

# Building Competency Through Corporate Entrepreneurship Ideas In Selected Information Technology Companies With Reference To Organization Climate And Commitment

S.Malarvizhi, J.Janet, P.Thamaraiselvi, V.Ragavi

**Abstract:** *The research study contributes to the field of entrepreneurship research. This gives an overview of reviews on entrepreneurship exclusively on corporate entrepreneurship. In the last few decades the focus on this area is more. But, we are able to see only few researchers contributing to corporate entrepreneurship. The research paper attempts to implement one of the collective ideas of corporate entrepreneurs in the selected company and gives the result on the implemented idea originated from the corporate entrepreneurial group.*

**Index Terms:** *Corporate entrepreneurship, organization climate, organisation commitment, information technology companies.*

## I. INTRODUCTION

Recently, the entrepreneurs' recognize the need of entrepreneurial ideas and started to administrate activities that could bring drastic change in entrepreneurial sector. However, in the light of the turbulence of recent industrial and economic developments, this divergence has lost much of its relevance in the specific sector. (L.D.DeSimone, 1995)The intra entrepreneur, like the external entrepreneur, enacts latest ideas, opportunities that drive the development of current resource utilization and reengineering. As a result of it, recent developments in economic organization, a broader array of arrangements, are mandatory for expected results. In turn, the organizations are ready for and with their new ideas, and strategies that can bring a revolution in entrepreneurial spectrum. (Dunung, 2012) Space given to employees inside the organization to discuss on their current and future developments of their existing business or new business ideas is termed as corporate entrepreneurship. Such ideas are experimented with new or existing entrepreneurial structures. During the development of the process they bring recent and new developments and raise the platform for new research questions.

(Wennekers, 2008) Entrepreneurship focusing more on organization development as a whole. Any new idea developed and proposed by an employee inside the organization, when given an opportunity will find

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improvement in self profile development, team growth or organization development. Such things are conceptualized as corporate entrepreneurial climate.

(Waldran, Vsanthakumar, & S.Arulraj, 2000) Corporate entrepreneurial climate is measured to know the level of commitment of people after taking the opportunity to expose and explore their innovations inside the organization.

## II. RESEARCH OBJECTIVES

1. To study the organization climate and commitment in the selected IT Companies that provided opportunity for corporate entrepreneurship.
2. To know the relationship between the factors influencing organization climate and commitment in the selected IT Companies that provided opportunity for corporate entrepreneurship.
3. To suggest ways to improve the level of commitment based on prevailing climate inside the organization.

## III. METHODOLOGY

The study is descriptive in nature. The study focuses more on corporate entrepreneurship and their contribution to organization development. The employees of the selected IT Companies are the sample population for the study. 110 employees were taken from different information technology companies. The criteria behind the selection of companies were.

1. Companies registered under Small and medium scale enterprises.
2. Companies providing platform for corporate entrepreneurship idea.
3. Companies who explore the proposed ideas.

The samples were drawn in a simple random sampling method. Structured equation modeling with the assistance of Visual PLS software was adopted for analysis.

The impact of organization climate and organization commitment is studied using the following factors. (Cullen, 2008) -in the study we are adopting the ECQ; six different ethical climates were recognized:

- (1) Professional. (2) Caring (3) Rules. (4) Instrumental. (5) Efficiency. (6) Independence. When employees are left independent in an independence climate, they are strongly guided by their sense of right and wrong (Victor and Cullen).

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(Jaros, 2007) Commitment factors were adopted to analyze the level of commitment corporate entrepreneur's show when opportunities are given to them to proposed their ideas and innovations to the management. And in addition when the ideas are implemented what is the level of commitment these entrepreneurs show towards the organization.

## MODEL TO PROVE THE RELATIONSHIP BETWEEN ORGANIZATION CLIMATE AND ORGANIZATION COMMITMENT

Hypothesis 1: There is no association between Self Interest and normative commitment.

Hypothesis 2: There is no association between Self Interest and continuous commitment.

Hypothesis 3: There is no association between Stakeholders Interest and normative commitment.

Hypothesis 4: There is no association between Stakeholders Interest and continuous commitment.

Hypothesis 5: There is no association between Organization development and normative commitment.

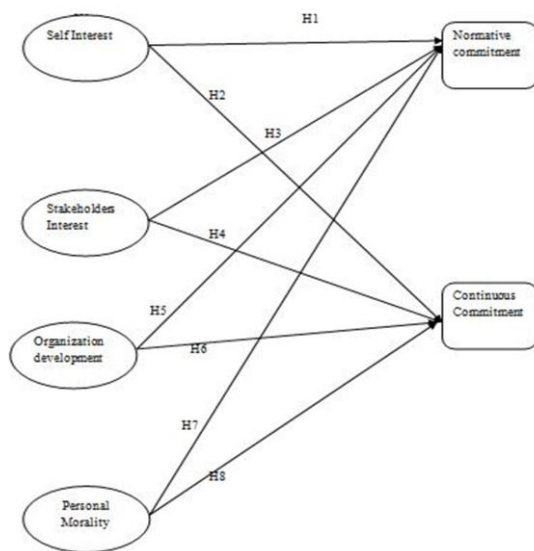
Hypothesis 6: There is no association between Organization and continuous commitment.

Hypothesis 7: There is no association between Personal Morality and normative commitment.

Hypothesis 8: There is no association between Personal Morality and continuous commitment

The following figure shows the linkage between constructs to form association Organization climate and organization commitment.

The below stated linkage in the given model was set with the hypotheses to test the association constructs. The construct scores and correlation values were derived using Visual PLS software. Table shows the respective hypotheses and its corresponding independent variable and dependent variable.



**Exhibit: 1. Workplace deviance and Organization commitment model-Hypotheses**

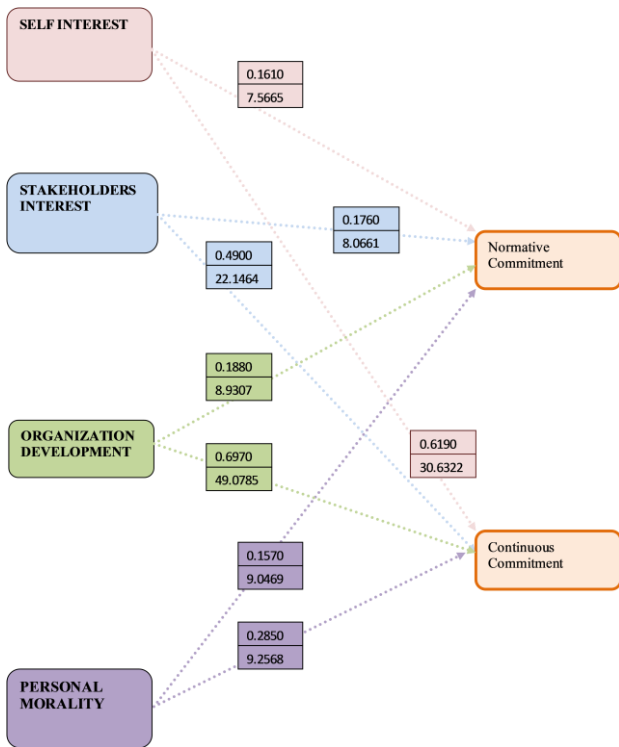
**Table 1:Organization Commitment variable and Organization Climate factors**

Hypothesis	Independent variable/Factors	Dependent variable/ Factors	Correlation	Sig.
H1	Normative Commitment	Self Interest	0.1610	.000
H2	Continuous Commitment	Self Interest	0.6190	.000
H3	Normative Commitment	Stakeholders Interest	0.1760	.000
H4	Continuous Commitment	Stakeholders Interest	0.4900	.000
H5	Normative Commitment	Organization Development	0.1880	.000
H6	Continuous Commitment	Organization Development	0.6970	.000
H7	Normative Commitment	Personal Morality	0.1570	.000
H8	Continuous Commitment	Personal Morality	0.2850	.000

The test of significance for the correlation values arrived for various pairs of constructs were tested using SPSS 16.0 software. But there is possibility to use re-sampling methods which is equal to bootstrap and jack knife, this is to obtain the significance of the various paths in the model (Efron 1979; Efron and Gong 1983). The standard value of t-statistic is 1.96 at 5% level of significance. The test values arrived was examined for its significance and is inferred that the t-statistic is more than 2; the path is significant and clear as per the set objective. Table exhibits summary results arrived using Visual PLS.

**Table 2:Structural Model - Boot Strap summary-Organization climate and Organization commitment**

Hypothesis	Entire sample estimate for gn. factors	Mean of sub sample	Standard error	T - Statistic	R Sq.	Sig
H1	0.1610	0.1615	0.0213	7.5665	0.393	Significant
H2	0.6190	0.6179	0.0202	30.632	0.393	Significant
H3	0.1760	0.1823	0.0218	8.0661	0.258	Significant
H4	0.4900	0.4888	0.0221	22.1464	0.258	Significant
H5	0.1880	0.1883	0.0211	8.9307	0.501	Significant
H6	0.6970	0.6957	0.0142	49.0785	0.501	Significant
H7	0.1570	0.1547	0.0174	9.0469	0.113	Significant
H8	0.2850	0.2849	0.0308	9.2568	0.113	Significant



**Exhibit:2. Organization climate relationship with Organization commitment model**

The above figure indicates organization climate factors with organization commitment factors. Four factors self interest, stakeholders interest, organization development and personal morality have significant relationship with two organization commitment factors viz. Normative commitment and Continuous commitment.

Self interest sample with the estimated value 0.1610 strongly determines the association with normative commitment (H1). Self interest Sample with the estimated value 0.6190 strongly determines the association with continuous commitment (H2).

Stakeholders interest sample with the estimated value 0.1760 strongly determines the association with normative commitment (H3).

Stakeholders interest sample with the estimated value 0.4900 strongly determines the association with production deviance continuance commitment (H4).

Organization development sample with the estimated value 0.1880 strongly determines the association with normative commitment (H5).

Organization development sample with the estimated value 0.6970 strongly determines the association with continuance commitment (H6).

Personal Morality Sample with the estimated value 0.1570 strongly determines the association with normative commitment (H7).

Personal Morality Sample with the estimated value 0.2850 strongly determines the association with continuous commitment (H8).

Organization climate and Organization commitment factors

- The result substantiate that assumption that there is association between self interest and normative commitment
- The result confirms that assumption that there is association between self interest and continuous commitment.

- The result confirms that assumption that there is association between stakeholders' interest and normative commitment.
- The result substantiates that assumption that there is association between stakeholders' interest and continuous commitment.
- The result confirms that assumption that there is association between Organization development and normative commitment
- The result substantiates that assumption that there is association between Organization development and continuous commitment.
- The result confirms that assumption that there is association between personal morality and normative commitment.
- The result substantiates that assumption that there is association between personal morality and continuous commitment.

#### IV. DISCUSSION

Major respondents who participated in the study were male corporate entrepreneurs. Team leaders, project heads and project leads are from different clusters based on age. Where, age was not considered as the criteria to hold the said designations. From the results it was inferred that, all nine factors of organization climate had an impact on the organization commitment of IT employees. Therefore, when given an opportunity to explore and expose their ideas and innovations, there is a change in the level of commitment of the employees inside the organization. This change brings in an attitude shift and change in organization structure and profitability. From the test of hypotheses results, it was inferred that, Employees with less self interest, low stakeholders' welfare, less personal morality and who was not too good in networking and friendship were contributing for low level of commitment. Whereas employees with high self interest, stakeholder's interest have high level of commitment towards their job.

#### V. CONCLUSION

Information technology companies try to spend more on the ideas of corporate entrepreneurs. In this study an attempt was made to read the impact of permitting corporate entrepreneurship in organization. The research study reveals that when given an opportunity the employees of the organization show high level of commitment towards their job. Therefore, there is a shift in organization climate. Change in climate results in improvement in effectiveness, efficiency and profitability.

Further there is a large scope for such studies and it requires for more concrete and qualitative measurements with objective observation which lay a platform for more learning about corporate entrepreneurship. It is understood that when employees show more accountability, responsibility and commitment, it fortunately becomes easier for employers to bring in expected changes and visualize the growth of all.

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