**The Effect of Corporate Entrepreneurship on Organizational Performance: Evidence from two Saudi companies**

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**Abstract:** Corporate entrepreneurship has been of a keen interest among academicians and decision makers owing to its valuable impact on competiveness and organizational performance. The quest of building a competitive advantage could be reached by reducing costs, reinforcing quality and best management of talented human resources. The purpose of this study is to investigate the relationship between corporate entrepreneurship and organizational performance in two Saudi companies: Aramco and Mobily. We examine the effect of the four dimensions of corporate entrepreneurship especially entrepreneurial culture, pro-activeness, risk taking and innovation on the organizational performance. The scrutiny of the existing literature review shows a little research has been carried out on the subject matter in Saudi Arabia. The study utilized quantitative research methodology in which a sample of 202 employees of the two large Saudi companies (Aramco and Mobily) were examined to understand their perception about corporate entrepreneurship and how it effects the organizational performance. Findings show the four dimensions of corporate entrepreneurship if effectively adopted have a positive effect on the organizational performance, which help in the realization of the Saudi Vision 2030.

**Keywords:** Corporate Entrepreneurship, Organizational Performance, Entrepreneurial Culture, Proactiveness, Risk Taking, Innovation.

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# Introduction

The increasing uncertainty brought about by the dynamic change of the business environment alongside the intensified global competition in today’s corporate world has brought about the need for organizations to embrace innovation for survival and growth. Hence, unlike in the past, corporate entrepreneurship has gained much significance and relevance among existing organizations as a viable means that ensures the continuous exploration of unexploited opportunities. Corporate entrepreneurship was developed as a strategic orientation concept employed by businesses in overcoming problems that undermine sustainable competitive advantage (Zahra, Neubaum, & Hayton, 2016). In this case, corporate entrepreneurship primarily capitalizes on overcoming external adaptation problems. However, in today’s business setting, corporate entrepreneurship has grown into a fundamental and significant field of management study. In established organizations, corporate entrepreneurship is a dimension of paramount significance in economic development and wealth creation. The interest in the concept of corporate entrepreneurship dates back in the early 1980s a time when researchers and practitioners its profitable effect on the performance of firms (Antoncic & Hisrich, 2004).The conclusion, regardless of the vast research conducted on the subject of corporate entrepreneurship there is little to no conclusive findings on the relation of organizational performance in earlier studies. This is so since the vast majority of these studies focus in examining corporate entrepreneurship, particularly in exploring its direct effects on growth and profitability. Therefore, this study aims to investigate the relationship between corporate entrepreneurship and organizational performance in Saudi Aramco and Mobily.

This research study will contribute to the existing body of literature thereby filling the gap. Hence, the findings and recommendations of this study will provide Saudi Aramco and Mobily with guidance on the factors on which to place their focus on so as to promote the entrenchment of entrepreneurship behaviour within their respective firms. Moreover, senior management may as well use the study results in instilling entrepreneurship in the corporate environment. In addition, this empirical research study may be used by organization in promoting the culture of entrepreneurship in the company staff. In light of this, respective company managers may utilize this research in providing encouragement to their workforce as it relates to participating in calculated risk-taking through testing new ideas and taking bold actions that promote corporate entrepreneurship. In this regard, managers will overlook failure as employees try out new ideas. Therefore, suffice it to say that the basic requirements highlighted in this study related to improving organizational performance through practicing corporate entrepreneurship adds value to the corporate sector.

# Literature review and research hypothesis

* 1. **Dimensions of corporate entrepreneurship**

In existing organizations, corporate entrepreneurship processes occur without consideration of its size with these processes ranging from the introduction of new ventures to the creation of new products, services, strategies, managerial techniques and technologies as innovative activities (Turner & Pennington, 2015). Further, corporate entrepreneurship qualifications consist of risk taking, self-renewal, innovation of process, innovation of product and services, competitive aggressiveness, pro-activeness and new business venturing. As a new management philosophy, corporate entrepreneurship promotes continuous creativity, flexibility, and strategic agility that transforms administrative-oriented staff into intrapreneurs (Kraus & Kauranen, 2009). In light of this, the researcher in this study adopts Sharma and Chrisman (1999, cited in Kraus & Kauranen, 2009) definition of corporate entrepreneurship as the processes whereby an existing organization, in association with an individual or a group of individuals, instigate the creation, innovation, or renewal of a new organization within that organization.

In this study, the investigation of corporate entrepreneurship takes into consideration the ‘original dimensions’ of corporate entrepreneurship, including pro-activeness, risk taking and innovation, as opposed to autonomy, competitive aggression and organizational renewal, which are increasingly becoming popular and taken into consideration in recent years. As Shamsuddin, Othman, Shahadan, and Zakaria (2012) cite, innovativeness entails the development of new ideas, originality, experiences and creative processes different from existing trends and current practice related to technology. In another study, Dess and Lumpkin (2005) portray innovativeness as an indicator of originality and newness through research and experimentation at new processes, products and services development. Pro-activeness, on the other hand, deals with the forecasting and taking action on future demands and desires in the marketplace, which, in turn, provides the company with a first-mover advantage (Hough & Scheepers, 2008). Therefore, suffice it to say that proactive firms assume a future-oriented perspective that earn them market leadership through the exploration of generated opportunities. Further, Hough & Scheepers (2008) state that pro-activeness entails being a first mover to satisfy market opportunities in the market. Thus, pro-activeness includes the pursuit of opportunities and assuming a future perspective in developing new products and services before competitors venture into the area so as to shape the environment by creating alteration. In their study, Hough and Scheepers (2008) contend that risk taking defines the willingness of an individual or group of individuals or a company to invest more resources in projects with high cost of failure. Therefore, in risk taking, entrepreneurs transfer resources to projects with unprecedented outcomes. In this case, the uncertainty of risk taking is attributed to the shift from the tried-and-true in pursuit of the unknown. Bulut and Yılmaz (2008), on the other hand, conceptualizes corporate risk taking as an organizational behaviour in the context of the application of new ventures for profitability and growth through absorbing estimated probable losses. Hence, it can be said that risk taking organizations undertake courageous actions regardless of the indefinite outcomes.

* 1. **Research hypothesis**

The review of the concept of corporate entrepreneurship commenced in the last few decades at a time when scholars endeavoured to provide befitting definitions of the concept. However, the poor distinction of corporate entrepreneurship from the phenomenon of innovation which was common at the time lead to mixed standpoints. For instance, early researchers such as Guth and Ginsberg (1990) classified corporate entrepreneurship into two categories, that is, strategic renewal and business venturing. According to these two researchers, strategic renewal is the organizational transformation realized through the renewal of the firm’s key ideas, while business venturing is the birth of new, small entities within the existing large entity. In a similar fashion, a further study by Zahra (1996) further added onto Guth’s and Ginsberg’s (1990) assertions by introducing a third dimensions of corporate entrepreneurship alongside strategic renewal and venturing, which is innovation. Innovation, according to Zahra (1996), refers to the commitment of a company to the creation and introduction of organizational systems, production processes, and products.

Aside from the aforementioned scholarly studies, other researchers have as well-established different categories of corporate entrepreneurship. However, from a general standpoint, a myriad of these studies categorize the domain of corporate entrepreneurship within the conceptualization framework of Zahra (1996). For instance, in the study by Covin and Miles (1999), corporate entrepreneurship is said to comprise of dimensions such as domain redefinition (developing new product-market arena), strategic renewal (redefining the relationship with industry competitors and the market), organizational rejuvenation (changing internal structures, processes, or capabilities), and sustained regeneration (continuous introduction of new market entrance, and new products and services).

Similarly, a recent study by Kuratko and Audretsch (2009) introduce a new dimension to the group classification of Covin and Miles (1999),which is business model reconstruction. Kuratko and Audretsch (2009) state that business model reconstruction is the redesigning and redefinition of the core business model of the firm in a bid to ensure enhanced operational efficiencies. In this regard, business model reconstruction promote differentiation from the firm’s competitors thereby improving its value in the market. Additionally, the underlying elements in the focus of most recent research studies on this subject include strategic renewal, corporate venturing, and innovation.

In literature, the construct of corporate entrepreneurship has been employed as a single meta-construct based on the notion that corporate entrepreneurship dimensions are different, but mutually supportive and complementary concepts, and as individual components whereby they are treated independently by overlooking their complementarity (Bojica & Fuentes, 2012; Heavey et al., 2009; Romero-Martínez et al., 2010; Simsek & Heavey, 2011; Zhang, Wan, & Jia, 2008). According to Wakkee, Elfring, and Monaghan (2010), organizations need sustainable business performance, which, in this case, may be achieved through entrepreneurially orientated behaviour, pro-activeness, risk taking and innovation.

Further, a solid conclusion on the relationship between the constructs of this study, that is, corporate entrepreneurship and organizational performance, will be presented in the study findings. Based on these results, there is a depiction of the recommendations to staff, senior management and directors with guidelines and direction on the areas in which the corporate activities of their respective companies should focus on so as to gain more entrepreneurially orientated.

The variables in the research model include corporate entrepreneurship – which comprises of elements of entrepreneurial culture, pro-activeness, risk taking, and innovation – and company performance. Here, the independent variable, as shown in the figure 1 below, is corporate entrepreneurship, while the dependent variable is organizational performance. Accordingly we propose the following hypothesis:

H1: Entrepreneurial culture (EC) effect positively organizational performance (OP)

H2: pro-activeness (PRO) is associated positively with organizational performance (OP)

H3: Risk-taking (RT) has a positive effect on organizational performance (OP)

H4: Innovation (INNOV) is related positively with organizational performance (OP)

Figure 1 shows the initial research model

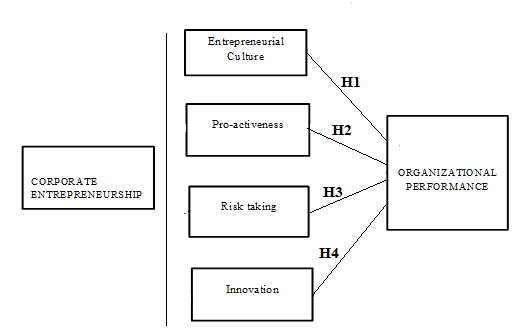


Figure 1. Initial research model

# Research methodology

This study employed a quantitative research method. According to the assertions of Dörnyei (2007), quantitative research studies entail the use of statistical analysis of a phenomenon or research subject. Therefore, it is common finding the use of post-positivist claims by researchers in quantitative studies to develop knowledge. The main strategy of quantitative studies include inquiry through means such as surveys and experiments to gather data that enables the yielding of statistical data through predetermined instruments (Sogunro, 2002). The individual unit of analysis that include staff, senior management and directors in two large Saudi companies: Aramco and Mobily.

Based on purpose of this study, the population of this study included Saudi Aramco and Mobily as two different sectors. The population included a representative from each company who voluntarily served as a participant in this study. Moreover, in selecting these representatives, we carefully included staff, senior management and directors. In total, we targeted a sample population of 101 respondents from each company. Thus, the total sample is about 202 respondents. We were keen on time management since the targeted population include members of the senior management and directors in each company. Therefore, the researchers employed the use of the probability sampling method. The researchers used the simple random method based on the purpose of developing an in-depth empirical investigation of the link between corporate entrepreneurship and organizational performance. The targeted population is well-equipped with the intrapreneurial activities of their respective firms, and thus, provided insightful responses in the survey. The data collection instrument is an online questionnaire. The rationale behind the choice of online questionnaires for this study is their feasibility in eliciting responses from the participants of this study from different companies.

The data collection procedure focused on the collection of primary data. The submission of questionnaire to respondents was through online forms via their respective personal phone numbers unless a respondent states otherwise. Collecting data was based on the different dimensions of corporate entrepreneurship, including entrepreneurial culture, pro-activeness, risk taking and innovation, and organizational performance.

Information about the respondents’ demographics are listed in Table 2. The demographic characteristics of our sample shows different demographic factors, including gender, age, business activity, educational level and education background.

**Table 2.** Sample demographics (n=202).

|  |  |  |  |
| --- | --- | --- | --- |
| **Measures** | **Items** | **Frequency** | **Percentage %** |
| Company | Aramco  Mobily | 101  101 | 50  50 |
| Gender | Male  Female | 10  192 | 5  95 |
| Age | Under 30  30-40  40 or above | 97  74  31 | 48  36.63  15.34 |
| Educational level | Bachelor  Master  Engineering  PhD | 131  37  29  5 | 59.54  18.31  14.35  2.47 |
| Job position | Director  Senior Management  Staff | 53  48  101 | 26.2  23.8  50.0 |

## **Validity and Reliability**

Brown (1996) asserts that validity refers to “the degree to which a test measures what it claims, or purports, to be measuring” (p.231). Reliability, on the other hand, refers to the collection of data in a consistent and accurate way (Seliger and Shohamy, 1989).

To test the measures of validity and reliability, researchers used and applied correlations among CE variables, ANOVA and Coefficients tests. Moreover, questionnaire was piloted before adopting a final version of it, in order to increase the chance of having valid and reliable results. By doing so, the questions asked in the questionnaire were carefully revised and formulated in order to achieve some accurate results.

Our study aims to develop an in-depth empirical research on corporate entrepreneurship in the context of the Saudi Aramco and Mobily business environments, and thus, statistical analysis of data had been used. Sprinthall and Fisk (1990) notes that statistical analyses are appropriate in the evaluation of the relationship between two constructs, that is, independent and dependent variables. In this regard, the researchers used the SPSS software in making the statistical analysis of collected data. Further, the presentation of the statistical results is in a format that promoted the addressing of the research problem. Based on the statistical analysis of data, this research study included both descriptive and inferential statistics. Descriptive statistics facilitate the description of data, while inferential statistics enable the determination of the relationship between the two constructs, that is, corporate entrepreneurship and organizational performance.

# Results and discussion

It is necessary to point out the different findings of this study related to the effect of 4 independent variables: Entrepreneurial Culture, Proactiveness, Risk taking and Innovation and the dependent variable: Corporate Entrepreneurship (CE).

In the first stage,the below table indicates that the correlations matrix shows the performance is strongly correlated with the entrepreneurial culture that is .299. The level of significance was observed at 0.01 (2-tailed).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 2: Pearson Correlation of hypothesis H1 (source SPSS) | | | | | | |
|  | | Performance | culture | proactiveness | Risk | Innov |
| Performance | Pearson Correlation | 1 | .299\*\* | .317\*\* | .276\*\* | .260\*\* |
| Sig. (2-tailed) |  | .000 | .000 | .000 | .000 |
| N | 197  .299\*\* | 193  1 | 191  .828\*\* | 194  .491\*\* | 190  .843\*\* |
| culture | Pearson Correlation |
| Sig. (2-tailed) | .000 |  | .000 | .000 | .000 |
| N | 193 | 196 | 191 | 193 | 189 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | | | | |

The analysis of variance ANOVA show that our research model is globally significant (F=7.011, P-value: .000b). The test was performed and the results are as shown in Table 3:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 3: ANOVAa test of hypothesis H1 (source SPSS) | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 627.297 | 4 | 156.824 | 7.011 | .000b |
| Residual | 3914.503 | 175 | 22.369 |  |  |
| Total | 4541.800 | 179 |  |  |  |
| a. Dependent Variable: Performance | | | | | | |
| b. Predictors: (Constant), Innov, Risk, culture, proactiveness | | | | | | |

After analysing the sample, this section analyses the information collected. Regression analyses were performed to assess the joint effects of the independent variable entrepreneurial culture on the intention of the performance. At this stage, we examine the relationship of the independent variables entrepreneurial culture on the dependent variable performance by conducting a simple linear regression. The results of these regressions are in the table 4.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table 4: Linear regression of hypothesis H1 (Coefficients a source SPSS) | | | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
| B | Std. Error | Beta | Tolerance | VIF |
| 1 | (Constant) | 23.980 | 1.187 |  | 20.209 | .000 |  |  |
| culture | .088 | .091 | .138 | 2.963 | .037 | .241 | 4.149 |
| a. Dependent Variable: Performance | | | | | | | | |

The result of the linear regression in the above table shows that entrepreneurial culture is strongly associated with the response variable, performance, at significance level .037 respectively. So, hypothesis H1 is confirmed and show that there is a positive relationship between entrepreneurial culture and performance.

Table 5, the correlations matrix indicates that performance also positively correlated with performance that is .317. The level of significance was observed at 0.01 (2-tailed).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 5: Pearson Correlation of hypothesis H2 (source SPSS) | | | | | | |
|  | | Performance | culture | proactiveness | Risk | Innov |
| Performance | Pearson Correlation | 1 | .299\*\* | .317\*\* | .276\*\* | .260\*\* |
| Sig. (2-tailed) |  | .000 | .000 | .000 | .000 |
| N | 197 | 193 | 191 | 194 | 190 |
| .317\*\* | .828\*\* | 1 | .562\*\* | .890\*\* |
| Pro-activeness | Pearson Correlation |
| Sig. (2-tailed) | .000 | .000 |  | .000 | .000 |
| N | 191 | 191 | 194 | 192 | 188 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | | | | |

The analysis of variance ANOVA show that our research model is globally significant (F=7.011, P-value: .000b). The test was performed and the results are as shown in Table 6.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 6. ANOVAa test of hypothesis H2 (source SPSS) | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 627.297 | 4 | 156.824 | 7.011 | .000b |
| Residual | 3914.503 | 175 | 22.369 |  |  |
| Total | 4541.800 | 179 |  |  |  |
| a. Dependent Variable: Performance | | | | | | |
| b. Predictors: (Constant), Innov, Risk, culture, proactiveness | | | | | | |

After analysing the sample, this section analyses the information collected. Regression analyses were performed to assess the joint effects of the independent variable proactiveness on the intention of the performance. At this stage, we examine the relationship of the independent variables proactiveness on the dependent variable performance by conducting a simple linear regression. The results of these regressions are in the table 7.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table 7: Linear regression of hypothesis H2 (Coefficients a source SPSS) | | | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
| B | Std. Error | Beta | Tolerance | VIF |
| 1 | (Constant) | 23.980 | 1.187 |  | 20.209 | .000 |  |  |
| proactiveness | .187 | .104 | .289 | 2.791 | .005 | .190 | 5.274 |
| a. Dependent Variable: Performance | | | | | | | | |

The result of the linear regression in the above table shows that proactiveness is strongly associated with the response variable, performance, at significance level .005 respectively. Thus, hypothesis H2 is confirmed and indicate that there is positive relationship between proactiveness and performance.

The table 8 shows the correlations matrix indicates that performance is strongly correlated with risk that is .276. The level of significance was observed at 0.01 (2-tailed).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 8: Pearson Correlation of hypothesis H3 (source SPSS) | | | | | | |
|  | | Performance | culture | proactiveness | Risk | Innov |
| Performance | Pearson Correlation | 1 | .299\*\* | .317\*\* | .276\*\* | .260\*\* |
| Sig. (2-tailed) |  | .000 | .000 | .000 | .000 |
| N | 197 | 193 | 191 | 194 | 190 |
| .276\*\* | .491\*\* | .562\*\* | 1 | .561\*\* |
| Risk | Pearson Correlation |
| Sig. (2-tailed) | .000 | .000 | .000 |  | .000 |
| N | 194 | 193 | 192 | 197 | 190 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | | | | |

ANOVA is the most common approach to test differences among means. Accordingly, the analysis of variance ANOVA show that our research model is globally significant (F=7.011, P-value: .000b). The test was performed and the results are as shown in Table 9.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 9: ANOVAa test of hypothesis H3 (source SPSS) | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 627.297 | 4 | 156.824 | 7.011 | .000b |
| Residual | 3914.503 | 175 | 22.369 |  |  |
| Total | 4541.800 | 179 |  |  |  |
| a. Dependent Variable: Performance | | | | | | |
| b. Predictors: (Constant), Innov, Risk, culture, proactiveness | | | | | | |

After analysing the sample, this section analyses the information collected. Regression analyses were performed to assess the joint effects of the independent variable Risk taking on the intention of the performance. At this stage, we examine the relationship of the independent variables Risk taking on the dependent variable performance by conducting a simple linear regression. The results of these regressions are in the table 10.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table 10: Linear regression of hypothesis H3 (Coefficients a source SPSS) | | | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
| B | Std. Error | Beta | Tolerance | VIF |
| 1 | (Constant) | 23.980 | 1.187 |  | 20.209 | .000 |  |  |
| Risk | .137 | .085 | .139 | 2.620 | .007 | .668 | 1.497 |
| a. Dependent Variable: Performance | | | | | | | | |

The result of the linear regression in the above table shows that Risk taking is strongly associated with the response variable, performance, at significance level .007 respectively. Thus, hypothesis H3 is confirmed and indicate that there is positive relationship between Risk taking and performance.

The table 11 shows the correlations matrix indicates that performance is positively correlated with innovation that is .260. The level of significance was observed at 0.01 (2-tailed).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 11: Correlations of hypothesis H4 (source SPSS) | | | | | | |
|  | | Performance | culture | proactiveness | Risk | Innov |
| Performance | Pearson Correlation | 1 | .299\*\* | .317\*\* | .276\*\* | .260\*\* |
| Sig. (2-tailed) |  | .000 | .000 | .000 | .000 |
| N | 197 | 193 | 191 | 194 | 190 |
| .260\*\* | .843\*\* | .890\*\* | .561\*\* | 1 |
| Innov | Pearson Correlation |
| Sig. (2-tailed) | .000 | .000 | .000 | .000 |  |
| N | 190 | 189 | 188 | 190 | 193 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | | | | |

The analysis of variance ANOVA show that our research model is globally significant (F=7.011, P-value: .000b). The test was performed and the results are as shown in Table 12.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 12: ANOVAa test of hypothesis H4 (source SPSS) | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 627.297 | 4 | 156.824 | 7.011 | .000b |
| Residual | 3914.503 | 175 | 22.369 |  |  |
| Total | 4541.800 | 179 |  |  |  |
| a. Dependent Variable: Performance | | | | | | |
| b. Predictors: (Constant), Innov, Risk, culture, proactiveness | | | | | | |

After analysing the sample, this section analyses the information collected. Regression analyses were performed to assess the joint effects of the independent variable Innovation on the intention of the performance. At this stage, we examine the relationship of the independent variables Innovation on the dependent variable performance by conducting a simple linear regression. The results of these regressions are in the table 13.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table 13: Linear regression of hypothesis H4 (Coefficients a source SPSS) | | | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
| B | Std. Error | Beta | Tolerance | VIF |
| 1 | (Constant) | 23.980 | 1.187 |  | 20.209 | .000 |  |  |
| Innov | .103 | .108 | .155 | 2.953 | .002 | .185 | 5.401 |
| a. Dependent Variable: Performance | | | | | | | | |

The result of the linear regression in the above table shows that Innovation is strongly associated with the response variable, performance, at significance level .002 respectively. Thus, hypothesis H4 is confirmed and indicate that there is positive relationship between Innovation and performance.

The discussed data analysis and interpretation with reference to the given hypotheses. It aimed to establish if there was a relationship between performance as well as entrepreneurial culture, pro-activeness, risk taking and innovation. The results showed that companies’ organizational performance have a positive relation to entrepreneurial culture, pro-activeness, risk taking, as well as innovation.

# Conclusions, recommendations and

This study highlights the relationship between corporate entrepreneurship and organizational performance. Despite of being aware of the stiff competition in their industries and the rapidly transforming or rather dynamic corporate world in which they operate, many organizations do not have a clear comprehension of what corporate entrepreneurship entails and the role that it plays in enhancing their organizational performance. This study focused on the case of Saudi Aramco and Mobily, which have been identified as economies with potential of economic growth. The intent of corporate entrepreneurship was to act as a strategic orientation concept that organizations would adopt and help them overcome the challenges that belittled their sustainability and the ability to gain competitive advantage against their rivals. The reason for this was the fact that corporate entrepreneurship focused on identify and outlining solutions that would effectively assist organizations overcome the external adaptation issues that they were facing and which were negatively impacting on their performance.

The research outlined the four dimensions of corporate entrepreneurship, which can be utilized to help in linking corporate entrepreneurship with organizational performance and they included entrepreneurial culture, which aligns with the aspirations of the entrepreneur that act as a driver to the entrepreneurial process to ensure that the organization remains adverse against risk and at the same time maintains its ambition to grow. Pro-activeness is the other dimension that was examined and it aligned with issues of forecasting and action taking to ensure that the future desires and demands of the market place are met and the organization has gained competitive advantage against its competitors. Risk taking is the other dimension of corporate entrepreneurship that was examined and it aligns with the willingness of the company to invest in ventures that would otherwise be said to hold lots of uncertainties despite the fact that their returns are always very high. Innovation was the last dimension examined of corporate entrepreneurship that was explored and it aligned with the ability of the company to generate new ideas, demonstrates its originality in the activities that it undertakes, creative process and experiences that can assist it gain competitive advantage and maintain technological uptrend.

The methodology section outlines the research approached that the study adopted that is quantitative research design, which utilizes statistical analysis of the research subject. The research in this case comprised of Saudi Aramco, Mobily and other sectors, which were represented by their representatives that comprised of staff, senior management and directors working the said companies. The total number of representatives from the selected companies totalled to 202 respondents who responded to the survey-type questionnaires that were issued to them. Research instruments, data collection procedure and data analysis and interpretation were also discussed. The paper moves forward to make recommendations on ways through; in which Saudi Aramco or Mobily can improve their link between corporate entrepreneurship and organizational performance and makes suggestions for further research.

## Recommendations

Corporate entrepreneurship focuses on enhance the innovativeness of organization so to ensure that it achieves its creation of new business efforts and can thus gain competitive advantage against its competitors. This implies that corporate entrepreneurship is utilized to helps organizations improve on their competitive position as they increasingly identify the value creating opportunities within their vicinity such as new product offerings, markets and industries in which they can operate. This aligns with the fact that organizations are driven to employ a wide array of strategies that brings out a unique combination that leads them to success. Existing literature provides empirical results that corporate entrepreneurship relates positively on organizational performance as it increases the pro-activeness as well as the ability of the organization to take risk by launching new process, and products to their target markets.

In this regard, this study recommends that there is need to foster corporate entrepreneurship in Saudi Aramco and Mobily. Organizations need to learn ways through which they can maintain the link even after they transition from the entrepreneurial phase and enter the growth stage; this can be done by improving on the management process. The ideas are that when organizations transition to their growth phase, the ability to identify opportunities that facilitate their continued growth decreases as they are replaced by systems and structures established to ensure that the organization operates smoothly. The pursuit of opportunities is inhibited by a number of the practices that relate with resource management; although changes are always ongoing, organizations fail to realize the changes; that is when and what changes impact on their operations and ultimately their organizational performance. To overcome this challenge, organizations must understand corporate entrepreneurship and how it helps them create systems focused on innovation and optimization of identified opportunities (Morris, Kuratko & Covin, 2010). Organizations that institutionalize corporate entrepreneurship adopt practices that help them develop an environment in which they can assess their needs, identify potential problems, identify resources available for dealing with the problems and ways through which they can leverage on their competitiveness. In doing this, organizations will be required to act in a manner that enhances dynamic equilibrium, although this must be applied in parts with proper monitoring to ensure that the process is effective and that the organization is ready to move to the next stage.

The other recommendation is the socialization of the culture of entrepreneurship throughout the organization; this aligns with the fact that in most cases entrepreneurial culture is left on the management, whereby after doing a good job for those that understand corporate entrepreneurship and its roles in enhancing organizational performance, they manage to get promoted or even move to new well-paying jobs. Unfortunately, those that have no idea what corporate entrepreneurship entails, make sure that they as well bar those that show any form of creativity or innovativeness from pursuing their talents, even when it has the ability to positively impact on the performance of the firm. Managers that cannot put up with the obstacles resign their posts and move on to new organizations in which their ideas can be considered. In-depth knowledge of the industry and the strategic goals that the firm seeks to achieve helps entrepreneurs to work closely with other stakeholders in the pursuit of opportunities that can guarantee growth and success of the firm. In this regard, as the organization’s performance improves so does the productivity and personal and professional growth of the managers and their employees as well.

Understand the strategies of recognizing those that make entrepreneurial contributions which enhance the success of the organization by ensuring that its performance improves. The idea is to encourage others to be innovative and willing to share their creative ideas that can contribute towards the achievement of the stipulated goals of the firm. What these organizations must understand is that their risk taking endeavors are not rooted on the techniques that they adopt rather it is rooted on their willingness to invest in their entrepreneurs.

The other recommendation is that companies should understand that corporate entrepreneurship helps them determine when a project has become null and void. Thus, the firm needs to pull the plug, bury it and move on to other innovative projects. Although as Kiefer (2016) asserts, in reality many projects never present the sudden signs of unattractiveness and often after a while that the organization realizes that the project will fail and will never achieve its goals. Painful and challenging as it might be especially if a firm has invested huge sums of money in the project, it must be prepared to forge ahead even if it means that the journey will start all over again. Unfortunately, the situation to kill an unattractive project is caused by the lack of a new project that the firm can focus its attention on as well as the lack of exit champions, who are courageous enough to acknowledge the failure of one project and be accepted as credible.

Innately, the successful implementation of corporate entrepreneurship in the organization with the intent of enhancing organizational performance requires that the directors or rather the senior management team develop an organizational environment that pays attention on individual participation in innovation and sharing of creative ideas. The reason for this is that it is an important as well as expected activity in regard to corporate entrepreneurship because it facilitates the direct involvement of all stakeholders of the firm in its entrepreneurial process. In doing this, the management team will be required to ensure that it utilizes appropriate processes that can help capture the innovative and creative ideas and at the same time, operate in a way that helps integrate the ideas to the organization and enhance the institutionalization of the elements of corporate entrepreneurship so as to gain competitive advantage and improve on the performance of the organization.

## Further research and perspectives

This study examined the relationship between corporate entrepreneurship and organizational performance in Saudi Aramco and Mobily. The study emphasized on the dynamic nature of the contemporary society corporate world and the reasons, corporate entrepreneurship has become a manner of concern to organizations that are growth and success oriented. Unfortunately, there exists limited research on the subject matter in Saudi Arabia, which can be utilized to expound on the issue, which explains why the current study will help in filling the literature gap. However, further research on the subject matter is advised as it will expound in detail what corporate entrepreneurship entails and ways through which it can be institutionalized in organizations so as to help them improve on their organizational performance. The notion is that organizations must understand corporate entrepreneurship and focus on developing entrepreneurial behaviours and attitudes that will help them apply it in their operations and thereby improve on their organizational performance. This implies that future researchers on this subject matter should pay attention on entrepreneurial behaviour and attitudes and how they can be enhanced in organizations to help them benefit fully from the link between corporate entrepreneurship and organizational performance.

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