
Moderating effect of leadership on Culture-Intrapreneurship Relationship

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ABSTRACT

An Intrapreneur is defined as A person within a large corporation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk taking and innovation (American heritage Dictionary,1992) . It involves the process where an individual or a group of individuals, within an established company innovate or create a new organization as sub unit and get involved in the process of wealth creation. The systems of the organizations play an important role in developing entrepreneurial orientation of the employees. Review of literature depicts that top management, culture and employees should all be involved in fostering the intrapreneurial spirit (De Coning, 1992). In other words, leadership of top management in the presence of facilitating organization culture stimulates Intrapreneurship. A pool of variables was formed and refined using literature survey. The questionnaire designed from this pool was administered to the managers of three firms having a successful record of Intrapreneurship. The paper aims to explore the role of moderating effect of leadership on culture and Intrapreneurship relationship in an organizational setting as chosen from the pool of variables. The present study was done on a sample of 150 managers belonging to private sector organization in retail food industry having a successful record of Intrapreneurship. Variables in the study were assessed through descriptive statistics, Pearson Product Moment Correlation and Hierarchical Regression Analysis. It was analyzed that there is a positive and significant relationship between culture and Intrapreneurship and Leadership moderated the impact of culture on Intrapreneurship. The findings of this study can assist organizations to develop intrapreneurial mindset of employees. The role of top management in providing a stimulating culture to the employees is articulated. This should help foster a better learning environment and better work place practices to encourage innovation by the employees.

Keywords: *Intrapreneurship, Organization Culture, Leadership, Private Sector Managers*

INTRODUCTION:

According to Pinchot and Pellman (1999, p.11), innovation is necessary to “differentiate one’s offerings, to find and fill unoccupied spaces in the market, and to keep up with the soaring productivity of competitors.” Intrapreneurship refers to the activities that enhance company’s ability to innovate, take risk and seize market opportunities. In management literature intrapreneurship is discussed as a potent tool for delivering innovation in organisations (Pinchot, 1985; Hamel, 2002). The arena for intrapreneurial innovation could be an existing business, and, at times, could even result in a totally new business being created within the organization. Various other terminologies are sometimes used interchangeably to mean corporate entrepreneurship. These include strategic renewal (Guth and Ginsberg, 1990), intrapreneuring (Pinchot, 1985), and internal entrepreneurship (Schollhammer, 1982). Many researchers defined Intrapreneurship or Corporate Entrepreneurship in different ways. Sharma and Chrisman (1999) define corporate entrepreneurship as “the

process whereby an individual or a group of individuals in association with an existing organization create a new organization or instigate renewal or innovation within that organization.” Covin and Miles (1999) go a step further by stating that corporate entrepreneurship necessarily implies the presence of innovation although there is more to the meaning of the concept than just innovation. Stopford and Baden-Fuller (1990) describe corporate entrepreneurship as ‘rejuvenation’ within an existing organization. Pramodita and James (1999) defined corporate entrepreneurship as a process whereby an individual or a group of individuals, in associations with an existing organization, creates a new organization or instigates renewal or innovation within the organization. Under this definition, strategic renewal (which is concerned with organizational renewal involving major strategic and or structural changes), innovation (which is concerned with introducing something new to the market place), and corporate venturing (corporate entrepreneurial efforts that lead to the creation of new business organizations within the corporate organization) are all important and

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legitimate parts of the corporate entrepreneurial process. Globalization has resulted in intensified competition for local enterprises and has accentuated the need for innovation (Scheepers, 2005).

It is observed that Intrapreneurial organizations have creative and proactive employees with the vision of future trends. With sound leadership in the organization the culture of the organization stimulates the entrepreneurial orientation of the employees. In this context existence of entrepreneurial activities within the organization has emerged as a means for organizations to augment the innovative abilities of their employees and, at the same time, increase corporate success through the conception of new corporate ventures. In 1985, Pinchot introduced the term 'intrapreneurship', which is derived from intra-corporate entrepreneurship, which describes the practice of entrepreneurship within organizations (Bridge, O'Neil & Crombie, 1998). In other words this term refers to sowing the seeds of entrepreneurship in your organization to pursue opportunities, innovate and to begin new ventures. It refers to the activities that enhance company's ability to innovate, take risk and seize market opportunities. The acceptance of latest ideas and suggestion for continuous development are the norm in the competitive organizations. The culture of the organization plays a crucial role in promoting such an environment in the organization. Intrapreneurs take new ideas and turn them into profitable realities, therefore suggesting that 'intrapreneurship' can be defined as the process in which: "innovative products or processes are developed by creating an entrepreneurial culture within an already existing organization" (Fry, 1993, p.373). According to Morris (2001, p.95), the intrapreneurial spirit needs to be "integrated into the mission, goals, strategies, structure, processes and values of the organization". There are four interconnected elements of an organization namely; task, individuals, formal organizational arrangements and informal organization, which are ultimately affected by each other, as well as various external factors including the environment, resources available and the history of the organization (Tushman and Nadler's, 1997). In other words, if we extract few constructs from this model, leadership of top management in the presence of facilitating organization culture stimulates Intrapreneurship.

This study aims at exploring the extracted factors supporting Intrapreneurship and relative importance of these factors. After an in-depth literature review on the domains related to Intrapreneurship, a pool of items is developed which research indicate as supporting variables for the Intrapreneurship such as Leadership, Organization Culture and Entrepreneurial Orientation of employees. Further, the pool is refined and data structure was analyzed using exploratory factors analysis. The extracted factors' impact

on entrepreneurial Orientation of employees leadership factors acting as moderator was analysed with multi variate regression analysis.

REVIEW OF LITERATURE

Morris (2001, p.16) defines the entrepreneurial organization as "one that pro actively seeks to grow and is not constrained by the resources currently under its control". Organizations are emphasizing a strong need for Intrapreneurship, due to rapidly growing, new and sophisticated competitors, a sense of distrust of traditional management, and an exodus of many of the best employees, who are leaving th organization in order to start their own companies. Inculcating an intrapreneurial philosophy in organizations results in several advantages, including the development in the size and / or diversity of the product and service range, and helping the organization to expand and grow. It also assists in the creation of a workforce that can help maintain its competitiveness and promote a climate conducive to high achievement (Kuratko & Hodgetts, 1995). A few studies have focused on Intrapreneurship process - the factors leading to its emergence, and the conditions required. These studies suggested that corporate entrepreneurship is basically an organizational mode, characterized by the factors of freedom and autonomy, allowing employees to innovate (Pinchot 1987, Haskins and Williams 1987, Covin and Slevin 1991, Brandt 1986, Stevenson 1988, McGinnis and Verney 1987, Kuratko, Montagno, and Homsby 1990, Chisholm 1987, White 1988, Reece and Brandt 1990, Zahra and Pearce 1994). Other researchers have viewed that corporate entrepreneurship is a managerial strategy aimed to stimulate entrepreneurial behavior among employees to promote innovation and continuous improvement. An intrapreneur is a visionary who is internally motivated by challenge and a strong sense of what is needed by the company. The intrapreneur exhibits many of the same traits that define a good leader: vision, strong intrinsic motivation, willingness to take risks, ability to rally resources, and history of producing results. The risk and obstacles instill a sense of rationality in the intrapreneur. Without personal risk and obstacles, the intrapreneur might pursue ideas with little chance of adding value to the company. A system of risk and obstacles serves to reinforce the concepts of conviction, drive and focused innovation (Pinchot, 1985). When management commits to an entrepreneurial orientation of the employees, the culture of the organization through its people must be able to support this transformation. Entrepreneurial culture is centered squarely on accepting and managing the forces of change and creating new possibilities. In order to be creative and take risks, however, intrapreneurs need an environment of safety and freedom to experiment without fear of reprisal when initiatives do not lead to desired results.

Studies have shown a link between organizational factors and individual entrepreneurial orientation with reference to innovation (Hostager, et al., 1998; Hornsby and Naffziger, 1992; Hornsby, et al., 1993; McGinnis and Verney, 1987). Though it is difficult to assess the relative importance of these two factors in promoting innovation, there are studies which have shown that the internal organizational factors do play a more prominent role (Goosen, et al., 2002). Besides, individuals can be trained to be intrapreneurs provided the organizational environment is conducive (Thornberry, 2003; Wunderer, 2001). It is in this context that researchers have been focusing more on the organizational facilitation of innovations than the individual characteristics supporting innovation (Antoncic, 2001; Russell, 1999; Drazin and Schoonhoven, 1996; Schellhardt, 1996; Adams, 1995; Stopford and Baden-Fuller, 1994; Kuratko, et al., 1990; Duncan, et al., 1988; Kets de Vries, 1996; Chittipeddi and Wallett, 1991; McKinny and McKinny, 1989; Norburn and Birley, 1986; Chaudhuri, 1986; Kerbs, 1985; Harris and Harris, 1985; Kanter, 1985; Burgelman, 1985; Galbraith, 1982). In spite of such widespread interest in the management of innovation in established firms in the West, as indicated by the voluminous literature on the subject, there are very few studies done in India on such vital issues affecting the long-term survival and growth of organizations.

Bostjan, Antoncic and Hisrich, Robert D (2000) identified two main sets of predictors of intrapreneurship have been identified: the first pertaining to external environment of the firm and the second involving characteristics of the organization. Environmental munificence is seen as a multi-dimensional concept including dynamism, technological opportunities, industry growth, and demand for new products while hostile environmental conditions that affect intrapreneurship are unfavourability of change and competitive rivalry. The second set of predictors of intrapreneurship includes the key organizational characteristics such as communication openness, control mechanisms, environmental scanning intensity, organizational and management support, and organizational values.

Antoncic, Bostjan (2001), based on their prior study proposed that intrapreneurship can be viewed as consisting of two complementary elements: intra-firm and inter-firm intrapreneurship. The organizational characteristics influencing intrapreneurship are stated to include intra-firm and interfirm communication, formal controls and trust, organizational support and values, environmental scanning, and network characteristics. Some of these such as communication, organizational support, and organizational values have a similar influence at intra-firm and inter-firm levels. In contrast, while formal controls in moderation are

beneficial for development of intrapreneurship, it would need to be replaced by trust in order to be beneficial to inter-firm intrapreneurship as well. The practitioner intrapreneurs are, therefore, suggested to be aware of the complexity of intrapreneurship-related organizational processes, constantly evaluate multiple elements, and modify their cooperative behaviours accordingly. Few Organizational Internal factors explored with the help of literature review are Culture, Leadership, etc.

CULTURE-INTRAPRENEURSHIP

Organizational culture has been defined as the basic beliefs commonly-held and learned by a group, that govern the group members' perceptions, thoughts, feelings and actions, and that are typical for the group as a whole (Sackmann, 2003). It represents a complex pattern of beliefs, expectations, ideas, values, attitudes, and behaviors shared by the members of an organization that evolve over time (Trice & Beyer, 1984). Seshadri & tripathi,(2006) said that large companies worldwide are on a journey to create organizational cultures, conditions, and processes that facilitate innovation and enable large numbers of employees to move from an 'employee mindset' to an 'intrapreneur mindset.' Very few companies have actually succeeded in making this transition. Both theoretical discussion and empirical investigations suggest that the promotion of an innovation enabling culture requires senior leaders' support and involvement (Drucker, 1985; Ireland & Hitt, 1999; Jassawalla & Sashittal, 2000; Elenkov et al., 2005; Sosik et al., 2005; Uhl-Bien et al., 2007; Vera & Crossan, 2004). Farson & Keyes (2002), suggest that fostering failure tolerance is an important means of promoting an innovation enabling culture. And to foster failure tolerance requires that leaders are engaged, show interest in people's work by asking pertinent questions, express support and give feedback, and are collaborative rather than controlling (Farson & Keyes, 2002).

By providing employees with opportunities to explore, investigate and experiment, bounded delegation leadership creates an entrepreneurial organization culture that fosters innovative behavior (Amabile et al., 1996; Woodman et al., 1993; Sackmann, 2003, 2006; Ulwick, 2002; Anand et al., 2007). In an entrepreneurial culture members of the organization identify opportunities and risks based on their perceptions of the internal and external organizational environment, integrate available resources, and bring in other individuals to enable them to undertake creative and innovative ventures (Sternberg, Kaufman & Pretz, 2003; Mumford & Licuanan, 2004; Chen, 2007). McGinnis, Michael A and Verney, Thomas P (2005), identified that among the organizational factors affecting innovation, good user-designer working relationships and interaction

of the firm with its environment would open the firm to new ideas and concepts; ambiguity in goals and processes; high standards of performance and positive values for innovation help to create a performance gap. Further, teams of professionals and diversity of experience help in developing organizational competence while loose coupling or organizational adaptability and super ordinate goals enable the firms to focus efforts on external challenges. Subramanian, Narayanan (2005), provided that the innovation environment is sufficiently favourable, industries where the degree of complementarities between new innovations and the firm's main activities is greater will have a greater level of intrapreneurial activity.

Eesley, Dale T and Longenecker, Clinton O (2006) study explored the experiences of managers from more than 20 US manufacturing and service organizations with intrapreneurship. Based on their experiences, the managers were asked about the specific actions of their organizations to stifle or prevent intrapreneurship and the suggestions that had to offer for stimulating or encouraging the same. Their observations helped in identifying the barriers to organizational intrapreneurship. It is argued that the failure of organizations to take members' inputs on organizational improvement; sanction, promote, and encourage risk taking, empowerment, and improvement actions; give clear organizational direction, priorities, and objectives; and lack of top management support in risk taking and improvement initiatives, could stifle intrapreneurship.

Fry, Art (1987), based on study of 3M said that developing a creative climate, it is considered necessary that the companies provide intrapreneurship the needed time and resources and the management conveys trust, expectation of excellence, practical rewards of sponsorship function, a long-term focus, an openness to criticism, and a willingness to change. It is also important that the management allows the people to understand the system—not just what they do but how their work interacts with others inside and outside the company. Those involved with intrapreneuring usually identify with the company, enrich the climate by sharing goals, add excitement, and improve the quality of life for both himself and others.

The extensive survey of studies shows the important role played by the culture in developing Intrapreneurial mindset and makes the culture a significant variable in the study.

LEADERSHIP- INTRAPRENEURSHIP

Leadership is an influential factor for those individuals who are in a subordinate position in an organization. It becomes a matter of debate that how leaders (managers, entrepreneurs) affect the decision-making of their subordinates. In case of

innovative work behaviour, direct management support is one of the relevant aspects (De Jong, 2007). Individuals' innovation efforts are triggered by the provision of verbal support (e.g. Krause, 2004), recognition of innovative efforts (Judge, Gryxell & Dooley, 1997) and by enacted support i.e. providing resources to implement innovations (Judge et al 1997; Nijhof, Krabbendam & Looise, 2002). In the corporate entrepreneurship literature, management support has been defined as willingness of managers to facilitate and promote intrapreneurial behaviour, including the championing of innovative ideas and providing the resources people require to take intrapreneurial actions. Kuratko, Montagno and Hornsby (1990) empirically explored the effectiveness of an organizational environment for the implementation of entrepreneurial ideas. They found that management support, defined as the willingness of managers to facilitate entrepreneurial projects, is one of the main dimensions of such an environment.

Leaders who exhibit an adaptive leadership style monitor the organization's external environment, and use this information to keep the organization competitive and ensure continual organizational learning by adapting to variations in the external environments (Tushman, Anderson, & O'Reilly, 1997; Boal and Hooijberg, 2000; Vera and Crossan, 2004). These leaders absorb, understand, and integrate new information and ideas and are sensitive to the needs of very different kinds of businesses and adapt to variations in the external environments (Tushman, Anderson, & O'Reilly, 1997; Boal and Hooijberg, 2000).

Being immersed in the organization's external environment enables these leaders to obtain customer feedback, learn of their customers' problems and needs, and obtain market information, which they can then pass along to individuals in the organization. By facilitating this flow of information, this style of leadership helps to foster incremental, but not radical product innovation (Ulwick, 2002; Damanpour, 1991; Damanpour & Evan, 1984; Knight, 1967).

Kodama, Mitsuru (2005), presented a new point of view regarding the knowledge management and leadership theory of new product development. The dynamism of knowledge creation process in new product development is examined through in-depth case studies of three traditional Japanese companies—Fujitsu, J-phone, and Mitsubishi Electric Corp.— which developed a product cable of new multimedia systems using technology resulting from merging and integration of different technologies

and business models. The network of strategic communities inside and outside the companies, including customers, made it possible for this development process to occur at

an unprecedented speed. In the case studies, the analysis of knowledge creation focuses on the degree and process to which the networks of the strategic communities created new knowledge based on new technologies and practices that were diffused beyond the boundaries of the strategic communities. The conceptual framework includes six aggregate broader concepts: involvement, embeddedness, resonance of value, strategic community formation of speed, dialectic leadership, and synthesizing capability. One of the keys to producing innovation in a knowledge-based society is how companies can organically and innovatively network different knowledge created from the formation of a variety of strategic communities inside and outside the company, and acquire the synthesizing capability through dialectical leadership.

In another study Komada, Mitsuru in 2005 analysed that knowledge creation focuses on the synthesizing capability that the leadership-based strategic community uses to integrate various kinds of knowledge to generate NPSD (New Product and Service Development). As community leaders, managers who play important roles in producing leadership for the company use dialectical thinking to synthesize knowledge of good quality that was unevenly distributed inside and outside the company.

As the gateways can be developed only when the top management makes a decision to pursue them and gain the commitment of all managers for supplying functional support to intrapreneurial ventures leadership is identified as a major important variable of our study.

METHODOLOGY

Questionnaire Design and Data Collection

A pool of independent variable items and dependent variable items was prepared after the literature survey. The items were converted to questions using Likert scale. Questionnaire was pre-tested and modified using opinions from three academicians and three practitioners in the field of Intrapreneurship. Pilot study was conducted on a small sample. In order to check the validity of the scales, the sample was divided into two parts. The external validity of the variables was evaluated in the other group to verify generalizability. Factor analysis was done to further assess the validity of the questionnaires. The data was collected by administering questionnaires mainly during office hours, with the consent of relevant representatives of the employer

as well as the respondents. The participants were chosen randomly from each organization and belonged to different departments of the organization across three Retail food chains which are practicing Intrapreneurship and having a good track record of innovations in the industry. Most of the participants showed their willingness to participate in the study after a short meeting. Although time-consuming, the personal survey was carried on to get a good response rate for the present study. Total 150 responses were obtained. Out of those 136 were found valid for the purpose of data analysis.

Data Analysis

Exploratory factor analysis for the independent variable items followed by reliability analysis was performed first to explore the data structure. Variables in the study are assessed and analyzed through descriptive statistics, Factor Analysis, Pearson Product Moment Correlation and Moderated Regression Analysis was used to get the impact of Leadership on Culture- Intrapreneurship relationship.

Hypothesis

We propose following hypothesis:

H1: There is a positive and significant relationship between organizational culture and Intrapreneurship

H2: Effective Leadership moderates the impact of culture on Intrapreneurship

DATA ANALYSIS AND RESULTS

The result indicated that factor analysis can be conducted as the KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy is 0.60. The Bartlett test of sphericity is significant and the KMO measure of sampling adequacy is greater than 0.6 (Refer Kaiser criterion, 1960). Factor Analysis with principal axis factoring method and varimax rotation was then used to cluster the variables into several factors that explain the respondent's entrepreneurial orientation with respect to culture in the presence of effective leadership. In order to control the number of factors extracted, a minimum Eigen value of one (1) was used in the factor analysis. Factors with Eigen value less than one were considered insignificant and were excluded. Only Six (6) factors in the section of culture and one each in Intrapreneurship and Leadership were found to have a meaningful relationship and therefore the factors were retained and interpreted. These factors are depicted in Table 1

Table 1: Summary of Factor Analysis results

Factor & Item No.	Item	Loading
Factors of Culture Dimension		
Factor 1: Learning Environment		
1	Organization's vision to innovate	.59
2	Emphasis on life long learning	.53
3	Developing Entrepreneurship	.68
4	Nurture Thinking process	.70
Factor 2: Work Place Practices		
1	Treatment to employees	.61
2	Management & Control of Resources	.58
3	Concern for stake-holders	.66
4	Practical approach for problem solving	.59
5	Emphasis on Team work	.53
6	Encouragement to positive communication	.50
Factor 3: Encouragement to Diversity		
1	Encourage new way of thinking	.69
2	Encourage different but innovative thinking	.54
3	Good treatment to employees	.62
Factor 4: Focus on Innovation & Capacity of Employees		
1	Focus on resources approval for innovation	.56
2	Focus on innovation for future	.52
3	Focus on capacity expansion of employees	.65
Factor 5: Feedback on Innovation Mechanism		
1	Evaluation criteria to support innovation	.44
2	Evaluation of goals for innovation	.37
Factor 6: Risk Taking Attitude		
Factor of Intrapreneurship Dimension		
Factor : Entrepreneurial Orientation of Employees		
1	Risk Taking Attitude	.50
2	Problem Solving approach	.69
3	Freedom to solve the problem	.46

4	Ability to solve the problem on your own	.42
5	Pro activeness for solving the problem	.56
6	Vision to be successful in future	.44
7	Zest to solve the problem	.50
Factor of Leadership Dimension		
Factor: Leadership		
1	Encouragement to Teamwork	.61
2	Creating a conducive working environment	.37
3	Encouraging Intrapreneurship in employees	.50
4	Charismatic Personality	.63
5	Innovative	.40
6	Visionary & Flexible	.51
7	Exploring opportunities for the organization	.45
8	Enthusiasm for the organization	.42

Table 2: Reliability Coefficients of the Instruments

Variables	Factor	No. of items	Cronbach's α
Culture	1. Learning Environment	4	0.89
	2. Work Place Practices	6	0.84
	3. Encouragement to Diversity	3	0.77
	4. Focus on Innovation & Capacity of Employees	3	0.79
	5. Feedback on Innovation Mechanism	2	0.89
	6. Risk Taking Attitude	4	0.62
Intrapreneurship	Entrepreneurial Orientation of employees	7	0.76
Leadership	Leadership	8	0.73

As seen from Table 2, the instruments used in this study were reliable, with coefficients ranging from 0.62 to 0.89, which exceeded the minimum acceptance level of 0.70. The mean score for each study variable can be seen from Table 2.

Table 3: Means, SD's and Coefficient of Correlations of the Instruments

Variables	Mean	SD	1	2	3	4	5	6	7	8
c1	13.97	3.62	1							
c2	22.23	4.69	.38**	1						
c3	12.32	1.43	.42**	.26**	1					
c4	11.07	2.87	.46**	.63**	.44**	1				
c5	7.75	1.75	.24**	.56**	.18*	.36**	1			
c6	12.12	1.90	.42**	.39**	.28**	.32**	.32**	1		
I	9.18	1.93	.36**	.19*	.35**	.28**	.32**	.42**	1	
L	11.60	2.30	.38**	.35**	.31**	.31**	.46**	.38**	0.19	1

** Significant at .01 level.

*Significant at .05 level.

Where,

c1= Learning Environment

c2= Work Place Practices

c3= Encouragement to Diversity

c4= Focus on Innovation & Capacity of Employees

c5= Feedback on Innovation Mechanism

c6= Risk Taking Attitude

I= Intreprenurial Orientation of employees

L= Leadership

From Table 3, it can be observed that the mean value for each of the dimensions of culture ranges from 7.75 to 22.23, with the standard deviation of 1.43 to 4.69. The mean score computed for Intrapreneurship was 9.18 and standard deviation was 1.93. The mean for leadership was 11.60 with a standard deviation score of 2.30.

A correlation matrix shows that the six dimensions of culture, Intrapreneurship and leadership positively and significantly correlate with each other.

Table 4: Hierarchical Regression Results with E as Dependent Variable & L as a Moderator

Independent Variables	Std Beta β (Model I)	Std Beta β (Model II)	Std Beta β (Model III)
Model Variables			
c1	0.17**	.24**	0.21**
c2	0.12*	0.18	0.15**
c3	0.26**	.32**	0.16**
c4	0.98*	.27**	0.38**
c5	0.14**	.17**	0.22**
c6	0.26*	.16**	0.36**
Moderating Variable			
Leadership		.28**	0.24**
Interaction			
L \times c1			0.21**
L \times c2			0.34**
L \times c3			0.24**
L \times c4			0.42**
L \times c5			0.28**
L \times c6			0.44**
R²	0.21	0.52	0.84
Adj. R²	0.18	0.43	0.81
R² Change	0.21	0.31	0.32
F Change	6.25**	5.59**	3.97**

Note: ** p < 0.01; * p < 0.05

Where,

c1= Learning Environment

c2= Work Place Practices

c3= Encouragement to Diversity

c4= Focus on Innovation & Capacity of Employees

c5= Feedback on Innovation Mechanism

c6= Risk Taking Attitude

E= Entrepreneurial Orientation of employees

L= Leadership

As shown in Table 4, when the six culture variables were entered into the regression analysis in the first step, the coefficient of determination (R^2) was found to be 0.21 indicating that 21% of Intrapreneurship is explained by the Independent Variable (Culture). In step 2, to test whether Leadership serves as an independent variable, a second regression was undertaken. By adding Leadership as independent variables, the R^2 increased to 31%. This R^2 change (0.31) is significant. This implies that the additional 31% of the variation in Intrapreneurship is explained by Leadership. The F-statistics is significant ($p = 0.000$) suggesting that the proposed model was adequate. As can be seen from Table 4, Leadership had a positive relationship with Intrapreneurship.

From the first regression model, it can be observed that Learning Environment ($\beta = .17$), Encouragement to diversity ($\beta = .26$) and Feedback on Innovation mechanism ($\beta = .14$) had a significant and positive relationship with Intrapreneurship at 0.01 level. Additionally, Work Place Practices ($\beta = .12$), Focus on innovation and expansion of capacity ($\beta = .98$), and risk taking attitude ($\beta = .26$) had a significant effect on Intrapreneurship at the 0.05 level. These results provided full support for the first hypothesis of the study.

To examine the moderating effects of Leadership, a third regression model was developed by adding the interaction terms as shown in Table 4... The results of the inclusion of leadership as moderating variable affecting all culture variables significantly and the change in R^2 an increase of 32% is significant. This means that Leadership did serve as a moderator in seeing the effect of culture variables on Intrapreneurship and our second hypothesis is also proved.

FINDINGS

The results of the analysis shows that Intrapreneurship is positively and significantly correlated with various dimensions of organization culture such as Learning Environment, Work Place Practices, Encouragement to Diversity, Focus on Innovation & Capacity expansion of Employees, Feedback on Innovation Mechanism and

Risk Taking Attitude of the organization. These findings are consistent with the studies of Tushman and Nadler's (1997) Congruence Model for Organizational Analysis. Senge (1990) refers to the five aspects or processes that are crucial for organizations to become learning organizations. These 'five disciplines' include systems thinking, personal mastery, mental models, building shared vision and team learning. The results of the study here also emphasize on the components of culture which include these five disciplines.

A person while working for an organization considers enhancement of wisdom as experience. If the organization is a learning organization it would not only give him chances to increase his knowledge base but also would ignite the urge to innovate in him. Work Place practices like treating the employees with trust, confidence and accountability, encouraging teamwork, proper resource allocation and encouragement to positive communication helps in building up self esteem of the employees which nurture the exploratory attitude of the employees. Encouragement to diversity, focus on Innovation, efforts for capacity expansion of employees, Feedback mechanism and Encouragement to take risk are the factors which actually take away the fear of failure from the employees. According to Oden (1997, p.90), the most successful companies of the future will be learning organizations, which he describes as "adaptive enterprises where workers are free to think for themselves, to identify problems and opportunities, and to go after them".

Intrapreneurship, the factor identified as Entrepreneurial Orientation of employees in the study also supports the literature as the entrepreneurial mindset depends upon three aspects of entrepreneurship, namely innovativeness, risk-taking and pro-activeness as a measure of entrepreneurial intensity, which is defined as a linear combination of these three factors, and the frequency with which entrepreneurial events occur (Morris, 2001). Further the analysis shows that in the presence of good leadership the entrepreneurial orientation of the employees get positively affected or the Intrapreneurship gets a positive boost with leadership.

Therefore the results are consistent with Literature which says that Leaders who exhibit an adaptive leadership style monitor the organization's external environment, and use the information to keep the organization competitive and ensure continual organizational learning by adapting to variations in the external environments (Tushman, Anderson, & O'Reilly, 1997; Boal and Hooijberg, 2000; Vera and Crossan, 2004). These leaders absorb, understand, and integrate new information and ideas and are sensitive to the needs of very different kinds of businesses and adapt to variations in the external environments (Tushman, Anderson, & O'Reilly, 1997; Boal and Hooijberg, 2000). In other words we can say that It is important to have an innovative and charismatic

leader who is able to instill an intrapreneurial philosophy in all employees within the organization. According to Oden (1997), leaders in intrapreneurial companies take the long-range view, looking down the road and striving to anticipate every contingency. They develop a mission and vision that are consistent, challenging, but realistic.

SCOPE FOR FUTURE RESEARCH AND LIMITATIONS

This study is not intended to be the last word on this important topic and the findings have limitations too. The first is that the organizations chosen for the study have their names as innovators in the industry as per the knowledge of the researcher and second, the research should use more sophisticated statistical tools to analyze the complex relationship of Culture, Leadership and Intrapreneurship.

Studies adopting tools like structural equation modeling can be used to find out the relationships between Entrepreneurial orientation of employee, other organizational factors such as rewards or environment and corporate entrepreneurship consequences. Whether, the perceived Leadership Style in an organization impacts employee orientation that leads to successful corporate entrepreneurship? Or, can individual characteristics or employee orientation directly lead to a successful corporate entrepreneurship? Moreover, there is a lack of qualitative studies explaining possible reasons for a successful corporate entrepreneurship in a firm and more exploratory studies in the related field are required

CONCLUSION

The purpose of this paper was to find out the empirical relationship between organization culture and Intrapreneurship in the presence of leadership and what implications this relationship has for the managers of Private Sector organizations. Research results have shown that statistically there is a positive and significant relationship between Culture and Intrapreneurship which is more effective in good leadership. The research findings enrich the scholar's understanding of Intrapreneurship and its relationship with culture and the degree of change in the outcomes in the presence of Leadership acting as moderator.

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