

The Mediating Role of Internal entrepreneurship in the Effect of Perceived Organizational Support to the Business Performance

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Extensive Summary

Introduction

Managers' expectations of workers positive business manner and their output only for the benefit of the organization prevent the expected contribution to business performance (Eisenberger et al, 1990). It is known that the expected positive manner of the employees is primarily formed by the incentives provided by the organization (Rhoades and Eisenberger, 2002). If it is accepted that these financial and moral incentives are values that form organizational support, then it is expected that the fair, continuous and satisfactory support provided by the organization will make it easier to meet the expectations of the organizations and enable them to come to fruition. Therefore, organizations' providing desired business manners of the employees and their output depends on how they perceive the provided organizational support (Eisenberger et al, 1986). In this respect, it could be stated that perceived organizational support which shapes the manners of the employees plays the most crucial role.

The perception of the employees that they are being supported by their organizations makes it possible for them to have a higher performance, come to their workplaces on time, not considering resigning, not to slow their work, have a higher job satisfaction and lessen the problems about the job and the workplace in general. These results, which are considered as significant for individuals and the organizations, draw attention to organizational support (Eisenberger et al, 2001).

The approach of internal entrepreneurship directs organizations to employ individuals who are innovative and keep them in business. In exposing innovative and entrepreneurial behavior, both individualistic and organizational factors are effective (Antoncic and Hisrich, 2004). Although exposing entrepreneurial behavior requires certain personal characteristics, the work environment laid out by the organization is also important (Covin and Slevin, 1991). As a result, employees' manners and behaviors are formed by the perceptions on the formations exposed by the managers within the organizations and by individual factors (Meydan, 2010). And therefore,

positive approaches of the management lead to an increase in the quality of the communication among the organization members and it insures goal congruence. Apart from this, it has been stated in several studies that organizations which have good job security are more innovative and more successful compared to their competitors.

And in the light of the previous studies, the aim of this study is to find out whether employees' perception of organizational support affects the performance of their organizations and whether internal entrepreneurship has a mediating role in this relationship. With this study, contributions are expected to be made to literature and managers who want to make the most of their employees in the competitive world.

Hypotheses:

H1: Perceived organizational support affects business performance in a significant and positive way.

H2: There is a positive relationship between perceived organizational support and internal entrepreneurship.

H3: There is a positive relationship between internal entrepreneurship and business performance.

H4: Internal entrepreneurship has a mediating effect on the relationship between perceived organizational support and business performance.

Method

Participants:

The study was done with the data collected from a total of 191 participants working in 23 different organizations doing business in the field of electronics and take place in OSTIM, which is an industrial zone in Ankara. When the variables in our study are taken into consideration, it was considered that the employees would express their perceptions on the support that is provided by their companies as well as they may have more information on internal entrepreneurship and business performance compared to other employees, and therefore, the sample of our study was formed by the organizations' junior administrative officers and white-collar workers; such as control engineers, human resources specialists and general accountants. 119 (62,3 %) of them are men, 72 (37,7 %) of them are women, 44 (23%) of them are managers, 147 (77%) of them are employees; 57,5 % have undergraduate or postgraduate degree and the average of their ages is 30,14, the average year of experience in their workplaces is 3,41 and they have an average total of 5,75 years of work experience.

Scales:

Perceived organizational support scale: To determine the employees' perception of the organizational support, the scale which was developed by Eisenberger and friends (1986) was used. Its shorter version was created by Stassen and Ursel (2009) and adapted to Turkish by Turunç and Çelik (2010).

Perceived business performances scale: The scale which was prepared to measure the performance of organizations was created by making use of the scale developed by Eren (2007). In the scale there are questions about customer satisfaction and human resources performance as well as the financial aspect of business performance.

Internal entrepreneurship scale: To measure the inter-organizational entrepreneurial behavior of the employees, the scale which was developed by Şeşen

(2010) as a result of the exploitation of Lumpkin and Dess (1996; 2001), Zhang and friends (2006), Witt (2004), Basım and Şeşen (2009) and Basım and friends (2009) was used.

For the validation of the scales an exploratory factor analysis was done; for their reliability their Cronbach's alpha coefficient was calculated and as a result, it was determined that the scales were valid and reliable.

Findings

In the study to test whether variables are related to each other and if they are, to find out the kind of relationship they have, a correlation analysis was done. To test the hypotheses, regression analyses were done. Here are the results of these analyses:

- Perceived organizational support affects all the dimensions of business performance (financial performance, customer satisfaction, human resources management performance) positively and statistically in a significant way,
- Perceived organizational support affects only innovativeness, risk taking and leadership dimensions of internal entrepreneurship positively and statistically in a significant way; however, it has no significant relationship statistically with self determination and individual net enlargement dimensions,
- Among internal entrepreneurship dimensions, only innovativeness and risk taking affect financial performance, which is one of the dimensions of business performance positively, whereas, the other internal entrepreneurship dimensions have no relationship with financial performance and none of the dimensions of internal entrepreneurship is related to customer satisfaction or HRM performance,
- In the relationship of perceived organizational support and business performance, internal entrepreneurship has no mediating effect.

Discussion

In the light of the data gathered in the study, it could be mentioned that organizational support can be used as an important tool for the organizations both to enhance internal entrepreneurship or business performance. Organizations can provide equal, fair and continuous support to their workers by the help of senior administrative or human resources implementations, and if they manage to form a perception of being supported on their workers, then they will be able to have a higher rate of internal entrepreneurship and higher business performance. The most significant limitation of our study is that; it was done only in one area, in one sector and in limited number of organizations. In order to generalize the results of this study, it could be applied on larger sample groups, in different geographical areas and in different sectors in the future. Another limitation of our study is, while measuring the business performance of the organizations, second hand sources were used instead of primary data because of confidential business information. If primary data could be collected from the organizations in further studies in this field, the results of this study and similar studies could be compared.

Although the relationship between organizational support and several variables was analyzed, very few studies are present about the direct relationship of organizational support and business performance. With this study the relationship between these two variables and the possible effects were analyzed in a different culture and a different sample group and its results are presented. Furthermore, the mediating role of internal entrepreneurship was also analyzed based on the possibility that it could

take part in the relationship of these two variables. The results of this study might have a contribution to organization managers as well as literature.