

## **RELATIONSHIP BETWEEN CORPORATE ENTREPRENEURSHIP, HIGH PERFORMANCE WORK SYSTEM AND OUTCOME OF JOB SATISFACTION**

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### ***Abstract***

*Corporate entrepreneurship is an organizational process for transforming individual ideas into collective actions through the management of uncertainties. The purpose of this paper aims to clarify the relationship between the Corporate Entrepreneurship, High Performance Work System and outcome of Job Satisfaction. In this study sample included 400 middle-level-managers in manufacturing company in Chennai. In contrast to prior research, this paper shows that High Performance Work System is positively related to Corporate Entrepreneurship and Job Satisfaction. The findings indicate that the High Performance Work System (Reward Practices, Employee Empowerment, Job Security, Performance Appraisal, Internal Career Opportunities, Information Sharing) dimensional factors of positively related to Corporate Entrepreneurship (Management Support, Work Discretion, Reward/Reinforcement, Time Availability and Organizational Boundaries) and Job Satisfaction.*

**Key Words:** Corporate Entrepreneurship, High Performance Work System, Job Satisfaction.

### **Introduction**

The relationship between Corporate Entrepreneurship and High Performance Work System in relation with Job Satisfaction of the organization is the concerned area for many researchers. High Performance Work System can be defined as a system of HRM

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Practices that increase the employees' empowerment, knowledge skills and incentives that ultimately motivate them to achieve greater performance, Snell and Delery (1996). There are many theories and researches, which explain this relationship and provide the practices, which are relevant for High Performance Work Systems or Job Satisfaction. In the Corporate Entrepreneurship literature there are some common practices described by many authors that contribute and leads to the Job Satisfaction, (Banumathi and Samudhrarajakumar, 2015). Delery and Doty (1986) explains that following High Performance Work System leads to the Reward Practices, Employee Empowerment, Job Security, Performance Appraisal, Internal Career Opportunities, and Information Sharing. These systems can also be described as High Performance Work System or activities. A part from that various researchers explicitly described the best practices for High Performance Work Systems or Job Satisfaction. Pfeffer (1994) describes 'High Performance Practices for High Performance Work Systems.' 'Information', 'high wages', job security, motivated and flexible work force are amongst them. While Arther (1994) stresses on other practices like decentralization, participative leadership and excellent wages. Delery and shaw (2002) states that a proper mixing and application of best practices as staffing, appraisal, compensation and job design will leads to HRM Practices.

### **Entrepreneurship and Corporate Entrepreneurship**

Entrepreneurship involves creating new resources or combining existing resources in new ways in order to develop and commercialize new products, move into new markets, and/or service new customers (Morales et al, 2006). Entrepreneurship is an attitude, a way of thinking, and behaving. It is a state of mind; an artful, insightful and innovative mentality rather than business administration. Entrepreneurship is a way of perceiving and exploiting opportunity wherever it may be found (Finkle, 2006).

Corporate Entrepreneurship processes go on inside an existing firm, regardless of its size and refer not only to creation of new business ventures, but also to other innovative

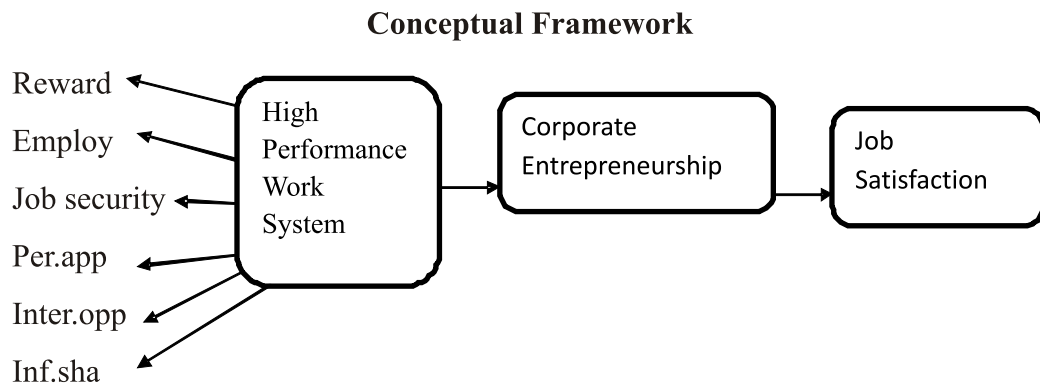
activities such as development of new products, services, technologies, administrative techniques, strategies and competitive postures. The characteristics of Corporate Entrepreneurship include: the sum of a company's innovation, renewal and venturing efforts. Innovation involves creating and introducing products, production processes and organizational systems. Renewal means revitalizing the company operations by changing the scope of its business, its competitive approaches or both. It also means building or acquiring new capabilities and then creatively leveraging them to add value of shareholders. Venturing means that the firm will enter new businesses by expanding operations in existing or new markets Zahra (1993, 1996).

This study assesses the measurement properties of a scale that measures the key internal organizational factors that influence middle managers to initiate Corporate Entrepreneurship activities. In this study, Corporate Entrepreneurship is used in a broad sense to include the development and implementation of new ideas into the organization using this definition, this study describes an instrument used to empirically identify the internal conditions that influence middle manager's participation in Corporate Entrepreneurship activities Kuratko and Zahra (2002). Hornsby et. al, (2002) suggested developed by following Corporate Entrepreneurship Assessing Instrument leads to the Management Support, Work-Discretion, Reward Reinforcement, Time Availability, Organizational Boundaries.

### **Job Satisfaction**

The nature of their work, Job Satisfaction can be influenced by a variety of factors, Brayfield (1991). Job satisfaction is one of the most variables in organizational behavior, but the factors that lead to job satisfaction are not yet fully clear. It is important to investigate this construct, because of the reciprocal relationship between job satisfaction and different forms of work behavior (Knoop, 1995; Luthans,1998; Robbins, 2001). Many studies have already been done on job satisfaction (Knoop,

1995; Luthans, 1998; Robbins, 2001). The current study provides empirical evidence on how the important phenomenon of job satisfaction is influenced by corporate entrepreneurship, flexible business management and a pro-active marketorientation. There are many factors that influence job satisfaction and they change constantly as increased global competition demands new ways of managing (Michie & Padayachee, 1997). Source 1.1 proposed a model of Corporate Entrepreneurship, High Performance Work System and Job Satisfaction, (Banumathi and Samudhrarakumar, 2015).



**Figure. 1.1. Proposed Model of Corporate Entrepreneurship**  
**Source: Dr. M. Banumathi (2020).**

### **Objectives of the Study**

- (1) To investigate the relationships between Corporate Entrepreneurship and High Performance Work System.
- (2) To empirically test the relationship between the dimensions of Corporate Entrepreneurship, High Performance Work System and Job Satisfaction.

### **Literature of Review**

HPWS are those organizations that manage their people and systems in an integrated manner rather than traditional piecemeal approach. High Performance Work Systems are those organizations that characterized by the six key dimensions identified by Snell and Dean, Delery and Doty (1996) developed by 21 items, Reward Practices; Employee Empowerment; Job Security; Performance Appraisal; Internal Career Opportunities; Information Sharing, will be more likely to attract highly skilled, more experienced and knowledgeable workers. Corporate Entrepreneurship influenced the High Performance Work System again the relationship between High Performance Work System is related to Corporate Entrepreneurship, Banumathi and Samudhrarakumar (2015).

High Performance Work Systems impact on Job Satisfaction. Autonomy in the workplace, participation in decision-making and increased communication with co-workers is key factors for workers' well-being. However, team work, job rotation and supporting human resource practices have only a limited effect. Examined the effects of innovative workplace practices on the quality of work, and investigates how being involved in High Performance Work System organizations (HPWS) affects job satisfaction, (Banumathi and Samudhrarakumar, 2016).

High Performance Work System organization is associated with higher job satisfaction. This effect is predominantly induced by increased autonomy of employees over how to perform their tasks, the opportunity to participate in decision-making and increased communication with co-workers. Team work and job rotation, as well as supporting human resource practices, appear to have little impact on increased job satisfaction. All these variables are potential factors that might increase of satisfaction level of employees. High Performance Work System (HPWS), may be particularly useful for firms that need to encourage creativity, exchange of ideas, and increase their capacity to attract and retain talent, (Banumathi and Samudhrarakumar, 2016).

**Pfeffer and Veiga (1999)**, have employed satisfaction is thought to be one of the main necessities of a well run organization and believed an essential by all corporate managements. It is undeniable reality that the future of business depends upon the satisfaction level of its employees. Dissatisfied employees cause immediate problems only to their particular business. High performance HRM practices provide a number of important sources of enhanced company performance.

### **Hypothesis**

In a previous research on High Performance Work System and Corporate Entrepreneurship done by Hornsby et al. (2002) and Delery & Doty (1986). The present study is conducted to explore the relationship between High Performance Work System and Job Satisfaction.

Therefore, our hypothesis is follows:

H1: There is a significant relationship between High Performance Work System and reward practices and Entrepreneurial organization with the outcome of Job Satisfaction.

H2: There is a significant relationship between High Performance Work System and employ empowerment and Entrepreneurial organization with the outcome of Job Satisfaction.

H3: There is a significant relationship between High Performance Work System and job security and Entrepreneurial organization with the outcome of Job Satisfaction.

H4: There is a significant relationship between High Performance Work System and performance appraisal and Entrepreneurial organization with the outcome of Job Satisfaction.

H5: There is a significant relationship between High Performance Work System and internal career opportunities and Entrepreneurial organization with the outcome of Job Satisfaction.

H6: There is a significant relationship between High Performance Work System and information sharing and Entrepreneurial organization with the outcome of Job Satisfaction

### **Research Methodology**

The purpose of this study is to investigate the Corporate Entrepreneurship among Executives. The study is empirically in nature which made use of the survey design to investigate whether the dependent variable – (management support, work discretion, reward/reinforcement, time availability, organizational boundaries) and High Performance Work System whether the independent variable – (reward practices, employ empowerment, job security, performance appraisal, internal career opportunities, information sharing) and outcome of overall Job Satisfaction.

The target population for the study was manufacturing companies located in Chennai. In total, 250 respondents sent back the questionnaires distributed and all questionnaires were available for analysis. Data were mainly from middle managers visited all the 75 Manufacturing Companies, got the permission from the authorities and established rapport with the executives in Manufacturing Sector. The participating organizations were asked to identify individuals in middle management positions and give them the survey instrument scales, Corporate Entrepreneurship Assessment Instrument Scale (CEAI) developed by Hornsby Kuratko and Zahra (2002) by the five dimensions in Management Support, Reward/Reinforcement, Time Availability, Work Discretion and Organizational Boundaries. To measure overall job satisfaction level of the employees, a 13 item developed by Brayfield (1991).

## Results and Discussion

Table 2 presents the regression results. This table shows that except employ empowerment and rewards there are positive relationship between dimensions of High Performance Work System and Corporate Entrepreneurship.

**Table 1.**  
**Correlations of High Performance Work System and Corporate Entrepreneurship**

High Performance Work System							
	Reward practices						
	Employ empowerment						
	Job security						
	Performance appraisal						
	Internal career opportunities						
	Information sharing						
Corporate	.000	.006	.136	.002	.031	.000	.010
Entrepreneurship	0.42	0.28	0.15	0.31	0.22	0.40	0.26

**Table 2.**  
**Correlations of High Performance Work System and Corporate Entrepreneurship**

High Performance Work System							
	Reward practices						
	Employ empowerment						
	Job security						
	Performance appraisal						
	Internal career opportunities						
	Information sharing						
Corporate	.000	.000 <sub>g</sub>	.000	.000	.000	.000	.000
Entrepreneurship	0.51	0.46	0.46	0.48	0.22	0.47	0.50

Hence, the hypothesis H1, H2, H3, H4, H5 and H6 are supported.



### **Discussion and Implication**

The result of this empirical study demonstrates the relationship between multidimensional, theoretically grounded configuration of High Performance Work System and Corporate Entrepreneurship. Measurement model shows breakdown of HPWS into six dimensions and the

Reliability and validity of all eight scales. Prior research on HPWS and CE. Similar to Hornsby et al. (2002), we found that HPWS are significantly and positively related to CE and this relation was intensified with outcome variables such as Job Satisfaction. Each of six dimensions of HPWS (reward practices, employ empowerment, job security, performance appraisal, internal career opportunities and information sharing) is significantly and positively related to CE and also relationship. Contrary to our expectations, our study did not show relationship between employ empowerment, rewards and CE. Previous results indicated that appropriate use of rewards enhance entrepreneurial activity within organizations. The findings shows that HPWS are only positively related to social exchanges between the organization and employees when a high level of CE and JS.

### **Limitation and Future Research**

Result may be influenced by bias such as different methods of rewards; employ empowerment and informality of HPWS play a determining role in the development of affective commitment among highly skilled professionals. Future research can test relationship between HPWS and CE with other outcomes. It can also use larger sample sizes and other types of industries.

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