinforcement

	Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
3.3.1	My manager helps me get my work done by removing obstacles and roadblocks	1	2	3	4	5
3.3.2	The rewards I receive are dependent upon my innovation in my job	1	2	3	4	5
3.3.3	My supervisor will increase my job responsibilities if I am performing well in my job	1	2	3	4	5
3.3.4	My supervisor will give me special recognition if my work performance is especially good	1	2	3	4	5
3.3.5	My manager would tell his/her boss if my work is outstanding	1	2	3	4	5
3.3.6	There are many challenges in my job	1	2	3	4	5

3.4 Time availability

	Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
3.4.1	During the past three months, my workload kept me from spending time on developing ideas	1	2	3	4	5
3.4.2	I always seem to have plenty of time to get everything done	1	2	3	4	5
3.4.3	I have just the right amount of time and work load to do everything well	1	2	3	4	5
3.4.4	My job is structured so that I have very little time to think about wider organisational problems	1	2	3	4	5
3.4.5	I feel that I am always working with time constraints on my job	1	2	3	4	5
3.4.6	My co-workers and I always find time for long-term problem-solving	1	2	3	4	5

3.5 Organisational boundaries

	Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
3.5.1	In the past three months, I have always followed standard operating procedures or practices to perform my major tasks	1	2	3	4	5
3.5.2	There are many written rules and procedures that exist when doing my job	1	2	3	4	5
3.5.3	In my job, I have doubts about what is expected of me	1	2	3	4	5
3.5.4	There is uncertainty in my job	1	2	3	4	5
3.5.5	During the past year, my immediate supervisor frequently discussed my work performance with me	1	2	3	4	5
3.5.6	My job description clearly specifies the standards of performance on which my job is evaluated	1	2	3	4	5
3.5.7	I clearly know what level of work performance is expected from me in terms of amount, quality and timelines	1	2	3	4	5

3.6 Specific climate variables

	Question	Strongly agree	Agree	Not sure	disagree	Strongly disagree
3.6.1	This company definitely rewards employees who take calculated risks and innovate	1	2	3	4	5
3.6.2	Jobs in this company tend to be broadly defined with considerable discretion in how tasks are performed	1	2	3	4	5
3.6.3	In this company, employees can pursue multiple career paths	1	2	3	4	5
3.6.4	This company tries hard to develop the creative potential of employees	1	2	3	4	5
3.6.5	Annual performance appraisals in this company include an evaluation of employee innovativeness	1	2	3	4	5
3.6.6	Around here, it seems like there is more concern with process than with performance	1	2	3	4	5
3.6.7	If you are not innovative on the job, you cannot get ahead in this company	1	2	3	4	5
3.6.8	The company does a good job of balancing incentives for individual initiatives with incentives for team collaboration	1	2	3	4	5
3.6.9	An overly bureaucratic structure takes away from our ability to be entrepreneurial in this company	1	2	3	4	5
3.6.10	Our company is organised and encourages micro-management	1	2	3	4	5
3.6.11	We have too many levels of management in this	1	2	3	4	5

	company					
3.6.12	I would characterise the company structure as being flexible	1	2	3	4	5
3.6.13	A rigid chain of command limits our abilities to experiment with new ideas	1	2	3	4	5
3.6.14	Red tape and slow approval are problems in this organisation	1	2	3	4	5
3.6.15	Managers believe in delegating decision-making responsibilities	1	2	3	4	5
3.6.16	Controls are tight and we tend to count every rand spent	1	2	3	4	5
3.6.17	Senior managements focuses on eliminating any slack budgets	1	2	3	4	5
3.6.18	Budgets are finalised and accepted; there is no room for change	1	2	3	4	5
3.6.19	Line of command is clearly allocated in departments	1	2	3	4	5
3.6.20	The organisation structure is very clearly defined	1	2	3	4	5
3.6.21	In this company, employees have much say in how things are done	1	2	3	4	5
3.6.22	Our culture within this organisation rewards the tried and trusted	1	2	3	4	5
3.6.23	This company celebrates innovative achievements	1	2	3	4	5
3.6.24	We have a culture that strongly discourages failure	1	2	3	4	5
3.6.25	There is a sense of urgency in this company regarding the importance of change and innovation	1	2	3	4	5
3.6.26	This company uses the motto “if it is not broken, do not fix it”	1	2	3	4	5

3.6.27	Innovation and risk-taking are core values in this company	1	2	3	4	5
3.6.28	New ideas tend to receive a quick go/no decision	1	2	3	4	5
3.6.29	The company's environment encourages people to talk openly with others about ways to improve the organisation's operations	1	2	3	4	5