An Investigation of an Intrapreneurial Orientation Among Employees in Service Organizations

Dissertation

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Abstract

By drawing on the entrepreneurship literature and what we know about the entrepreneurial spirit of both founders and top leaders within existing organizations, I examine the propensity of individual employees to behave entrepreneurially at work. In doing so, I develop the intrapreneurial orientation construct, conceptualized as a propensity towards an entrepreneurial approach to one’s work, and demonstrate the impact of this orientation on employee performance and job satisfaction in a service context.

In services, when there is no tangible product, it is the interaction between the employee and customer that defines service delivery. As such, the organization’s brand is largely embodied by its employees who serve as the face of the organization to the customer. This is particularly true of frontline employees, those individuals who interact directly with customers. The performance of the frontline is of principal importance to the organization, because within many service organizations frontline employees are responsible for not only delivering the service to the customer, but also for sales. Traditionally, in services marketing, we have emphasized a customer orientation as one of the most important employee characteristics within service organizations. However, in this dissertation, I show that while highly customer-oriented employees are particularly effective in the
service aspect of their jobs, it is employees who are *highly intrapreneural* who are more effective in a sales role. Furthermore, an intrapreneurial orientation is found to have a considerably greater impact on employee performance than does a customer orientation.

In addition to its effect on performance, I also show that an intrapreneurial orientation negatively moderates the impact of work environment variables on job satisfaction. The job satisfaction levels of intrapreneural individuals are less impacted by manager integrity, teamwork and person-organization misfit, suggesting that these individuals are to some extent less sensitive to situational factors than are others.

From a theoretical standpoint, this dissertation contributes to the marketing literature through the development and testing of the intrapreneurial orientation construct which is shown to tangibly impact both performance and job satisfaction, two individual-level work outcomes which are of consequence to the organization.
Dedicated to

My family
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Chapter 1: Introduction

The saying goes that there are three types of people in the world: those who make things happen, those to whom things happen, and those who stand around wondering what happened. This research is aimed at understanding the first group of individuals – those that make things happen, those we often refer to as the movers and shakers. What separates these individuals from the rest of the pack? What types of behaviors are involved and what are the “things” that happen as a result of these behaviors? In my attempt to shed some light on the answers to these questions, I will explore the world of individual employees working within large service organizations.

From a marketing perspective, I believe that most managers would agree that companies want to recruit, hire, and retain those individuals who fall into the “make things happen” category. The primary and most fundamental role of marketing is to bring the voice of the customer inside the organization. There are multiple ways in which companies go about their pursuit of understanding customers, cultivating relationships, and translating these relationships into bottom-line results. Many companies relentlessly survey customers to gather mountains of customer data while others focus on benchmarking against the strongest competitors. Within services organizations in particular, the role of the employee is paramount in developing and
maintaining customer relationships, and ultimately turning these relationships into profitable results for the organization.

The marketing literature has long recognized the impact of employee work attitudes on organizational outcomes such as firm financial performance (e.g. Homburg, Wieseke and Hoyer 2009). This can be no truer than it is within the context of services. Service providers and their brands are inherently intangible in nature. As such, it is the employees of the service organization which help to provide a consistent, concrete image to the marketplace. Marketing academics and practitioners have come to recognize service employees as the “living brand” of the organization because it is the employees of the company which bring the brand to life by “living” the brand promise and creating the face of the brand for customers (Bendapudi and Bendapudi 2005). Within service organizations, those employees who interact with customers as a primary facet of their job are referred to as frontline employees. These individuals are the insurance agents, personal bankers, and hotel desk clerks who both initiate and develop customer relationships. Given the importance of frontline employees to the success of the service brand, this research explores the individual behaviors and characteristics of service employees which enable them to “make things happen”, thereby generating substantial value for their organizations.

Organizations are constantly on the lookout for its superstars - the future leaders who catch the eye of upper management for their performance, leadership, and out-of-the-box thinking. These individuals often set themselves apart by the way in which they approach their jobs. In developing the conceptual base for this
research, I spoke with a few high-level executives within service organizations about the types of behaviors frontline employees often exhibit that make them stand out from the crowd. In one case, a restaurant executive spoke of a sales associate who with no directive from above, developed an entirely new online format for vetting potential franchisees, eliminating the need for initial face-to-face meetings, which resulted in considerable cost savings. Another example would be the new hire who after a few short months on the job takes the initiative to set up meetings with coworkers and supervisors to solicit feedback regarding their job performance. It is these types of behaviors – taking initiative, being proactive, creative, and exhibiting a willingness to try something new which I believe significantly contribute to the overall value of the organization’s human capital. These are individual-level behaviors, which taken in aggregate, across the entire organization, create a workforce that drives the organization forward.

In order to better understand these types of behaviors, I turn to the literature on entrepreneurship which has a rich history of exploring individual-level behaviors such as innovativeness, initiative and risk-taking. The area of entrepreneurship in recent years has received a growing amount of attention from marketing scholars and practitioners. For instance, the American Marketing Association recently created a Special Interest Group solely for members with an interest in the application and relevance of entrepreneurship within marketing. According to the group’s mission statement, important topics range from “the creation of new businesses and markets to the application of the principles of innovativeness, risk-taking, proactiveness, and competitiveness to conventional marketing thought” (www.marketingpower.com).
The growing interest in entrepreneurship among marketing scholars is found among many business leaders as well. In a 2008 survey of top business CEOs and presidents, 94% of respondents said that it is either very important or extremely important for companies in today’s business environment to attract and retain employees who take an entrepreneurial approach to their work. I spoke with one Executive Vice President of an international recruiting firm who went so far as to say that entrepreneurial employees “treat their job as if it was their own small business” and treat the larger organization “as if it was their own.” Another executive described entrepreneurial individuals within her organization as creative and passionate in a way that demonstrates “ownership of one’s job.” Given the broad interest in entrepreneurial behaviors as well as the applicability of this area of research to understanding employees and the approaches they bring to their work, I have chosen to explore individual-level entrepreneurial behaviors among employees within established service organizations and the relevance these behaviors have for the firm. The term entrepreneurship has traditionally been applied to the start-up of a new entity. As new ventures are not within the domain of my particular research, I will use the term intrapreneurship to describe how employees within organizations can, within the context of their own jobs, exhibit an entrepreneurial spirit in how they go about performing their daily tasks.

Specifically, I examine the concept of intrapreneurial orientation, a predisposition to behave entrepreneurially at work, and how this orientation impacts important outcomes such as performance. It is important to clarify the specific domain in which I will examine intrapreneurial orientation. What often comes to
mind when we think of the “entrepreneur at work” and the application of entrepreneurial principles is radical innovation, reinvention, breaking the rules, and shaking things up. However, this work recognizes that a wide variety of behaviors may be considered intrapreneurial, not simply those that result in sweeping organizational change. An employee who is highly intrapreneurial in his or her work role is not necessarily a rule breaker or corporate renegade, and the concept of intrapreneurship is not limited to radical ideas that change the way the entire organization functions. Rather, I am more concerned with intrapreneurship in one’s own role within the company, however big or small this role may be. Any employee within a company can behave intrapreneurially in the context of his or her job. As an example, an intrapreneurial orientation may be found in the CEO who launches new businesses in new markets, but it may also be found in the administrative assistant who develops a better system for organizing and cataloging client contact information. In the context of this research, both individuals are intrapreneurial to a degree.

In order to develop the conceptual framework for intrapreneurship, Chapter 2 provides a review of the entrepreneurship literature and a discussion surrounding the development of the intrapreneurial orientation construct. Chapter 3 provides an empirical test of the intrapreneurial orientation construct within the context of frontline employees and demonstrates that intrapreneurial behaviors positively impact employee sales readiness for the job as well as overall job performance. Lastly, Chapter 4 demonstrates both direct and moderating effects of an intrapreneurial orientation on another important employee outcome, job satisfaction.
Chapter 2: The Intrapreneurial Employee

Entrepreneurship first became a topic of interest in the economics literature during the late 1800’s (Say 1880, Marshall 1890). Jean Baptiste Say (1880) was an economist who initially popularized the term entrepreneur and applied it to an individual who pursues risk for the sake of profit, the distinguishing feature being the undertaking of risk. The traditional concept of entrepreneurship, the start-up of a new organization, began in the 1940’s and 1950’s with original discussion by Schumpeter (1949). Schumpeter defined entrepreneurship as a way of combining new resources in new ways, and he conceptualized entrepreneurs as individuals who introduce new products and processes (1950).

Historically, entrepreneurship has been examined from the perspective of the individual entrepreneur who identifies a market opportunity, acquires necessary resources, and begins a new venture aimed at exploiting the opportunity through profit generation. Research in this area has focused on a variety of issues such as the identification of the characteristics that differentiate entrepreneurs from non-entrepreneurs (Brockhaus 1982) as well as the factors that contribute to one’s decision to become an entrepreneur (McClelland et al. 1953).
Corporate Entrepreneurship

In the late 1970’s, academics began to more closely examine the idea of entrepreneurship from an organizational viewpoint, rather than from the point of view of an individual entrepreneur. Gradually, researchers and practitioners alike came to realize that organizations, and not just individuals, can behave entrepreneurially at all levels within the organization. This behavior is presumed to be a reflection of the overall philosophy promoted by the organization’s top management team (Covin and Slevin 1991; Zahra 1993). Although the shift in attention away from individual entrepreneurial behavior and toward organizational entrepreneurial behavior was an important step in the acknowledgment of the multiple facets of entrepreneurship, the attention remained focused on individuals within the upper levels of the organization (Lumpkin and Dess 1996).

Initially, research from the organizational perspective has focused on what has been termed corporate entrepreneurship, or the creation of a new venture within an existing company (Brazeal and Herbert 1999). The study of entrepreneurship as a firm-level construct, or corporate entrepreneurship, gained momentum with Miller and Friesen’s 1978 article which classified organizations into archetypes in order to identify profiles which described successful and unsuccessful firms. These authors described successful entrepreneurial firms as proactive, risk-taking, and innovative. Proactiveness is described as acting ahead of the competition, risk-taking as acting in the face of uncertainty, and innovativeness as a degree of product-market innovation. It was not until a 1983 article by Miller that these three characteristics became established as the hallmark characteristics of an entrepreneurial organization. At this
time, however, entrepreneurship in the organizational sense was still used to refer strictly to the development of new businesses within an existing organization.

Miller (1983) describes an entrepreneurial firm as one that participates in product-market innovation, is first to market with “proactive” innovations, and embraces risky ventures. This research became the foundation for later work on the entrepreneurial organization, and since its publication, risk-taking, innovativeness, and proactiveness have been recognized as the foundational characteristics of entrepreneurship at the organizational level. Miller also initiates an exploratory discussion of the potential determinants of entrepreneurship within the firm including the personality and beliefs of the CEO, the environmental as well as structural characteristics of the firm, and the strategic decision making of the firm. This discussion paved the way for a wealth of research that examines the primary contributing factors of corporate entrepreneurship.

In a 1990 article in Harvard Business Review, Walter Wriston, former chairman of Citicorp and Citibank, echoed sentiments similar to those of academics of that decade when he stated that “today the spirit of the entrepreneur has entered the mainstream of U.S. management…entrepreneurship is transforming the corporate bureaucracy” (p. 79). As interest in corporate entrepreneurship grew among both practitioners and academics, the concept of corporate entrepreneurship expanded beyond the idea of new venture creation (Covin and Slevin 1991). Specifically, corporate entrepreneurship was not only used to describe corporate venturing (or the start-up of new businesses), but it also came to describe organizational strategic renewal with the understanding that entrepreneurial activities occur within the
organization that are not necessarily linked to the creation of a new venture (Sharma and Chrisman 1999). Guth and Ginsberg (1990) defined corporate entrepreneurship broadly as strategic renewal which has been conceptualized in the literature as “entrepreneurial efforts that result in significant changes to an organization’s business or corporate level strategy or structure” (Sharma and Chrisman 1999, p.19). Strategic renewal is not limited to corporate venturing, rather, corporate venturing is only one path by which a company can pursue strategic renewal. According to Guth and Ginsberg, strategic renewal involves the “creation of new wealth through combinations of new resources…this includes actions such as refocusing a business competitively, making major changes in marketing or distribution, redirecting product development, and reshaping operations” (p. 6, 1990). This conceptualization of corporate entrepreneurship grew in popularity as academics realized that organizations could behave entrepreneurially in a variety of ways that were not necessarily relevant to the start-up of a new firm. For example, organizations may find a new, innovative means of streamlining operations to create value through cost savings, or a firm might develop a new customer service program, providing clients with service levels unmatched by the competition.

By the late 1990’s, the literature recognized two forms of entrepreneurship within an existing firm: strategic renewal and the more traditional conceptualization, corporate venturing, defined as “entrepreneurial efforts that lead to the creation of new business organizations within the corporate organization” (Sharma and Chrisman 1999, p.19). As the idea of corporate entrepreneurship broadened, a variety of terms came to be used to describe the concept including intrapreneurship.
(Pinchot 1985) and internal entrepreneurship (Vesper 1984). The use of such terms as well as the application of differing definitions to these terms has led to a lack of clarity surrounding not only the concept itself, but also the theoretical foundation of corporate entrepreneurship.

Theoretical Foundation of Corporate Entrepreneurship

In order to develop a more sound theoretical foundation, researchers have asked three primary questions regarding corporate entrepreneurship: 1) what are the drivers of corporate entrepreneurship, 2) what are the implications of a corporate entrepreneurship strategy, and 3) what is the nature of corporate entrepreneurship?

*Drivers of Corporate Entrepreneurship.*

Researchers began by examining factors which they believed had the potential to influence the extent to which an organization is entrepreneurial. This area of research focuses on the study of three primary factors which researchers have found to contribute to an organization’s ability to behave entrepreneurially: the environment, the organization, and the individual.

*The Environment.* Each organization operates within the dynamics of a particular environment which presents the organization with both opportunities as well as challenges, and as such, this external environment exerts influence on the behaviors exhibited by the organization, including entrepreneurial efforts. The literature stream which studies the influence of the environment on a firm’s degree of corporate entrepreneurship has shown that environments characterized by heterogeneity, dynamism, and hostility are associated with higher levels of corporate
entrepreneurship behaviors. As environments exhibit greater heterogeneity in the sense that there are a greater number of market segments with differing customer needs and profiles, firms tend to be more entrepreneurial (Zahra 1991). This same finding holds true when the environment tends to have a high level of hostility (Covin and Slevin 1989; Zahra 1993), and when the environment is dynamic as characterized by constantly changing conditions in which new sources of sustainable competitive advantage become necessary (Miller and Friesen 1984).

The Organization. In addition to the environment, characteristics of the organization itself influence the degree of participation in corporate entrepreneurship. For instance, there is a greater level of entrepreneurship within organizations that exhibit an organic rather than a mechanistic structure (Tornatzky et al. 1983; Covin and Slevin 1988). Similarly, formalized, centralized structures have been found to be negatively associated with entrepreneurial behaviors (Tornatzky et al. 1983; Kanter 1983) while decentralization has been found to positively contribute to successful entrepreneurship within the firm (Russell and Russell 1992). Furthermore, organizational values such as the acceptance and encouragement of innovative behaviors have been found to promote entrepreneurship within the organization (Russell and Russell 1992).

The Individual. The third factor which has been examined relative to an organization’s ability to behave entrepreneurially is the role of the individual. Specifically, the literature has examined the influence of the strategic direction set by top management within the organization. The chief executive officer and top management team are responsible for setting the overall strategy of the corporation.
The propensity of the top managers toward risky, innovative, and proactive behaviors sets the tone throughout the organization for whether such behaviors are tolerated and even encouraged (Covin and Slevin 1991). The extent to which researchers believe that top management’s and the organization’s propensities toward entrepreneurship are aligned is made evident by the fact that the organization’s level of corporate entrepreneurship is often operationalized by measuring top management’s propensity toward entrepreneurial behaviors (i.e. Matsuno, Mentzer and Ozsomer 2002).

Implications of Corporate Entrepreneurship

Beyond an understanding of the drivers of corporate entrepreneurship is a need to understand why such a strategy is important and relevant to the firm. Therefore, not only have researchers explored the factors which drive corporate entrepreneurship, but they have also explored the link between corporate entrepreneurship and firm performance. This stream of research has demonstrated that there is in fact a positive link between corporate entrepreneurship and firm performance (Miller and Friesen 1978; Zahra and Covin 1995; Zahra 1996). With this knowledge, the literature began to recognize corporate entrepreneurship as a form of sustainable competitive advantage as entrepreneurial behaviors may result in a variety of wealth-creating actions, such as the development of new innovations, expense reduction, and efficiency efforts (Dess, Lumpkin and McGee 1999). Ireland, Kuratko and Covin (2003) go so far as to describe corporate entrepreneurship strategy as “a set of commitments and actions framed around
entrepreneurial behavior and processes that the firm designs and uses to develop current and future competitive advantages” (pg. 1).

*The Nature of Corporate Entrepreneurship*

Given the clear benefits of entrepreneurial efforts to the organization, academics began to look more closely at the process of entrepreneurship and ask, “What actually makes a company entrepreneurial?” In order to successfully pursue a corporate entrepreneurship strategy as a sustainable competitive advantage, academics embraced the idea that the firm must first have an orientation toward entrepreneurship. This proclivity is known in the literature as an entrepreneurial orientation (Dess and Lumpkin 2005). According to Dess and Lumpkin (2005), an entrepreneurial orientation is conceptualized as a mindset towards entrepreneurship which is revealed in the processes, practices and culture of the organization. It is a precursor of participation in entrepreneurship, and while entrepreneurship is considered to be the “what” behind a corporate entrepreneurship strategy, an entrepreneurial orientation is considered to be the “how” (Lumpkin and Dess 1996). Much of the literature on corporate entrepreneurship in the 1990’s and 2000’s has focused on entrepreneurial orientation and its implications for the firm.

**Entrepreneurial Orientation**

In general terms, an orientation is the foundational philosophy of an organization, which guides its overall decision-making (Miles and Arnold 1991). Drawing on early work regarding the primary characteristics of entrepreneurial organizations, researchers have conceptualized an entrepreneurial orientation
through the central characteristics of innovativeness, proactiveness, and risk-taking.
A variety of definitions have been applied to an entrepreneurial orientation. Miller
(1983) defines an entrepreneurial orientation as the degree to which the top
executives within the firm demonstrate a willingness to take risks, innovate, and
proactively compete with other companies. Taking a slightly different perspective,
Lumpkin and Dess (2005) define an entrepreneurial orientation as a mindset which is
focused toward entrepreneurship and is manifested in the processes, practices, and
culture of the organization. Although various definitions have been used, there is
some consistency across them in that most researchers agree that an entrepreneurial
orientation involves an acceptance and encouragement of entrepreneurial behaviors.
Specifically, the entrepreneurial behaviors of innovativeness, risk-taking, and
proactiveness have consistently been studied as the three primary dimensions of an
entrepreneurial orientation.

**Innovativeness.** Innovativeness was first discussed by Schumpeter (1949) in
relation to its relevance and importance to entrepreneurship. Schumpeter described
the growth of economies as driven by changes made to the existing market structure
through the introduction of new goods and services. Similarly, the entrepreneurial
orientation literature describes innovativeness as efforts focused on the discovery of
new opportunities and solutions (Dess and Lumpkin 2005).

**Risk-Taking.** In the early entrepreneurship literature, risk-taking was
conceptualized as self-employment as opposed to working under another individual
or entity in exchange for compensation (Shane 1994) because self-employment
requires some degree of uncertainty and risk. The idea of uncertainty remains a
central part of how risk-taking is thought of today in relation to corporate entrepreneurship and entrepreneurial orientation. Risk-taking, as a dimension of entrepreneurial orientation, is a willingness to pursue an opportunity despite uncertainty as to whether or not one’s efforts will be successful (Dess and Lumpkin 2005).

**Proactiveness.** The third dimension, proactiveness, was first described by Miller and Friesen (1978) as acting ahead of the competition. This conceptualization still holds true today as proactiveness is described by entrepreneurial orientation scholars as the identification and pursuit of new opportunities in advance of one’s competitors (Dess and Lumpkin 2005).

Within the entrepreneurship literature, scholars have operationalized an entrepreneurial orientation from an organization-wide perspective. Because it is the top management within the organization which sets the overall strategic direction and hence the processes, practices, and culture of the organization, the entrepreneurial orientation construct has historically been measured at the level of top management (Lumpkin and Dess 1996). For example, one such entrepreneurial orientation scale which has been used includes such items as “Top managers here encourage the development of innovative marketing strategies, knowing well that some will fail” (innovativeness), and “Top managers in this business unit like to “play it safe” (risk-taking) (Matsuno, Mentzer and Ozsomer 2002). The measurement of the entrepreneurial orientation construct at the level of top management has been widely accepted and applied in the literature.
As discussed, research in entrepreneurship has involved the study of traits, attitudes, and orientations. The differences between these three constructs may on the surface appear subtle, but they are important. A trait is a characteristic which is both stable over time as well as across different situations (McCrae et al. 2000). Attitudes, as we know, are evaluative preferences based on both affect and cognition, while an orientation represents a surface trait which arises from a combination of basic traits and a situational context (Brown et al. 2002). Unlike a trait, an orientation is not necessarily stable over time and across situations, and unlike an attitude, an orientation contains a behavioral element (Krauss et al. 2005). An orientation represents a tendency to behave in a certain way and includes affective, cognitive and behavioral components. For example, an individual with an orientation toward risk-taking may enjoy risky situations (affective), may assess risk positively (cognitive), and may utilize risky tactics (behavioral). However, because an orientation is context-specific, a particular individual may apply a risky approach to decision making in regards to their work and career, while applying a much more conservative approach toward decision making in their personal life.

Entrepreneurial Orientation and Organizational Outcomes

In a 2005 article, Dess and Lumpkin stated that “firms that want to engage in successful corporate entrepreneurship need to have an entrepreneurial orientation” (p. 147). This statement could be no truer than it is today. In our current economic climate, an environment in which organizational leaders are attempting to simply survive in the short-term, the importance of an entrepreneurial mindset is critical.
According to a recent report released by Ernst & Young LLP (2009), in dire economic conditions, “entrepreneurial thinking isn’t optional…it’s more than a buzzword – it’s a business strategy” (Ernst & Young 2009). Today organizations stand to benefit more than ever from reengineering company processes, developing new offerings, and rethinking relationships with various partners. It is those companies with an entrepreneurial spirit that pervades the employee mindset and culture of the organization which will be optimally positioned to pursue new market opportunities, maximize efficiencies and set themselves up to compete successfully in the future.

Over the past 20 years, considerable effort had been spent on understanding why an entrepreneurial orientation is important to the firm. In order to be successful, companies must be able to continuously adapt to the dynamic business environment with constantly changing competitive pressures, customer needs and preferences, technology requirements, and regulations (Ramachandran, Devarajan and Ray 2006). By their nature, the foundational dimensions of an entrepreneurial orientation, innovativeness, risk-taking, and proactiveness, enable firms to achieve such continuous adaptation.

In order to establish the importance of an entrepreneurial orientation, academics have studied the construct as a firm-level phenomenon and explored the possibility of an empirical link between an entrepreneurial orientation and firm performance. The overall results of these efforts have been positive (e.g. Covin and Slevin 1988, 1989; Wiklund 1999). For instance, we know that firms with a high degree of entrepreneurial orientation and an organic organizational structure
outperform those firms which have a lower degree of entrepreneurial orientation and a mechanistic structure (Covin and Slevin 1988). Covin and Slevin (1989) found that in a hostile environment characterized by intense competition, few opportunities, and constantly changing consumer preferences, entrepreneurial firms perform better than more conservative firms. In addition, Wiklund (1999) examined whether the relationship between entrepreneurial orientation and performance is sustainable over time and found through a three-year longitudinal study that investments in an entrepreneurial orientation actually pay-off over time as the relationship between entrepreneurial orientation and financial performance increased. In 2002, Matsuno, Mentzer and Ozsomer were able to show that an entrepreneurial orientation positively impacts financial measures of performance, and furthermore, discovered that this relationship is mediated by a market orientation. Specifically, these authors found that an entrepreneurial orientation accounts for 74% of the positive impact of market orientation on performance. The mechanism of the impact of entrepreneurial orientation on market orientation was found to be two-fold. While an entrepreneurial orientation has a direct, positive impact on market orientation, it also negatively impacts the degrees of formalization, centralization, and departmentalization within the organization which also serves to drive the firm’s market orientation. Finally, in 2005, Voss, Voss and Moorman studied entrepreneurial orientation in the context of the non-profit theatre industry and found that more entrepreneurially oriented theatres realize higher ticket and royalty revenues. These entrepreneurially oriented theatres were found to be those that were committed to developing new works,
closely following competitors’ best practices, and taking on artistically risky projects.

Not only has the relationship between entrepreneurial orientation and firm performance been examined, but the literature has also studied non-financial consequences of adopting such an orientation. An entrepreneurial orientation has been found to enhance an organization’s knowledge stores of customers, competitors, suppliers and regulatory agencies through its positive impact on information gathering (Griffith, Noble and Chen 2006). Furthermore, literature in the human resources stream has shown that firms with a higher degree of entrepreneurial orientation adopt HR management practices which encourage innovation and risk-taking, have a long-term rather than short-term perspective, and have a higher level of employee participation in training programs (Morris and Jones 1993).

Because research in this area demonstrated a positive link between an entrepreneurial orientation and firm performance, scholars began to view an entrepreneurial orientation as an intangible resource of the organization that can be used to create a sustainable competitive advantage (Jambulingham, Kathuria and Doucette 2005). Furthermore, as an entrepreneurial orientation became recognized as a source of competitive advantage, researchers began to look more closely at the importance of the individual to the organization’s overall level of participation in entrepreneurial pursuits. As such, we have gradually come to recognize the central role that individual employees play in determining the overall entrepreneurial orientation of the firm. As Burgelman (1984) points out, entrepreneurial efforts
originate with the creative potential of individuals and the initial “autonomous acts” of such individuals. Venkataraman (1997) describes entrepreneurship as a result of the intertwining of both opportunity and enterprising individuals, while Stevenson, Roberts and Gronsbeck (1989) cite the intentional actions and behaviors of individual employees as the foundation of the corporate entrepreneurship process. These authors describe the entrepreneurial process as follows: “existing capabilities are extended and new capabilities develop when an individual or small group within the organization identifies entrepreneurial opportunities and begins to pursue entrepreneurial initiatives” (p. 130). The importance of the individual is rooted in opportunity identification as it is employees with an entrepreneurial mindset who are able to recognize and take advantage of new opportunities (Alvarez and Barney 2002).

Entrepreneurship and the Role of the Individual

Initial work examining the role of the individual within the context of the organization adopted the perspective of managers versus entrepreneurs. In particular, researchers have approached this issue from the perspective of what makes entrepreneurs (i.e. individuals who start their own business) different from managers or the at-large population (Brockhaus 1982; Gartner 1988). Two primary questions have been raised within this stream of research: 1) Why do some individuals choose to become entrepreneurs while others do not? and 2) Why are some entrepreneurs more successful than others? The vast majority of this research has considered the “entrepreneur” as an individual who has chosen to start his or her
own business while the term “manager” is applied to individuals choosing to work within an existing organization. The common theoretical approaches to studying the differences between entrepreneurs and managers have been demographics and traits and motivations.

The demographic approach has been used to develop a typical profile of an entrepreneur and relies on the assumption that individuals who choose to start their own business share similar backgrounds as well as similar experiences that can be explained by certain underlying factors. Researchers have examined such characteristics as age, socioeconomic status, level of education, and birth order (e.g. Brockhaus 1982; Hisrich 1986). However, much of this work has yielded conflicting results (Bowen and Hisrich 1986). The primary weakness of the demographic approach is that demographics are poor proxies for underlying traits and/or attitudes, which give rise to entrepreneurial behavior. The link, if present, is merely indirect and does not provide insight as to the true drivers of such behavior.

The second approach, an analysis of traits and motivations, seeks to discover those specific personality traits and motivations that predispose an individual to successfully pursue a career of new venture start-up. This approach began in the 1950s with the study of needs such as the need for achievement (McClelland et al. 1953). The literature on personality differences and individual entrepreneurship has provided us with insight as to the characteristics that we may expect of an entrepreneur. Researchers have focused on several characteristics that have been found to positively relate to the intention to become an entrepreneur as well as success as an entrepreneur. While not intended to be all-inclusive, Table 2.1
provides a brief overview of the most commonly studied entrepreneurial characteristics.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Conceptualization</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement Motivation</td>
<td>A desire for significant accomplishment, a strong sense of personal responsibility and a desire for control over outcomes</td>
<td>McClelland (1961); Collins, Hanges and Locke (2004)</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>An orientation toward motivation, achievement and persistence in the pursuit of goal accomplishment</td>
<td>Judge, Heller and Mount (2002); Zhao and Seibert (2006)</td>
</tr>
<tr>
<td>Internal Locus of Control</td>
<td>Belief that life experiences are within one's control and that one's efforts alone determine the future</td>
<td>Hisrich and Peters (1995); Chen, Greene and Crick (1998); Korunka et al. (2003)</td>
</tr>
<tr>
<td>Neuroticism*</td>
<td>A negative predisposition associated with anxiety, emotional instability, impulsiveness and vulnerability</td>
<td>Judge, Heller and Mount (2002); Zhao and Seibert (2006)</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>Engagement in self-starting, future-oriented behavior</td>
<td>Campbell (2000); Griffin, Neal and Parker (2007)</td>
</tr>
<tr>
<td>Self-Achievement Motivation</td>
<td>A desire for significant accomplishment as a result of one's own efforts</td>
<td>Miner, Smith and Bracker (1989)</td>
</tr>
<tr>
<td>Self-Efficacy</td>
<td>Strong belief in one's ability to successfully accomplish a particular task or role</td>
<td>Chen, Greene and Crick (1998); Baum and Locke (2004); Zhao, Seibert and Hills (2005)</td>
</tr>
<tr>
<td>Self-Reliance</td>
<td>A desire for independence and the belief that one can accomplish one's goals based on personal actions alone</td>
<td>Lee and Tsang (2001); Beugelsdijk and Noorderhaven (2005)</td>
</tr>
<tr>
<td>Tenacity</td>
<td>Ability to maintain goal-directed efforts in the presence of obstacles</td>
<td>Markman and Baron (2003); Baum and Locke (2004)</td>
</tr>
<tr>
<td>Tolerance for Ambiguity</td>
<td>Ability to successfully handle uncertainty without feeling uncomfortable or threatened</td>
<td>Norton (1975); Schere (1982); Koh (1996)</td>
</tr>
</tbody>
</table>

*All characteristics are positively related to entrepreneurial status with the exception of neuroticism which is negatively related.

Table 2.1: Characteristics of Entrepreneurs
Beyond the individual trait and demographic approaches, some researchers have explored attitudes as predictors of entrepreneurship as a career choice. An attitude is an evaluative judgment that is viewed as less stable over time and across different situations than are personality traits (Chaiken and Stangor 1987). As an example, Robinson et al. (1991) developed an Entrepreneurial Attitude Orientation Scale which includes measures for such constructs as locus of control, self-esteem, need for achievement, and innovation in order to predict entrepreneurial status. Although the scale never gained traction in the literature, this area of research did spark the development of intentions-based models of entrepreneurial behavior and cognition. Intentions-based models attempt to move beyond the study of personal and situational factors by examining the intent to become an entrepreneur as determined by attitudes, subjective norms, and perceived feasibility (Krueger, Reilly and Carsrud 2000).

Drawing heavily on Ajzen’s (1991) Theory of Planned Behavior to develop a model of entrepreneurial potential, Krueger, Reilly and Carsrud (2000) show that 40% of the variance in entrepreneurial intentions can be explained by perceived feasibility, perceived desirability, and propensity to act. Perceived desirability is driven by expected outcomes while perceived feasibility is driven by self-efficacy. Therefore, these authors are able to show that one’s intent to start a business is largely dependent on belief in one’s self. Additional work in the area of entrepreneurial cognition has found that individuals who start their own businesses are more likely to make overconfidence or representativeness errors (Busenitz and Barney 1997) and are more likely to view uncertain business scenarios more
positively (Palich and Bagby 1995), which provides some clues as to how entrepreneurs may think differently than others.

Researchers have also devoted significant efforts to the examination of various top manager and/or founder-level characteristics which influence the firm’s degree of entrepreneurial orientation as well as entrepreneurial success. Entrialgo, Fernandez and Vazquez (2000) found that some of the same traits which differentiate entrepreneurs from managers also impact the firm’s level of entrepreneurial orientation. Specifically, these authors examined top managers within the firm and discovered that the overall firm’s level of entrepreneurial orientation increases as these managers have a higher need for achievement, a greater tolerance for ambiguity, and a greater internal locus of control. As such, managers with these traits positively contribute to their firm’s success although there is only a limited amount of empirical evidence to support this conclusion.

Similarly, certain traits of the founder of the firm have been found to contribute to firm success. Brockhaus (1980) demonstrated the existence of several factors which distinguish successful from unsuccessful entrepreneurs. Brockhaus defined success as whether the business was in still in existence three years after its founding, and he was able to show that more successful entrepreneurs have a more internal locus of control, are less satisfied with their previous jobs, and are younger compared with unsuccessful entrepreneurs.

In addition to studying the impact of founder/top manager traits on firm performance, researchers have also examined whether the entrepreneurial orientation of the founder impacts firm performance. Frese, Brantjes and Hoorn (2002)
demonstrated a positive association between the entrepreneurial orientation of the owner of the firm and firm success as measured through growth in sales, profitability, and number of individuals employed. Krauss et al. (2005) also looked at the entrepreneurial orientation of the owner of the firm and found that business performance is driven by the owner’s personal initiative, achievement orientation, risk-taking orientation, and overall level of entrepreneurial orientation. The type of work represented by these two studies furthered the progression of entrepreneurship research from the perspective of entrepreneurs versus managers to the perspective of individual-level entrepreneurial orientation and its impact on the firm. This work also marked the beginning of the role of the individual in the corporate entrepreneurial process, and shifted attention away from trait-based research and toward orientation-based research. However, although this type of research acknowledges the role of individual entrepreneurial orientation and its contribution to firm performance, it is still narrowly focused on individuals only within the top level of the organization.

Intrapreneurial Orientation and Employee Performance

As entrepreneurship research began to evolve from a focus on establishing differences between entrepreneurs and non-entrepreneurs, efforts to link individual-level entrepreneurial orientation to firm performance began. Researchers became interested not only in what leads an individual to start a new business, but rather what contributes to the success of the business. The corporate entrepreneurship literature points to the entrepreneurial orientation of the organization as a driver of
firm performance. Therefore, researchers turned to the entrepreneurial orientation construct at the level of the founder or top manager as a potentially meaningful driver of firm performance. However, the difference in this case was that researchers now took the view of entrepreneurial orientation as an individual-level psychological construct. Again, this viewpoint represented a turning point in the movement away from a focus on differences between traditional entrepreneurs and managers, thus broadening the horizon for what it means to be an entrepreneur. Up to this point, much of the research on individual-level entrepreneurship took a narrow consideration of entrepreneurs as individuals involved in new venture creation. However, by shifting the focus toward individuals within an established organization with the recognition that individuals and not organizations identify and act upon opportunities, the corporate entrepreneur became a central character within the corporate entrepreneurship literature (Ireland, Kuratko and Morris 2006).

Individuals pursuing entrepreneurial efforts within an existing organization are referred to in the literature as corporate entrepreneurs (e.g. Kuratko and Goldsby 2004) or intrapreneurs (Pinchot 1985). Because the literature has historically used the term entrepreneur to refer to an individual who initiates a new venture, the term intrapreneur is used to refer to entrepreneurial individuals working within an established organization. Despite a growing recognition that individuals at all levels of the organization can behave entrepreneurially for the benefit of the firm, there has been little conceptual or empirical work devoted to better understanding the intrapreneur and the impact that he or she has on the organization.
If it is in fact individual entrepreneurial efforts which give rise to an entrepreneurial organization, then it is important for corporate entrepreneurship scholars to study entrepreneurship at the level of the individual, rather than at the level of the organization, or as is typically done, at the level of the c-suite. As discussed earlier, previous measures of firm-level entrepreneurial orientation are in reality psychological measurements of individual entrepreneurial orientation at the level of the CEO or other top executives. However, we have yet to examine what it means to be entrepreneurial at lower levels within the organization, and measures have not yet been developed to assess entrepreneurship at these levels. Because previous research has shown that organizational-level entrepreneurial orientation and owner-level entrepreneurial orientation positively impact firm performance, the entrepreneurial orientation of individual employees within the organization represents an important area of interest. If the entrepreneurial orientations of the firm and its top management positively impact performance, then the entrepreneurial orientation of an individual employee holds potential for further understanding individual-level performance.

In order to examine entrepreneurial behaviors among employees within the organization, rather than just at the top levels of the organization, I derive the construct of intrapreneurial orientation from the literature on entrepreneurial orientation. Traditionally, as previously discussed, entrepreneurial orientation has been conceptualized as a firm-level construct. It is defined as the “organization’s predisposition to accept entrepreneurial processes, practices and decision making, characterized by its preference for innovativeness, risk taking, and proactiveness”
innovativeness is defined as a predisposition toward seeking novel opportunities and solutions; risk taking is defined as a willingness to try to capitalize on an opportunity in the face of uncertainty; and proactiveness represents a tendency toward a perspective that is forward-looking in nature and both recognizes and anticipates opportunities (cf. Dess and Lumpkin 2005). As we know, at the firm level, entrepreneurial orientation has been empirically shown to positively impact a firm’s performance (Dess, Lumpkin and Covin 1997; Jambulingam, Kathuria, and Doucette 2005; Voss, Voss, and Moorman 2005).

Again, in addition to research at the organizational level, there exists some literature in the new venture and small business area which attempts to examine entrepreneurial orientation at the level of the individual by studying the founder or owner of a company. However, research at the individual founder level closely resembles traditional examinations of the entrepreneurial orientation construct at the organizational level. Further, the organization-level measurements typically involve a survey of top managers’ or owners’ perceptions (Lyon, Lumpkin, and Dess 2000). Therefore, the construct has been studied primarily only within the top levels of the organization. In fact, to my knowledge, no attempts have been made to measure this construct at the individual employee level (Kuratko and Goldsby 2004) despite calls from both academics and practitioners to better understand entrepreneurial behaviors of employees (Christensen 2000; Garvin and Levesque 2006). Many authors have suggested that in order to fuel growth, organizations need employees who bring an entrepreneurial approach to their work (e.g. Hadzima 2005; Ireland, Kuratko, and
This research attempts to delineate the role of employees’ intrapreneurial orientation, or the entrepreneurial predisposition of an individual within the organization, in the greater whole of the organization. Because of the impact that an entrepreneurial orientation has been shown to have on firm-level performance, the examination of this construct is particularly appropriate at the individual level because of its potential implications for employee performance.

In order to develop a conceptualization of intrapreneurial orientation, I draw on previous work at the organizational level in which the widely accepted terminologies used to refer to the pursuit of innovativeness, risk taking, and proactiveness within the firm have been corporate entrepreneurship or intrapreneurship (Antoncic 2003; Hornsby et al. 1993). The terms “corporate entrepreneurship” and “intrapreneurship” are used within the literature to refer to entrepreneurship within the confines of an existing organization. Just as previous researchers have made a distinction between entrepreneurship and intrapreneurship, I attempt to make a distinction between entrepreneurial orientation and intrapreneurial orientation. For the sake of clarity and to establish consistency within the literature, I will refer to entrepreneurial orientation as the entrepreneurial predisposition of the organization, while intrapreneurial orientation will be used to refer to the entrepreneurial predisposition of an individual employee within the firm.

I draw from Matsuno, Mentzer, and Ozsomer’s (2002) definition of entrepreneurial orientation to develop the following definition of intrapreneurial orientation: an individual employee’s predisposition to accept entrepreneurial processes, practices, and decision-making as characterized by a preference for
innovativeness, risk taking, and proactiveness. From my definition, intrapreneurial orientation is determined by three factors: innovativeness, risk taking, and proactiveness. In the case of an individual employee, innovativeness is conceptualized as the “intentional creation, introduction and application of new ideas within a work role, group, or organization in order to benefit role performance, the group, or the organization” (Janssen 2000, p. 288; West 1989; West and Farr 1989). Proactiveness is defined as a predisposition toward proactive behavior defined by identifying and acting on opportunities, showing initiative, and persevering until change is brought about (Bateman and Crant 1993; Seibert, Crant and Kraimer 1999). Risk-taking is conceptualized simply as a willingness to take action in the face of uncertainty (Gomez-Mejia and Balkin 1989; Sitkin and Weingart 1995). Although the definitions of these constructs have been drawn primarily from the psychology literature, the basic tenets of each are consistent with those of the traditional organization-level conceptualizations.

For this body of research, I examine the intrapreneurial orientation of employees within the context of the services organization. Given the central role that frontline employees play within the services organization, Chapter 3 of this dissertation explores the intrapreneurial orientation of the frontline employee and its impact on employee performance.
Chapter 3: Intrapreneurial Orientation and Frontline Employee Performance in Service Organizations

One particular stream of literature within services examines the role of boundary spanners – those employees who operate along the boundary of the organization and its environment. Boundary spanners may interact with customers, competitors, vendors, and the media. Frontline employees (FLEs) are those boundary spanners who interact directly with customers. They serve as the primary point of contact for customers and often act in concert with the customer in production of the service. It is widely recognized that frontline employees are instrumental to the success of the service organization as they are critical in the formation of customers’ perceived service quality (Parasuraman, Zeithaml, and Berry 1985). Because of their close interaction with customers, FLEs have an impact on customer perceptions of the service and of the firm. For example, FLE behaviors and attitudes have been found to influence customers’ satisfaction and dissatisfaction with the service encounter (Bitner, Booms, and Tetreault 1990) as well as customer intentions to leave the firm (Schneider and Bowen 1985). In addition, customer loyalty has been found to be positively influenced by customers’ trust in FLE behaviors (Sirdeshmukh, Singh, and Sabol 2002).

The importance of FLEs to the firm is also evident in the close relationships, even friendships that FLEs often form with customers (Gutek, Groth, and Cherry
This customer-employee relationship may actually be stronger than the relationship between the customer and the firm (Bitner, Gwinner, and Gremler 1998). In fact, this relationship may become so central to the customer that if the employee leaves the firm, the customer may follow (Bendapudi and Leone 2002).

In addition to acting as the face of the company and fostering close relationships with customers, FLEs within many service organizations carry a dual responsibility for both sales and service. It is in this setting, one in which FLEs not only provide customer service, but are also responsible for generating sales, that I explore the role of intrapreneurial orientation. Within a more traditional manufacturing context, customers are often served by one employee during the prospecting and sales stage, while another employee or department handles the post-sales service and account maintenance. However, within a services context, these two roles are often combined into one position at the frontline level, providing the customer with a single point of contact as is the case with an insurance agent who not only handles the initial sale of an insurance policy, but also handles the processing of any claims. As such, many FLEs within a services organization face an additional challenge of having to simultaneously excel at both sales and service. Consider, for example, professional financial services industries such as insurance, banking, or investments. Frontline employees within these industries including insurance agents, personal bankers, and financial advisors are required to prospect customers and sell services, but they are also responsible for post-sales service, including answering customer questions, adjusting policies or portfolios, and
transferring funds. Their jobs entail sales and service-specific components, both of which are important to the ongoing success of the company-client relationship.

Because many FLEs are responsible for both service and sales, these employees act as the primary source of revenue generation for the firm. Therefore, it becomes important for us to understand both the sales and service roles from the standpoint of FLE performance. However, the services literature has primarily focused on the service aspect of the job while less attention has been directed toward the sales aspect. Table 3.1 presents a brief review of recent marketing literature focusing on frontline employees. Though not exhaustive, this table is representative of current research on frontline employees. Within the last decade, multiple constructs have been examined with regard to FLEs within the services organization including organizational commitment, job satisfaction, citizenship behaviors, customer satisfaction, customer orientation, and performance. In relation to FLE performance, service quality has been one of the most popular operationalizations of this construct. As can be seen in the table, there has been a lack of consideration of FLE performance from an overall perspective (i.e. accounting for both sales and service), rather than just from a service quality perspective. However, the importance of studying FLE performance using constructs that account for both service and sales has gained some momentum in the literature (i.e. Singh 2000; Homburg, Wieseke, and Bornemann 2009) as researchers have recognized the pivotal impact FLEs can have on an organization’s bottom-line. In addition, within the salesforce literature, some research has examined sales performance of customer-contact employees (e.g. Keillor, Parker, and Pettijohn 2000; Saxe and Weitz 1982).
However, despite the importance of FLE performance in generating revenue for the firm, overall measures of FLE performance have been seldom used within services research.
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Focus of Study</th>
<th>Primary Dependent Measure(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hartline and Ferrell (1996)</td>
<td>The influence of FLEs’ attitudes and behaviors on customers’ perceptions of service quality.</td>
<td>Service Quality of FLEs</td>
</tr>
<tr>
<td>Hartline, Maxham, and McKee (2000)</td>
<td>The dissemination of a customer-oriented strategy to the level of the FLE.</td>
<td>FLE Organizational Commitment and Shared Values</td>
</tr>
<tr>
<td>Babakus, Yavas, Karatepe, and Avci (2003)</td>
<td>The impact of management commitment to service quality on affective and performance outcomes of FLEs.</td>
<td>FLE Service Recovery Performance</td>
</tr>
<tr>
<td>Malhotra and Mukherjee (2004)</td>
<td>The impact of FLE organizational commitment and job satisfaction on service quality.</td>
<td>Service Quality of FLEs</td>
</tr>
<tr>
<td>Schwepke and Hartline (2005)</td>
<td>The nature of the ethical climate of the organization and its impact on FLEs.</td>
<td>FLE Commitment to Service Quality and Job Satisfaction</td>
</tr>
<tr>
<td>Gonzalez and Garazo (2006)</td>
<td>The impact of the organization’s service orientation on FLEs.</td>
<td>FLE Job Satisfaction and Citizenship Behavior</td>
</tr>
<tr>
<td>Homburg, Wieseke, and Bornemann (2009)</td>
<td>The role of frontline customer need knowledge in the implementation of the marketing concept.</td>
<td>Customer satisfaction and willingness to pay.</td>
</tr>
</tbody>
</table>

Table 3.1: Review of Research on Frontline Employees.

Not only is an examination of FLE performance important due to its primary role in revenue generation for the firm, but research within services suggests that
employees often experience role stressors known as role conflict and role ambiguity. As boundary spanners, FLEs are in the unique position of having to serve both the organization as well as the customer. If the interests of the customer and the organization are at odds, then the FLE is likely to experience role conflict (Chung and Schneider 2002; Eddleston, Kidder, and Litzky 2002). Role conflict occurs when there is a discrepancy between what is expected of FLEs by management and what is expected of them by the customer (Chung and Schneider 2002). Research with boundary-spanning employees has shown that some factors which may contribute to boundary-blurring and the experience of role conflict include the physical proximity between employees and customers, the amount of time they spend with one another, the ample opportunities customers have to provide immediate feedback to employees, and the importance that employees attribute to customers (Rafaeli 1989). Role ambiguity occurs when an employee perceives that he or she lacks pertinent information which is required to effectively perform his or her job (Singh 1993). Role ambiguity may result from uncertainty about a variety of role-related factors such as expectations, specific responsibilities, prioritization of tasks, and flexibility in how tasks are to be performed (Singh 2000). Both role conflict and role ambiguity have been shown to reduce job satisfaction and performance and increase turnover intentions, absenteeism, and burnout tendencies (Chung and Schneider 2002; Singh 1993).

A boundary-spanning role which requires execution on both service and sales is a particularly challenging and complex responsibility which carries the potential for both role conflict and role ambiguity. Sales has been found to be a particularly
difficult boundary-spanning position as role stress has been found to be a central experience of salesforce jobs (Behrman and Perreault 1984). For instance, the salesforce literature points to value orientation discrepancies as a potential source of role stress for salesforce employees. Flaherty, Dahlstrom, and Skinner (1999) find that differences in perceived and desired levels of customer orientation within the organization significantly contribute to levels of both role conflict and role ambiguity. Furthermore, when an FLE is responsible for sales in addition to service, the FLE’s compensation is often tied to sales goals, which provides additional motivation for employees to heed customer expectations. Satisfying customers is not just another part of the job, it becomes an integral part of one’s financial livelihood. As an employee’s financial dependence on customers increases, it is not unreasonable to expect that role conflict may increase as well. Additionally, while any FLE job role carries with it the potential for role ambiguity, roles which combine both service and sales can be particularly ambiguous. Beyond servicing a customer, sales efforts require additional interpersonal communications. These communications may involve complex and intense interactions such as negotiations which are inherently uncertain. In sum, this potential for role stress presents a unique challenge for FLEs responsible for both sales and service.

Interestingly, there are several parallels that can be drawn between the two worlds of the frontline employee and that of the entrepreneur. The entrepreneur, as we traditionally think of as one who engages in the start-up of his or her own business, faces many of the same responsibilities and challenges as the frontline employee. In many cases, start-ups are often one-person organizations in the sense
that the founder is responsible for all primary functions of the company. As such, similar to the FLE, the entrepreneur serves as the face of the organization to the outside world and acts as the primary point of contact for the customer. In addition, the entrepreneur faces several challenges which are also present in the context of the FLE job role. The entrepreneur is often responsible for both providing customer service as well as generating sales, resulting in a need for the entrepreneur to excel at both service and sales. As the primary point of contact for the customer with a dual responsibility for service and sales, the entrepreneur also serves as the primary revenue generator for the organization. Lastly, both the entrepreneur and FLE are faced with role stressors such as role conflict and role ambiguity. The entrepreneur must serve many interests such as those of customers, vendors, and investors which may at times conflict. In addition, the entrepreneur often operates autonomously without complete information, guidance or expectations which can lead to feelings of ambiguity. Given the commonalities between the roles of the entrepreneur and frontline employee, there is reason to expect that an entrepreneurial approach to one’s job as a frontline employee may prove beneficial.

The objectives of this research are to develop a more thorough understanding of FLE performance as it relates to the sales and service aspects of the job and to examine the roles that intrapersonal orientations play in determining overall performance. To do so, I examine the impacts of customer orientation and intrapreneurial orientation on employee readiness for sales and service and model both the indirect and the direct impact of these variables on overall FLE performance. Through a survey of frontline employees within a large bank, I find
that intrapreneurial orientation, compared to customer orientation, has a greater impact on performance. Specifically, I show that the effect of intrapreneurial orientation on performance is both direct as well as mediated by sales readiness for the job. Though customer orientation is found to have no significant direct effect on performance, I do observe that it has a significantly positive impact on employee service readiness.

It is worth noting that while the focus of this particular research is on frontline employees with a responsibility for both service and sales, I do not believe that the application of an intrapreneurial orientation is limited to this context. Rather, I believe that it is possible for any employee, within the context of his or her own job, to exhibit an entrepreneurial spirit in performing daily tasks. Whether it is the personal banker who is responsible for closing loan deals or the back-office administrator responsible for processing loan applications, any employee can tackle his or her responsibilities proactively, creatively, and with a willingness to take on risk.

The rest of this paper is organized as follows. I review prior research findings related to the customer orientation of service workers, followed by research on intrapreneurial orientation. I then explore the impact of these orientations on employee readiness variables and assess the impact of employee readiness variables and intrapersonal orientations on FLE performance. Finally, I present the research method and results, and conclude with a discussion of those results, implications for services marketing managers, and directions for further research.
Understanding FLE Performance

Frontline employee performance is of principal concern to the services organization because in many service settings, FLEs are both the primary source of revenue generation (through sales) and the drivers of customer satisfaction (through service). Several researchers have examined individual characteristics and behaviors of FLEs such as gender, age, experience, adaptive selling behavior, and customer orientation in the study of performance (Churchill et al. 1985, Ricks and Veneziano 1998, Spiro and Weitz 1990). Of these factors, customer orientation, in particular, has been one of the most frequently and extensively studied constructs at the level of the individual employee (e.g. Brown et al. 2002; Franke and Park 2006). Customer orientation has received a considerable amount of attention in the services literature because of its relevance to developing and managing customer relationships. By definition, employees with a customer orientation place a great deal of emphasis on the customer through personal relationships, communications, and a desire to please the customer (Brown et al. 2002). As such, it is an intrapersonal orientation which has been viewed as central to the service aspect of the FLE role. In addition, customer orientation has provided some guidance in understanding the sales aspect of the FLE position. However, in an effort to further our understanding of the sales component, I introduce the concept of intrapreneurial orientation to the services marketing literature. I believe that intrapreneurial orientation, an employee’s predisposition toward an entrepreneurial approach at work, serves as the individual-level counterpart to customer orientation in that it may hold additional value for understanding the sales component of the frontline position.
Regrettably, research concerning the impact of customer orientation on performance has not yet included an examination of the process by which the impact occurs. To address this gap, I investigate the role of two variables, sales and service readiness (corresponding to the dual nature of the frontline position), as mediators between intrapersonal orientations and performance. By exploring these employee readiness variables, I believe that we not only enhance our knowledge about why some employees outperform others but also deepen our understanding of the process by which intrapersonal orientations influence performance. The conceptual model I propose and test is presented in Figure 3.1.

Figure 3.1: Proposed Model of FLE Performance.

Intrapersonal Orientations

*Customer Orientation.* A key construct of interest within the FLE and sales force literature has been customer orientation. Within the services literature, customer orientation has been conceptualized as a surface-level personality trait which acts as a context-dependent disposition that endures over time (Donavan,
Brown and Mowen (2004). Specifically, customer orientation of service workers is defined by Donavan, Brown and Mowen (2004) as an “employee’s tendency to an enduring disposition to meet customer needs which is consistent over time.” These authors developed a measure of service-worker customer orientation utilizing a sample of customers, customer-contact employees, and managers from various service settings. Their conceptualization of customer orientation consists of four subdimensions: need to pamper the customer, need to deliver, need to read the customer, and a need for personal relationships. A need to pamper the customer reflects the employee’s wish to make each and every customer feel special while a need to read reflects the employee’s desire to understand both verbal and nonverbal communications of the customer. The third subdimension, need to deliver, measures a desire to carry out the service delivery process successfully, and a need for personal relationship taps into the employee’s wish to personally connect with each of their customers.

The services literature has examined the impact of FLEs’ customer orientation on such outcomes as employee job satisfaction, employee performance, and customer satisfaction (Brown et al. 2002; Stock and Hoyer 2005). The relationship between customer orientation and employee performance has been examined extensively, and several studies have found that customer orientation has a positive impact on performance (Boles et al. 2001; Franke and Park 2006). Much of the work on customer orientation began in the 1980’s in the sales literature with Saxe and Weitz’s development of the selling orientation-customer orientation scale (SOCO scale). Initial interest in customer orientation focused on the degree to which
salespersons engage in customer-oriented selling which the SOCO scale was used to measure. Academics wanted to study whether salespeople who practice the marketing concept by focusing on customer needs are more successful than those who simply focus on making a sale. The development of the SOCO scale launched a stream of literature into the area of customer-oriented selling with a focus on the impact on salesperson performance. Although this stream of literature has established a positive relationship between the two, the process by which this impact occurs has received little attention. In this study, I attempt to address not only the nature of the impact of CO on performance, but also the process by which this influence occurs.

**Intrapreneurial Orientation.** As discussed in Chapter 2, I derive the construct of intrapreneurial orientation from the literature on entrepreneurial orientation. Traditionally, entrepreneurial orientation has been conceptualized as a firm-level construct. It is defined as the “organization’s predisposition to accept entrepreneurial processes, practices and decision making, characterized by its preference for innovativeness, risk taking, and proactiveness” (Matsuno, Mentzer and Ozsche 2002). Within this stream of research, innovativeness is defined as a predisposition toward seeking novel opportunities and solutions; risk taking is defined as a willingness to attempt to capitalize on an opportunity in the face of uncertainty; and proactiveness represents a tendency toward a perspective that is forward-looking in nature and both recognizes and anticipates opportunities (Dess and Lumpkin 2005). At the firm level, entrepreneurial orientation has been empirically shown to positively impact a firm’s performance (Dess, Lumpkin and
Covin 1997; Jambulingam, Kathuria, and Doucette 2005; Voss, Voss, and Moorman 2005) as well as its market orientation, or the extent to which the organization knows its marketplace, shares market information, and acts on this information (Matsuno, Mentzer and Ozsomer 2002).

Only a few studies attempt to examine entrepreneurial orientation at the level of the individual. Through surveys of original founders, Frese, Brantjes and Hoorn (2002) and Krauss et al. (2005) find that the level of entrepreneurial orientation of the business owner positively impacts firm-level performance. However, research at the owner level bears little difference from research conducted at the level of top management within the organization. In contrast to previous work which has taken a top-down approach, this research attempts to incorporate intrapreneurial orientation, or the entrepreneurial predisposition of an individual within the organization, into a model of FLE performance. My goal is to understand the role of an intrapreneurial orientation at lower levels within the organization where I believe the examination of this construct is particularly appropriate given its proactive, innovative, and risk-taking nature and the potential impact it may have on frontline employee performance.

Although we conceptualize intrapreneurial orientation as having the same three contributing factors, innovativeness, risk-taking, and proactiveness, I deviate from previous conceptualizations of entrepreneurial orientation as a reflectively indicated latent variable which is one in which the direction of causality is from the construct to its measures. Rather, I propose that intrapreneurial orientation exists as a formative latent variable in which the direction of causality is from the measures to
the construct. In other words, I model an intrapreneurial orientation as a construct which is determined by one’s degrees of innovativeness, risk taking, and proactiveness. As can be seen in Figure 3.1, innovativeness, risk taking, and proactiveness are modeled as antecedents of intrapreneurial orientation which formatively give rise to the orientation rather than the orientation reflectively giving rise to the three subdimensions. Historically, researchers have thought that the three subdimensions work together to “comprise a basic, uni-dimensional strategic orientation” which should be combined for the purposes of research (Covin and Slevin 1989, p.79). As such, prior research on the entrepreneurial orientation construct has treated this construct reflectively, meaning that the direction of causality flows from the latent construct of entrepreneurial orientation to the indicators (Jarvis, Mackenzie, and Podsakoff 2003; MacCallum and Browne 1993). However, the dimensionality and covariance of the three subdimensions has recently been called into question (Dess and Lumpkin 2005; Knight 1997; Krieser, Marino, and Weaver 2002; Lumpkin and Dess 1996). Specifically, Krieser, Marino and Weaver (2002) find that while a three-dimensional measure provides the best fit for the construct compared to a one or two-dimensional measure, the three dimensions of innovativeness, risk taking, and proactiveness are able to vary independently of one another. Consequently, in accordance with Jarvis, Mackenzie, and Podsakoff (2003), I model intrapreneurial orientation as a formative latent variable.

Intrapreneurial orientation is associated with an acceptance of entrepreneurial processes, practices, and decision-making, with innovativeness, risk taking, and proactiveness as formative indicators. Therefore, I hypothesize that an individual
employee’s innovativeness, risk-taking, and proactiveness positively impacts their overall level of intrapreneurial orientation.

H1: Intrapreneurial orientation of the FLE is positively affected by the FLE’s levels of a) innovativeness, b) risk-taking and c) proactiveness.

Intrapersonal Orientations and Employee Readiness

I conceptualize employee readiness as a condition or state in which an employee is ready or prepared to succeed in the service or sales aspect of their job (adapted from Meuter et al. 2005). Historically, ability and motivation, as readiness variables, have been considered the two primary determinants of employee performance (Hellriegel, Slocum, and Woodman 1992; Mitchell 1978; Vroom 1964). Therefore, in this case, employee readiness for sales and service is conceptualized as having both the ability and motivation for sales and service. Ability is defined as having the necessary skills and confidence to perform while motivation is considered to represent the force or desire within a person that causes the person to behave in a particular way (Hellriegel, Slocum, and Woodman 1992; Meuter et al. 2005). The ability to perform a task or function provides the basic foundation for an employee in the performance of his or her job role. However, without motivation, there is no willful desire to perform. On the other hand, a desire to perform is not likely to result in a high level of performance without a basic knowledge and understanding of how such performance can be achieved. In addition, previous research has demonstrated the importance of ability and motivation as key mediating constructs of performance (MacInnis, Moorman, and Jaworski 1991; Meuter et al. 2005), and in a
meta-analysis of the factors impacting salesperson performance, Churchill et al. (1985) find that skill and motivation are two of the most influential antecedents. My model is consistent with the Walker, Churchill, and Ford (1979) discussion of the determinants of salesperson performance in which the impact of personal variables on behavior and performance is mediated by skill level and motivation. Thus, the effects of intrapreneurial orientation and customer orientation on FLE performance are hypothesized to be mediated by both ability and motivation in the form of employee readiness. Furthermore, in recognition of the two aspects of the FLE job role, I make a distinction between service readiness and sales readiness. First, I examine the potential impacts of customer and intrapreneurial orientations on service and sales readiness.

**FLE Customer Orientation: Impact on Service and Sales Readiness**

I hypothesize that a customer orientation positively impacts the service and sales readiness of frontline employees. A customer orientation by definition, whether at the organizational or employee level, implies a focus on the needs of the customer (Donavan, Brown, and Mowen 2004; Narver and Slater 1990). This orientation is particularly relevant to research surrounding FLEs. As the primary point of contact, frontline employees have extensive interaction with customers which makes their focus on effectively meeting customer needs particularly important. A focus on customer needs should contribute to successful service and sales interactions in terms of high customer satisfaction. Customer oriented employees care about satisfying customer requests and meeting deadlines promptly,
and they care about building relationships with customers to the point of “pampering” their clients and getting to know them on a personal level. These employees gain utility from serving the client and strive to generate a high level of customer satisfaction through superior service delivery. In particular, employees with a high level of customer orientation genuinely enjoy interacting with customers. For example, Donavan, Brown and Mowen (2004) find that the impact of customer orientation on job satisfaction is positively moderated by contact time with customers. Employees with a high degree of customer orientation are predisposed to take pleasure in interacting with customers as is required at the frontline level through both service and sales encounters. Hennig-Thurau et al. (2006) find that the perceived authenticity of the emotions displayed by the FLE can create positive affect within the customer which enhances satisfaction with the service encounter and increases future loyalty intentions. Furthermore, a customer-oriented approach to selling has been found to encourage long-term relationship building (Williams 1998) which occurs over time through a series of interactions, both service and sales oriented, between the FLE and customer. By nature, a customer oriented employee will treat service and sales interactions as opportunities to satisfy a client, and will be motivated by the chance to create another potentially positive experience for the customer. As such, I hypothesize that the customer orientation of an employee is an important predictor of his or her readiness to serve as well as sell to customers.

H2: Customer orientation positively affects the a) service readiness and b) sales readiness of the FLE.
Intrapreneurial employees are innovative, proactive, and are willing to take risks. From our knowledge of intrapreneurial orientation, I hypothesize that the innovativeness, risk taking, and proactiveness of an employee positively affect both service and sales readiness.

**Innovativeness.** Innovation has long been acknowledged as important to the long-term growth and success of the organization (Kanter 1988; West and Farr 1989). Customers are increasingly requiring unique, personalized service and sales solutions. In fact, one of the most widely shared characteristics among successful salespeople is the adoption of an innovative, creative work approach (Wang and Netemeyer 2004). In addition, both service and sales interactions present FLEs with unstructured and ambiguous problems (Singh 1993), precisely the context in which innovativeness is particularly useful (Amabile 1983). Furthermore, research on innovation has shown that it encourages information collection and utilization (Menon and Varadarajan 1992), which are crucial to creating customized solutions. Because of the value of an innovative approach in uncertain environments and the extent to which such an approach encourages information gathering and utilization, I believe that innovativeness, and hence, an intrapreneurial approach, will enhance service and sales readiness.

**Risk-Taking.** In any service or sales encounter, some amount of uncertainty exists. Even in routine services, there is a chance that the client will be dissatisfied in some way. In sales interactions, the potential for uncertainty is even greater as the FLE must ultimately craft an offering and “ask for the sale.” Weber and Milliman
(1997) find that in decision-making, individuals have a tendency to be drawn toward or repelled by alternatives which they believe to have more or less risk. Research on risk-taking as a predisposition has shown that a propensity toward risk decreases the assessment of risk, thus leading to more risky behavior (Sitkin and Weingart 1995). The more willing and able FLEs are to engage in risky behavior, the more comfortable they should feel with customer service, and particularly, customer sales. As risk is inherent in any customer encounter, sales or service, a willingness to take risks should enhance one’s readiness for such encounters. I believe that risk-taking, and hence, intrapreneurial orientation, will enhance readiness for service and sales.

Proactiveness. By nature, people who are proactive believe that they can create change in their environment (Crant 2000). Such individuals prefer to take initiative in an attempt to control the environment rather than to passively observe events around them and react (Bateman and Crant 1993). Prior research on proactiveness has found that not only does this trait predict career success (Seibert, Crant and Kraimer 1999), but it also leads to greater career initiative such as voluntary skill development (Seibert, Kraimer and Crant 2001). Additionally, a proactive personality enhances motivation to learn as measured by one’s wish to participate in and learn from training experiences (Major, Turner, and Fletcher 2006). Therefore, proactive FLEs who strive to get the most out of their service and sales training are more likely to feel competent and ready to act in service and sales roles. In general, both service and sales activities involve tasks which require some level of proactiveness such as asking questions to determine the most appropriate products and services, actively pursuing prospects through follow-up, asking for the
sale, and identifying unmet customer needs. A frontline employee that proactively pursues opportunities, gains knowledge of the potential markets, his or her specific target market, and the relevant decision information, will be more likely to successfully target individuals with a particular unmet need and also more likely to create consistent contact between the firm and the customer. Because proactive employees exhibit greater career initiative and motivation to learn and because of the relevance of a proactive stance toward sales and service activities, I believe that proactiveness, and hence, intrapreneurial orientation, will contribute to service and sales readiness.

Based on the above logic, I propose that an intrapreneurial orientation will result in FLEs who are more prepared to successfully engage in both sales and service customer encounters.

H3: Intrapreneurial orientation positively affects the a) service readiness and b) sales readiness of the FLE.

Service and Sales Readiness

Central to the discussion of the service and sales roles is the natural progression of the customer-employee relationship within service organizations. With service consumption, in particular, consumers experience a greater degree of uncertainty and risk than they do with the consumption of goods due to the inherent nature of services. Because services are intangible and heterogeneous, consumers experience difficulty in judging the quality of services prior to purchase. Limited information is available before the purchase is made, and heterogeneity exists not just across service providers, but it exists within a single service provider as well.
Because of these complexities, service quality often can only be assessed after purchase, and sometimes, a true evaluation of service quality may never be possible. For instance, how do consumers evaluate the service delivered by a real estate agent? Consumers can do a certain amount of research on a particular agent by talking to previous clients and asking questions of the agent, but it is impossible to know if a particular agent will be able to locate the right house at the right price without actually entering into the house-hunting process. Furthermore, after a sale has been closed, how does the consumer know that he or she got the best deal possible? Even if the new homeowners are happy with the price negotiated for the home, how do they know whether another agent may have been able to negotiate an even better price?

Uncertainty and risk are an inherent part of purchasing services, and in order to mitigate this uncertainty and risk, consumers often seek relationships with service providers (Hoffman and Bateson 2006). With financial services especially, the customer is likely to develop a relationship with the bank or banking advisor because financial services are often complex and confusing which introduces a greater degree of uncertainty (Palmer and Bejou 1995).

In addition, in this particular context of retail banking, little differentiation in the actual products delivered exists (Menon and O’Connor 2007). The types of loans, mortgages, CDs, checking, and savings options offered across competitors is relatively homogeneous, making it difficult for banks to establish differentiation on products alone. Instead, many banks have turned to customer relationship management with a focus on excellent customer service as a means of differentiation.
(O’Laughlin and Szmigin 2006). Customer relationship management is particularly applicable to banking because many services are complex and relatively risky such as the management of family trust assets, and because consumers require banking services throughout their lifetimes making an ongoing banking relationship valuable to the customer.

Customers often begin a relationship with a service provider on a small scale and gradually increase the level of business they do with the company as both trust and commitment develop (Dwyer, Schurr, and Oh 1987). This trust and commitment develop over time as the customer accumulates positive service experiences with the company (Morgan and Hunt 1994). Relationships are built on a succession of “moments of truth” or direct interactions between the customer and company which provide the organization with opportunities to meet or exceed customer expectations. This accumulation of experiences leads to an overall perception of the quality of the services delivered which, in turn, impacts whether the customer chooses to continue to do business with the service provider and whether the customer chooses to designate a larger share of their wallet to the firm.

In addition, the effective delivery of service has also been found to foster positive brand affect and trust toward the service provider resulting in customer loyalty (Chaudhuri and Holbrook 2001). The delivery of exceptional service provides the foundation for an ongoing relationship which creates the opportunity for sales. Employees with a high level of service readiness have a foundation on which to leverage positive service experiences into revenue for the firm. These employees are those who are able to excel during each and every “moment of truth” thereby
paving the way for a stronger, more involved relationship with the customer. It is through the delivery of successive positive service encounters that the customer comes to trust the employee and the company enough to form a stronger relationship with the potential to result in additional sales. In a case study of relationship marketing efforts in retail banking, Dibb and Meadows (2001) found that banks recognize that their most profitable customers are those with which the bank has a particularly deep relationship which allows for the sale of additional products, and that in order to cross and up-sell customers, banks must be able to build strong relationships. Because of the importance of relationship quality to future revenue streams, if an employee is unable to successfully execute basic service functions, it is unlikely that the employee will be able to engender enough confidence and trust in the customer to create loyalty, advocacy, and retention – all characteristics of a strong company-customer relationship (Menon and O’Connor 2007). Therefore, I believe that an employee’s readiness to provide great service is also indicative of the employee’s readiness to sell.

H4: Service readiness positively impacts sales readiness of the FLE.

Readiness and Employee Performance

In this study, employee readiness is conceptualized as the ability and motivation for service and sales. Research on employee performance has long established that ability and motivation are both necessary requirements for performance (Churchill et al. 1985; Vroom 1964; Walker, Churchill and Ford 1979). For frontline employees to be “ready” to succeed in their roles, they must have the
ability as well as the motivation for service tasks as well as sales tasks, as each type of task is important to the overall job role.

Employees who have the ability and motivation to perform in the service aspect of their jobs are more likely to deliver a higher level of service quality which results in repeat purchases (Schneider and Bowen 1995) and customer loyalty and retention (Zeithaml, Parasuraman and Berry 1990; Zeithaml, Berry and Parasuraman 1996). Great customer service leads to satisfied, long-term customers which enhances performance. Additionally, employee self-efficacy has been found to increase customers’ perceptions of service quality (Hartline and Ferrell 1996) while motivation has been proven to be a significant antecedent of service recovery performance (Karatepe 2006).

Conceptually, a higher level of sales readiness should result in higher sales performance. Throughout the sales management literature, performance has often been conceptualized using such measures as sales generation, sales growth, and percentage of quota achieved (Keillor, Parker, and Pettijohn 2000; Saxe and Weitz 1982) demonstrating wide recognition that sales are a crucial component of salesperson performance. Pettijohn, Pettijohn and Taylor (2007) also show that the extent to which salespeople view the use of selling skills as important positively affects their performance. Given the depth of research which provides evidence of the impact of readiness on performance, I predict that both service and sales readiness will positively affect FLE performance directly.

H5: FLE performance is positively affected by a) service readiness and b) sales readiness.
Intrapersonal Orientations and Performance

In addition to impacting service and sales readiness, I also believe that customer orientation and intrapreneurial orientation may directly influence performance.

Customer orientation as an intrapersonal orientation has received a considerably greater amount of attention in the literature. Previous studies have clearly shown that the customer orientation of FLEs positively influences individual performance (Brown et al. 2002; Franke and Park 2006; Saxe and Weitz 1982). In addition to direct measures of performance, customer orientation has been found to increase customer satisfaction (Stock and Hoyer 2005) and organizational citizenship behaviors (Donavan, Brown and Mowen 2004). The personal selling literature has also identified particularly effective customer-oriented selling techniques which enhance performance and include the use of customer-friendly language and personal introductions (Jaramillo and Marshall 2004).

Existing literature on entrepreneurial orientation within the organization has shown that the entrepreneurial orientation of upper management positively impacts organization-level performance (Covin and Slevin 1986) as does the entrepreneurial orientation of the founder of an organization (Frese, Brantjes, and Horn 2002). However, a direct link between frontline-level intrapreneurial orientation and individual performance has yet to be established, although the research at the organizational level clearly suggests that such a relationship may exist. Research regarding the three contributing factors also points to a positive effect of
intrapreneurial orientation on performance. Empirical evidence shows that proactive behavior directly and positively impacts performance (Crant 1995; Pitt, Ewing and Berthon 2002) while a study of top-level executives finds that the most successful are also the biggest risk-takers (MacCrimmon and Wehrung 1990). In addition, Wang and Netemeyer (2004) find a positive correlation between innovativeness and performance. Based on the above literature as well as a conceptual plausibility, I believe that intrapreneurial orientation impacts performance apart from its effects on service and sales readiness. Accordingly, I hypothesize:

H6: FLE performance is positively affected by a) customer orientation and b) intrapreneurial orientation.

Research Methods

Sample and Data Collection Procedure

I examined the hypothesized relationships within the context of the business-to-consumer banking industry. The data was collected through an employee survey conducted by a large mid-western bank. The survey was completed by personal bankers, the individuals responsible for servicing existing clients as well as generating sales. The composition of the respondents is as follows: 65% are female (n=271); 41% are 36 years of age or older (n=273); 44% have been with the bank for four or more years (n=273). Multivariate analysis of variance on IO, CO, sales readiness, service readiness, sales experience, and performance was performed to assess potential non-response bias. The comparison was carried out between the first 33% versus the last 33% of respondents. The results indicate that nonresponse bias
is not a concern as none of the multivariate tests demonstrated significant differences between the two groups (p > .10).

**Measurement**

Measurement scales for all constructs are provided in Appendix A.

*Customer Orientation.* The customer orientation of each subject was assessed using measures consistent with those developed by Donavan, Brown, and Mowen (2004). This scale consists of 13 items covering the four subdimensions of need to pamper the customer, need to read the customer’s needs, need to deliver, and need for personal relationship. All items were on a 7-point scale (1 = “does not describe me at all” and 7 = “describes me exceptionally well”).

*Intrapreneurial Orientation.* A single-item global measure of intrapreneurial orientation was used. This item asked respondents to rate how entrepreneurial they are in how they approach their work compared to other personal bankers (1 = “does not describe me at all” and 7 = “describes me exceptionally well”).

*Innovativeness, Risk-Taking and Proactiveness.* Measures for all three contributing factors of intrapreneurial orientation are conceptually consistent with those used in previous literature. Each construct was measured using six items on a 7-point scale (1 = “does not describe me at all” and 7 = “describes me exceptionally well”). The six innovativeness items are consistent with the innovative behavior work of Scott and Bruce (1994). The risk-taking items closely mirror those in the “willingness to take risks” scale used by Gomez-Mejia and Balkin (1989) as well as those used by Matsuno, Mentzer, and Ozsomer (2002). The six-item scale for
proactiveness is similar to the proactive personality scale developed by Bateman and Crant (1993).

*Sales and Service Readiness.* Sales and service readiness were each measured using four item scales that asked respondents to provide their perceptions of the sales and service aspects of their job on a 7-point scale (1 = “strongly disagree” and 7 = “strongly agree”). Specifically, the items used in the scales tap into the respondent’s perceptions of their comfort with the sales and service aspects of their job as well as the adequacy of the tools and training they have received. These measures are consistent with previous measures of self-rated perceptions of ability (Hartline and Ferrell 1996; Jones 1986; Meuter et al. 2005). The scales also measure respondents’ perceptions of importance which is consistent with previous conceptualizations in the literature of motivation as importance (Lutz, MacKenzie, and Belch 1983; Maheswaran and Sternthal 1990) and task significance (Campion 1988). In addition, Tyagi (1985) discusses valence or importance as one of the major determinants of motivation.

*Performance.* Individual level performance was assessed using a self-report, single-item global measure. Specifically, each respondent was asked to rate performance in his or her job compared to other personal bankers on a 7-point scale (1 = “well below average” and 7 = “well above average”). The use of a global measure provided for an assessment of overall performance without a focus on any one aspect of performance such as service or sales. As a check on the validity of the self-report measure of performance, approximately 10% of the data set was randomly selected for a comparison of self-report and manager-reported performance.
ratings. The results of this check demonstrate that the correlation between the self-report measure and the manager-reported measure is 0.87. Therefore, it is concluded that the self-report measure of overall performance is valid.

Measurement Model

Intrapreneurial orientation and performance were incorporated into the model as observed variables. All other variables were modeled as latent variables and measured using multi-item scales. Each multi-item scale was tested for both reliability and validity. To assess reliability, coefficient alpha was computed for each scale. All of the scales exhibited an alpha greater than .70, demonstrating an acceptable level of reliability (Nunnally 1978). Confirmatory factor analysis using AMOS 7.0 was carried out to assess the item loadings and fit of the measurement model. Overall fit for the model was good ($\chi^2 = 1740.53; df = 751; CFI = .85; RMSEA = .066$). The results of this analysis showed that all factor loadings were significant ($p < .001$), demonstrating convergent validity. In addition, the average variance extracted for each construct is greater than its squared correlation with all other constructs. For each pair of latent variables, a comparison was made between a two-factor model in which the inter-factor correlation was constrained to 1 and a model in which the correlation was allowed to vary. In all cases, the chi-square difference test was significant ($p < .01$), thereby demonstrating discriminant validity. Table 3.2 presents the correlation matrix and descriptive statistics.
Table 3.2: Descriptive Statistics and Correlation Matrix.

Analysis and Results

Using AMOS 7.0, I estimated a structural path model to test the hypothesized relationships presented in Figure 3.1. The overall model fit is acceptable. The fit statistics indicate that the hypothesized model provides a moderately good fit to the data ($\chi^2 = 1708.99; \text{df} = 795; \text{CFI} = .87; \text{RMSEA} = .062$).

Table 3.3 summarizes the results for the structural model. As shown, seven of the twelve hypotheses are supported by the empirical evidence. As expected, innovativeness ($\beta = .137, p < .05$) and proactiveness ($\beta = .617, p < .01$) both
positively impact intrapreneurial orientation in support of $H_{1a}$ and $H_{1c}$. However, no support is found for $H_{1b}$ as risk-taking does not have a significant effect. Customer orientation is found to positively impact service readiness ($\beta = .425, p < .01$), but not sales readiness. Therefore, $H_{2a}$ is supported while $H_{2b}$ is not. In contrast, intrapreneurial orientation positively affects sales readiness ($\beta = .228, p < .01$) in support of $H_{3b}$, while no support is found for $H_{3a}$. In addition, $H_{4}$ is supported as sales readiness is positively affected by service readiness ($\beta = .562, p < .01$). In regards to the relationships between the readiness variables and employee performance, I do not find support for $H_{5a}$ as service readiness does not have a direct impact on performance, however, in support of $H_{5b}$, sales readiness is found to have a significantly positive effect ($\beta = .393, p < .01$). Finally, I predicted that both customer orientation and intrapreneurial orientation would impact FLE performance directly, and the results partially validate the hypotheses. Though I do not find support for $H_{6a}$ as customer orientation has no direct impact, strong evidence is found for a direct positive effect of intrapreneurial orientation on performance ($\beta = .368, p < .01$), in support of $H_{6b}$. The path coefficients presented in Table 3.3 are controlled for the impact of sales experience on performance.
<table>
<thead>
<tr>
<th>Hypothesized Path</th>
<th>Standardized Path Coefficient</th>
<th>t-Value</th>
<th>Result</th>
</tr>
</thead>
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<tr>
<td>Innovativeness → Intrapreneurial Orientation</td>
<td>.137</td>
<td>2.23*</td>
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</tr>
<tr>
<td>Risk Taking → Intrapreneurial Orientation</td>
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<td>.63</td>
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<td>.617</td>
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<tr>
<td>Customer Orientation → Sales Readiness</td>
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<td>.72</td>
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<tr>
<td>Intrapreneurial Orientation → Service Readiness</td>
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<td>.228</td>
<td>4.13**</td>
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</tr>
<tr>
<td>Service Readiness → Sales Readiness</td>
<td>.562</td>
<td>7.88**</td>
<td>H4 supported</td>
</tr>
<tr>
<td>Service Readiness → Performance</td>
<td>-.029</td>
<td>-.37</td>
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</tr>
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<td>Sales Readiness → Performance</td>
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<td>6.75**</td>
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<tr>
<td>R^2 (Performance)</td>
<td>34.1%</td>
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</tr>
</tbody>
</table>

*p < .05 (2-tailed)

**p < .01 (2-tailed)

Table 3.3: Results of Structural Equation Analysis.

Discussion

The goal of this research was to better understand the performance of frontline employees within the context of the service and sales dimensions of this position. Much of the research on FLEs has focused on the service dimension and constructs such as customer orientation, while the sales dimension has received
considerably less attention. My intention in developing this model was to acknowledge and understand the sales as well as the service aspect, and to explore the direct and indirect impacts of intrapersonal orientations on performance. In doing so, I have not only identified a new orientation which holds considerable explanatory value for employee performance, but I have also outlined the process by which these influences occur.

Based on the results of this analysis, it is clear that the intrapreneurial orientation of frontline employees is a meaningful construct for understanding employee performance. The positive impact of intrapreneurial orientation on employee performance is both direct as well as mediated by employee sales readiness. In addition, post hoc evaluation of the path coefficients reveals that the total effect of intrapreneurial orientation on performance (.441) was considerably larger than the total effect of customer orientation on performance (.058), further validating the importance of intrapreneurial orientation in modeling employee performance. Not only does this research highlight a relevant yet previously unstudied construct, it also provides a clearer understanding of the processes by which intrapreneurial and customer orientations impact performance. In particular, these results reveal that the process by which customer orientation impacts performance is primarily through service readiness, rather than through a direct route.

In introducing the intrapreneurial orientation construct to the frontline services literature, I draw upon the organization-level literature on entrepreneurship and entrepreneurial orientation. This literature points to the contributions of
innovativeness, risk-taking, and proactiveness in conceptualizing such an orientation. However, my results indicate that risk-taking is not a significant contributing factor of intrapreneurial orientation. Furthermore, this model explains approximately 50% of the variance in the intrapreneurial orientation construct based on significant relationships with proactiveness and innovativeness, indicating that there are other factors which contribute to intrapreneurial orientation which have not been captured. Failure to show risk-taking as a significant predictor of intrapreneurial orientation may be explained in light of recent new-venture literature which explores differences between entrepreneurs (those who have started their own business) and non-entrepreneurs. For instance, several studies have found that entrepreneurs and non-entrepreneurs or managers do not vary in their willingness to take risks (Busenitz and Barney 1997; Norton and Moore 2006; Palich and Bagby 1995). Instead, Norton and Moore (2006) find that they actually differ in risk assessment or risk perception while Palich and Bagby (1995) find that entrepreneurs exhibit a positivity bias. Both of these studies suggest that it is the perception of risk, not a propensity toward or willingness to take risks that distinguishes the two groups. Therefore, one possibility is that intrapreneurial orientation is driven by risk assessment rather than risk propensity.

A second explanation for why risk-taking was not found to contribute to intrapreneurial orientation may be related to the specific context from which the data was collected. While the financial services industry, generally speaking, is not one in which the word “risk” is viewed favorably, whether it be credit risk, portfolio risk, or mortality risk, the economic challenges the banking industry has faced of recent
are extreme. Given the general economic climate of the past few years, many banks have been forced to take huge write-downs on bad debt while several others have collapsed to the point of requiring government bailout. In such a poor economic climate, banks have considerably tightened their credit risk policies. Such a change in policies may discourage intrapreneurial employees from displaying risk-taking behaviors, and may alter their perception of risk as a viable means of pursuing opportunities.

Interestingly, neither customer orientation nor service readiness directly affects performance. The direct impact of customer orientation on performance is nonsignificant when both service and sales readiness are accounted for. This finding highlights the importance of understanding the process by which individual orientations impact performance and warrants caution in interpreting results which conclude that a direct link exists between customer orientation and performance.

Managerial Implications

The finding that an intrapreneurial orientation enhances employee performance has important implications for managers. While customer orientation is certainly an important driver of FLE performance, I find that an intrapreneurial orientation is actually more powerful. Employees who possess a higher level of intrapreneurial orientation are more likely to perceive that they are top performers and have a higher level of sales readiness. Clearly, this has implications for hiring and training frontline employees within the context of services.
These findings also have implications for the overall strategic direction chosen by the firm. Service oriented companies often attempt to differentiate themselves based on their ability to deliver excellent customer service. These outward communications, such as advertising and company slogans which are directed toward consumers often become internalized by employees (Bendapudi and Bendapudi 2005). While this study suggests that service is certainly an integral part of the FLE position, the ability to convert excellent service experiences into sales has important implications for performance. It is important for managers to assist employees, through formal or informal training programs, in their efforts to parlay successful service encounters into successful sales encounters. Furthermore, regardless of whether an intrapreneurial orientation is something which can be trained or must be hired, managers should heed the positive impact of intrapreneurial orientation on performance and encourage an environment in which innovative and proactive behaviors are not only accepted but encouraged. This may involve creating a work environment in which feedback is frequently solicited from the frontline, employees are granted a certain amount of autonomy in their jobs, and information sharing is encouraged both vertically and horizontally. While the literature has yet to draw any clear conclusions on whether intrapersonal orientations such as intrapreneurial orientation and customer orientation can be trained, service and sales readiness are two key variables which we know are manageable. In particular, ability and motivation can be influenced by management through such efforts as training, incentives, and rewards programs. Given the essential roles that
sales and service readiness play in determining performance, managers should not lose sight of their ability to influence these variables.

Given the importance of service readiness in driving performance, I caution against the popular training practice of pushing sales above all else. It is obvious that without sales generation by the frontline, the firm will not survive. However, this research indicates that sales readiness is significantly dependent on service readiness. Therefore, managers should remember the importance that service plays in the development of highly successful frontline employees.

Limitations and Directions for Further Research

This research is not without limitations, which presents opportunities for future work in this area. First, this study is restricted to frontline employees of one financial services company. Ideally, these results should be replicated with a sample of frontline employees from different industries. In particular, the relationship between service and sales readiness may not hold across different contexts. In this case, service readiness was modeled as an antecedent of sales readiness, and while this hypothesis was validated by the data, there are service contexts in which the relationship may flow in the opposite direction. In a more transaction-oriented context in which “moments of truth” are typically sales-related rather than service-related, the selling experience is crucial to establishing a relationship with the customer. An example of such a context would be the sale of renter’s insurance. Typically, individuals who are in the market for renter’s insurance skew toward a younger age and probably do not have a well-established relationship with an
insurance provider, nor are they particularly concerned with developing a relationship with a certain provider prior to making the purchase decision. In such a case, the opportunity to develop a profitable, ongoing relationship with the consumer hinge’s on the organization’s ability to make an initial sale. Once an initial sale is made and the consumer becomes a customer of the organization, there is then the opportunity to get to know the customer better, serve the customer well, and ideally assist the customer in meeting his or her other insurance needs. In order to establish the relationship in the first place, however, the frontline employees in the organization must have a strong readiness to sell. They must be in a position to provide an insurance quote that is perceived as a good value, and be ready to clearly explain the advantages of their policy in comparison to that of the competition. In this case, the frontline employee’s readiness to sell drives the development of the relationship that in turn provides the employee with the chance to better understand the customer and their needs, leading to additional selling opportunities.

Second, as mentioned previously, I was only able to account for approximately half of the variance in the intrapreneurial orientation construct. Given that this construct is measured formatively, there could be other factors not considered in my model that predict an employee’s intrapreneurial orientation. Future research regarding the true nature of the intrapreneurial orientation construct at the frontline level is warranted. For example, other constructs mentioned in the literature, but not examined in this study, include psychological ownership, autonomy, and risk assessment. Third, although the performance measure used in this study has the advantage of being a global measure accounting for both the sales
and service aspects of the job, this measure is a subjective, self-report point of data. Future work could lend further validity to these results with the use of a global, objective measure such as supervisor ratings.

Outside of the limitations of this paper, there are other opportunities for future work within this area of research. One issue which may prove interesting is further examination of moderators of the relationship between service readiness and sales readiness. These results demonstrate that there is a strong link between the two variables. This relationship raises the issue of potential moderators which may enable employees to leverage their readiness to provide excellent service into a readiness to effectively sell. Also interesting for future research is the impact of the intrapreneurial orientation of middle management on that of the frontline and the extent to which the intrapreneurial orientation of management impacts that of FLEs. Similar work has been conducted in the form of modeling the dissemination of a customer-oriented strategy to the frontline level (Hartline, Maxham, and McKee 2000). Furthermore, this research poses the question of whether an intrapreneurial orientation is a predisposition that can be trained in an on-the-job context or whether it is something that a firm must hire. We may benefit by future research into longitudinal studies involving “intrapreneural” training that examines the impact of training on levels of employee intrapreneurial orientation.

Lastly, I believe this research touches on one of the hallmarks of relationship marketing which is the idea that as companies develop stronger relationships with their customers over time, the opportunity to earn a greater share of the customer’s wallet grows. The model I propose and test of frontline employee performance
explicitly acknowledges two important and distinct aspects of the frontline position—service and sales. My model demonstrates that sales readiness is the ultimate driver of overall performance in this context, highlighting the importance of having a frontline workforce that is able and motivated to perform in this aspect. An organization’s most profitable customers are those with whom the company has developed a strong relationship that is characterized by trust and commitment. One reason why these customers are the most profitable is because they are more receptive to the cross- and up-selling efforts of the firm (Dibb and Meadows 2001). Hence, future research may examine the extent to which intrapreneurially oriented employees are better able to capitalize on this receptivity through their enhanced readiness for sales.

In sum, research within services marketing has made great progress in understanding FLEs and the environments in which they function. This research furthers this progress by introducing intrapreneurial orientation, an individual-level variable which positively influences frontline performance. By distinguishing between the sales and service facets of the FLE position, I am also able to demonstrate the process by which this influence occurs.
In Chapter 3, I develop the intrapreneurial orientation construct and demonstrate the importance of this previously unstudied orientation to frontline employee performance. Chapter 4 offers a further exploration of the impact of an intrapreneurial orientation in the workplace. Given that there are varying levels of intrapreneurial orientation among employees of an organization, I now address how this construct impacts other variables that are of importance. In addition to performance, there are multiple employee work outcomes that are of consequence to the organization. One of the most commonly studied employee attitudes at work is job satisfaction, which is defined as a “positive emotional state resulting from the appraisal of one’s job or job experiences” (Locke 1976, p. 1300). Job satisfaction is considered a particularly important attitudinal outcome to the organization because of the role it plays within an extensive nomological network involving variables such as organizational commitment and one’s propensity to leave the organization (Brown and Peterson 1993).

Bagozzi (1978) conducted one of the first examinations of job satisfaction within a nomological network of variables including both antecedents and consequences. Bagozzi considered job satisfaction as belonging to a category of work-related outcomes classified as subjective experiences that are impacted by a
variety of factors including individual differences, role perceptions and situational factors. Since the publication of Bagozzi’s initial model, multiple antecedents and consequences of job satisfaction have been identified.

The antecedents of job satisfaction can be grouped into three primary categories: personal variables, role perceptions and organizational variables (Brown and Peterson 1993). Examples of individual-level variables that are known to impact job satisfaction include self-efficacy (Hartline and Ferrell 1996), personality dimensions of conscientiousness and neuroticism (Bruck-Lee et al. 2009), specific self-esteem (Bagozzi 1978), and affective disposition (Connolly and Viswesvaran 2000). The two primary role perception variables, role conflict and role ambiguity, have both been found to negatively impact employee job satisfaction (Hartline and Ferrell 1996; Singh 1993; Singh, Goolsby and Rhoads 1994). The third category of job satisfaction antecedents, organizational variables, includes a wide variety of factors such as supervisory behaviors (Babakus et al. 2003), perceived organizational support (Chiu et al. 2005), job characteristics (Loher et al. 1985), person-organization fit (Autry and Daugherty 2003), and relationships with coworkers (Tepper et al. 2004).

Researchers have dedicated extensive effort to understanding the antecedents of job satisfaction because of the implications job satisfaction has for the organization. Traditionally, three primary outcomes of job satisfaction have been considered: performance, organizational commitment, and turnover intentions (Brown and Peterson 1993). Intuitively, one would assume that employees who report higher levels of satisfaction with their jobs would outperform those who are
less satisfied. However, studies of the nature of the relationship between job satisfaction and performance have produced mixed results. Some researchers have found no link between performance and job satisfaction (Hafer and McCuen 1985; Singh 1993), while others have found a positive but moderate relationship (Bagozzi 1978; Payne and Webber 2006). Researchers who have failed to find a link between job satisfaction and performance have argued that factors resulting in high levels of performance differ from those factors which contribute to higher levels of job satisfaction (Hafer and McCuen 1985; Pruden and Reese 1972). For instance, Pruden and Reese (1972) find in a study of industrial salespeople that performance is primarily driven by one’s ability to identify with customers while satisfaction is driven by the avoidance of role conflict. Furthermore, when a positive relationship between job satisfaction and performance has been found, the direction of causality is frequently in question with some arguing that performance leads to job satisfaction (Bagozzi 1978; Singh 1993) and others arguing that it is job satisfaction which precedes performance (Hartline and Ferrell 1996; Payne and Webber 2006).

In the services literature, however, the link between job satisfaction and behavioral measures of performance is well established. In services, employee attitudes such as job satisfaction are of particular concern because of the employee-customer interactions that characterize the nature of service delivery. Employees’ attitudes toward their work environment have been shown to affect customer perceptions of the service encounter and ultimately their perceptions of service quality (Bitner 1990). In fact, according to the service profit chain model (Heskett, Sasser and Schlesinger 1997), one of the primary pathways by which service
companies can achieve growth and profitability is through the links between employee satisfaction and customer satisfaction. The service profit chain holds that more satisfied employees will deliver a higher level of service quality which in turn results in more satisfied customers, and finally, profitability.

Within services, performance is often conceptualized behaviorally rather than through such quantitative metrics as sales revenue and quotas. When behavioral measures have been used, several studies have demonstrated that job satisfaction positively impacts a variety of performance outcomes including organizational citizenship behaviors (Gonzalez and Garazo 2006; Payne and Webber 2006), customers’ perceived service quality (Hartline and Ferrell 1996), and service recovery performance (Babakus et al. 2003).

While researchers continue to explore the nature of the relationship between job satisfaction and performance, there is less controversy over the influence of job satisfaction on organizational commitment and intent to leave the organization. Job satisfaction is of particular interest to both researchers and practitioners alike because it is known to positively impact organizational commitment (Brown and Peterson 1993; Meyer et al. 2002) and negatively impact intent to leave (Jenkins 1993; Singh 1993). Organizational commitment has been defined as an identification with or attachment to the organization (Mathieu and Zajac 1990). Commitment among employees is highly valued by the organization as committed employees are less likely to engage in withdrawal behaviors such as lateness, absenteeism, and turnover (Mathieu and Zajac 1990) and are more likely to engage in extra-role behaviors (Katz and Kahn 1978) and put greater effort into their jobs (Testa 2001). Turnover
intentions among employees are also of particular interest to the organization because of the value inherent in retaining employees. Replacement and training costs are estimated at 1 to 1.5 times annual salary (Cascio and Bordreau 2008), and turnover can also disrupt customer relationships and the quality of service delivery (Bendapudi and Leone 2002).

The Intrapreneurial Individual in the Workplace

Within the job satisfaction literature, a limited amount of research has explored the existence of interactional effects on job satisfaction as well as ways in which job satisfaction interacts with other variables to impact organizational commitment and turnover intentions (Chiu et al. 2005; Jenkins 1993). Because of this gap, many researchers have called for further examination of potential moderating effects (Jenkins 1993; Mobley et al. 1979). Furthermore, few dispositional variables have been considered in relation to job satisfaction, and the majority of these studies have only looked at direct effects rather than at both direct and moderating influences (Brown and Peterson 1993).

Because of the importance of job satisfaction to the organization and the fact that there is limited research which considers dispositional effects on job satisfaction, I attempt to address this gap by investigating the answers two research questions: 1) How does an intrapreneurial orientation impact job satisfaction and 2) How does an intrapreneurial orientation impact the effects of other variables on job satisfaction? To answer these questions, I look at the effects of three work environment variables on job satisfaction: manager integrity, teamwork and person-organization misfit.
The following is proposed as a model of employee job satisfaction with intrapreneurial orientation as a moderator of the relationship between key environmental variables and job satisfaction.

![Proposed Model of Job Satisfaction and the Moderating Influence of Intrapreneurial Orientation](image)

Figure 4.1: Proposed Model of Job Satisfaction and the Moderating Influence of Intrapreneurial Orientation

Work Environment Factors and Job Satisfaction

Multiple factors within the work environment have been studied in relation to employee job satisfaction. According to Brown and Peterson (1993), several constructs have been examined as correlates, antecedents or consequences of job satisfaction which can be categorized into four major categories: 1) work outcomes (organizational commitment and propensity to leave), 2) individual differences
(demographic and dispositional variables), 3) role perceptions (role ambiguity and role conflict) and 4) organizational variables (supervisory behaviors and job and task characteristics). For the purposes of this research, I examine the interaction of individual differences and organizational variables, and how these interactions impact job satisfaction. Specifically, this research investigates the effects of four variables on job satisfaction: manager integrity, teamwork, person-organization misfit, and intrapreneurial orientation.

Previous research surrounding job satisfaction has focused on work outcomes, role perceptions, and organizational variables with considerably less attention paid to the role of individual differences. With the exception of a few studies of work motivation and self-esteem (Hafer and McCuen 1985; Kohli 1985), most individual difference research has focused on demographics such as age and organizational tenure (Brown and Peterson 1993). My research attempts to further explore the nature of individual difference effects on job satisfaction with intrapreneurial orientation as the difference variable of interest. Previous work has established the nature of the relationships between manager integrity, teamwork, person-organization misfit, and job satisfaction. The model proposed in this research extends this work by including the effects of a previously unstudied construct, intrapreneurial orientation. In this study, I examine not only the direct effect of this variable on job satisfaction but also the extent to which this variable impacts the relationships between job satisfaction and other important antecedent variables. The development of the model and specific hypotheses follow.
Manager Integrity. Employees’ perceptions of their manager’s integrity involve the perception of the extent to which the manager actually does what he or she says they will do. Becker (p. 157, 1998) defines behavioral integrity as “commitment in action to a morally justified set of principles and values” while Simons (p. 19, 2002) defines integrity as “the perceived pattern of alignment between an actor’s words and deeds.” The manager integrity construct in the context of this research contains elements of consistency between action and words as well as behavior in accordance with organizational values. Previous research on the behavioral integrity of management has found that employees expect their managers to live up to their word by following through on their communications (Davis and Rothstein 2006). Several important constructs such as trust and credibility have been linked to manager integrity. Trust has been found to extend from perceptions of both dependability and reliability (McAllister 1995) and behavioral integrity has been found to play a role in the development of trust for one’s supervisor (Davis and Rothstein 2006). An individual’s degree of behavioral integrity has also been found to contribute to perceived credibility or the extent to which one is perceived as believable (Simons 2002). Lastly, meta-analysis results have shown that the behavioral integrity of managers positively impacts employee job satisfaction, and that this relationship is stronger when the manager in question is the employee’s direct manager (Davis and Rothstein 2006). Therefore, consistent with previous literature on manager integrity, the following is hypothesized.

H1: Job satisfaction of the employee is positively affected by the employee’s perception of manager behavioral integrity.
Teamwork. The social support literature provides an extensive background of research regarding the effects of coworker social support in the workplace (Ng and Sorenson 2008). This literature has primarily focused on three main sources of workplace support: supervisory support, coworker support and organizational support. Furthermore, four types of support are typically studied under the umbrella of social support: affective support (relating to emotions and feelings of acceptance), informational support (involving advice and guidance), instrumental support (the provision of help in getting the job done), and social companionship (friendship and social interaction both in and outside of work) (Ducharme and Martin 2000). Research in this area has shown that employees’ perceptions of coworker support have a strong, positive impact on employee well being (Ng and Sorenson 2008). Many researchers have argued that the quality of one’s relationships with coworkers enables employees to better cope with stress in the workplace while others have argued that coworker support has a direct, positive impact on outcomes such as productivity and job satisfaction regardless of the level of stress experienced (Ducharme and Martin 2004). For example, Tepper et al. (2004) find that the helping behavior of coworkers both positively impacts job satisfaction and reduces the negative impact of abusive supervision on job satisfaction.

The link between teamwork related constructs and job satisfaction is robust. Many studies have empirically demonstrated a positive impact on job satisfaction of various coworker dynamics such as group cohesiveness and coworker altruism (Kidwell and Valentine 2009), coworker social and instrumental support (Ducharme
and Martin 2004), overall teamwork perceptions (Posner and Randolph 1979; Rodwell, Kienzle and Shadur 1998), and coworker helping behavior (Tepper et al. 2004). As such, it is hypothesized that employee perceptions of teamwork will positively impact job satisfaction.

H2: Job satisfaction of the employee is positively affected by the employee’s perception of teamwork in his or her immediate work group.

**Person-Organization Misfit.** The concept of person-organization fit (P-O fit) is based on the idea that it is a combination of person and organizational variables which determine important individual outcomes rather than individual or organizational variables alone (Pervin 1968). Person-organization fit arises from the study of the degree of fit or alignment between characteristics of the organization and characteristics of the individual (O’Reilly, Chatman and Caldwell 1991). Person-organization fit can be conceptualized in more than one form (e.g. person-organizational values fit, person-organizational climate fit, person-organizational ethics fit, etc.) (Chatman 1989). The central idea behind P-O fit is that the fit or compatibility between the individual and the organization increases when the individual and organization share certain characteristics (Kristof 1996). Furthermore, the degree of fit or misfit impacts employee behaviors and attitudes such as job satisfaction and turnover intentions (Brigham, Castro and Shepherd 2007). Individual characteristics considered may include personality traits, values, norms and goals while, similarly, those of the organization include culture, values, norms, and goals (Fields 2002).
Research relating to P-O fit and job satisfaction has found that multiple types of P-O fit (goal congruence, value congruence, and climate congruence) positively impact such outcomes as job satisfaction and organizational commitment (Ambrose, Arnaud and Schminke 2008; Autry and Daugherty 2003; Verquer, Beehr and Wagner 2002). For the purposes of this research, I examine the degree of misfit between an employee’s intrapreneurial orientation and the extent to which the organization rewards intrapreneurial behaviors. As such, this measure of misfit is conceptualized as a form of P-O fit known as person-organization climate fit. In other words, I assess the extent to which there is congruence between the intrapreneurial orientation of the individual and the intrapreneurial climate of the organization. Consistent with previous research in the domain of person-organization fit, the following is hypothesized:

H3: Job satisfaction of the employee is negatively affected by the degree of person-organization climate misfit.

The Psychology of an Intrapreneurial Orientation

In order to explore the potential direct and moderating relationships between intrapreneurial orientation and job satisfaction, I draw on the stream of entrepreneurship literature which is dedicated to understanding the entrepreneur from a psychological perspective. Central to this approach is the idea that entrepreneurs and intrapreneurs share some common characteristics. Research into the characteristics of intrapreneurs is virtually nonexistent given the relatively recent development of the domain of corporate entrepreneurship. Therefore, I rely on what
is known about entrepreneurs and their distinguishing characteristics. For those with an intrapreneurial orientation, the possession of these entrepreneurial characteristics results in the adoption of a more entrepreneurial approach at work when compared to their peers. Although I do not make the assumption that intrapreneurs share all of the same characteristics of their new-venture counterparts, I do rely on the idea that while the contexts differ substantially, the foundation of an intrapreneurial orientation is conceptually consistent with traditional entrepreneurial thought and behaviors. There is some empirical research to support this proposition. Davis (1999) conducted an in-depth study of the characteristics of intrapreneurs who were identified as those individuals charged with developing new businesses within an existing organization. Davis finds that intrapreneurs are associated with many of the same characteristics of the classic entrepreneur such as creativity and innovativeness, resilience, persistence, and being driven and ambitious, which lends credibility to the idea that those who are intrapreneurial are in many respects similar to entrepreneurs.

Intrapreneurial Orientation and Job Satisfaction

Considerable research in the entrepreneurship literature has focused on the issue of what makes an entrepreneur an entrepreneur. Researchers have asked what distinguishes entrepreneurs from those who pursue the corporate career path as well as what factors contribute to entrepreneurial success. In order to answer these questions, many researchers have taken a psychological approach (Hisrich, Langan-Fox and Grant 2007). As discussed in Chapter 2, the study of entrepreneurial personality traits, motivation and cognitions has gained considerable traction in the
last 20 years, and multiple correlates of entrepreneurship have been identified (Robinson et al. 1991). Some of these correlates include the Big Five personality traits of conscientiousness, extraversion, agreeableness, openness to experience, and neuroticism (Zhao and Seibert 2006), internal locus of control (Brockhaus 1980), a tolerance for ambiguity (McMullen and Shepherd 2006), and a high degree of entrepreneurial self-efficacy (Baum and Locke 2004). Table 2.1 provides an overview of the primary characteristics that have been found to distinguish entrepreneurs from non-entrepreneurs.

A few of these characteristics suggest that intraprendually oriented individuals may experience higher levels of job satisfaction. In a meta-analytic review of a comparison of entrepreneurs and managers on the Big Five traits, Zhao and Seibert (2006) find that compared to managers, entrepreneurs exhibit higher levels of conscientiousness and openness to experience and lower levels of neuroticism and agreeableness. Furthermore, the Big Five personality traits have been investigated in the search for individual difference sources of job satisfaction. Researchers in this area have shown that individuals who display lower levels of neuroticism and higher levels of conscientiousness report higher levels of job satisfaction (Bruk-Lee et al. 2009; Judge, Heller and Mount 2002).

In addition, entrepreneurs are characterized by an internal rather than external locus of control meaning that they generally believe they are in control of the events that affect them (Rotter 1966). Individuals with an internal locus of control feel that what happens to them in their life is a result of their own actions while individuals with an external locus of control believe that the events in their lives are a result of
chance or the actions of others (Rotter 1966). Bruk-Lee et al. (2009) find that an internal locus of control has a positive impact on job satisfaction which is believed to result from the idea that “internals” perceive that they have more control over their jobs and the events impacting their success at work.

Because the types of personality traits commonly found in entrepreneurs are positively linked to job satisfaction, the following is hypothesized:

H4: Job satisfaction of the employee is positively affected by the employee’s degree of intrapreneurial orientation.

The Moderating Influence of Intrapreneurial Orientation

Previous research has pointed to the role of moderating variables in the relationships between organizational factors and job satisfaction (Chiu et al. 2005; Loher et al. 1985). For example, Chiu et al. (2005) find that locus of control moderates the relationship between perceived organizational support and job satisfaction such that the positive relationship is stronger for those individuals with an external locus of control. Work of this type reflects the growing recognition of the importance of individual difference variables in determining the impact of the work environment on employee attitudes. In this research, I explore the way in which an intrapreneurial orientation moderates the effects of three environmental variables on job satisfaction. Because highly intrapreneurial individuals take a more entrepreneurial approach to their work, it is expected that the entrepreneurial characteristics of these individuals tangibly impact attitudes and behaviors in the workplace.
Specifically, I propose that because of the intrinsic characteristics of intrapreneurial employees, their job satisfaction will be less impacted by the environmental work variables of manager integrity, teamwork, and person-organization misfit. In other words, the job satisfaction of intrapreneurially oriented employees is more immune to the effects of these variables compared to the job satisfaction of less intrapreneurially oriented employees. Based on the typical characteristics of the entrepreneur outlined in Table 2.1, we see that the intrinsic nature of entrepreneurs is individualistic, inward looking, and self-oriented. If in fact entrepreneurs and intrapreneurially oriented employees share some of these same characteristics, I would expect that the levels of job satisfaction perceived by these individuals are less influenced by factors that are external to them or outside of their realm of control.

To take one example of how these characteristics may impact perceived levels of job satisfaction, I will discuss self-achievement motivation. According to Miner, Smith and Bracker (1989), entrepreneurs can be distinguished from non-entrepreneurs to the extent that they exhibit a motivational base of self-achievement. Self-achievement motivation, while similar to McClelland’s (1961) achievement motivation, refers more specifically to how individuals prefer to arrive at a state of achievement. Individuals who are driven by self-achievement are not only concerned with attaining significant accomplishment, but also prefer this accomplishment to occur as a result of their own efforts because of a need to attribute success to one’s self (Miner, Smith and Bracker 1989). Significant accomplishment at work positively contributes to higher levels of job satisfaction.
(Loher et al. 1985). Therefore, individuals who are motivated by self-achievement take greater responsibility for their success and are therefore less likely to attribute accomplishment to positive environmental effects such as teamwork or organizational fit.

Furthermore, preliminary research comparing the respective contributions of personality traits and environmental factors to entrepreneurial success has found that personality characteristics such as locus of control and personal initiative have a greater impact on entrepreneurial success than environmental factors such as the existence of positive role models and the importance of one’s professional network (Korunka et al. 2003). Consistent with the model I propose, this research suggests that significant work outcomes such as job satisfaction are significantly impacted by individual-level factors.

Entrepreneurs exhibit a variety of traits that serve them well in the pursuit of starting their own company. These same traits, when applied to intrapreneurial employees within the context of an established organization, have implications for how these employees respond to their work environments. What we know about classic entrepreneurs is that they exhibit an internal locus of control and a greater sense of personal responsibility, have higher degrees of self-efficacy and tolerance for ambiguity, are tenacious, and harbor a motivation for self-achievement. When these characteristics are considered in relation to the organizational entrepreneur, the intrapreneur, I hypothesize as follows that the job satisfaction of intrapreneurally oriented employees will be less affected by certain environmental work variables:
H5a: The impact of manager integrity on job satisfaction is negatively moderated by intrapreneurial orientation.

H5b: The impact of teamwork on job satisfaction is negatively moderated by intrapreneurial orientation.

H5c: The impact of person-organization misfit on job satisfaction is negatively moderated by intrapreneurial orientation.

Research Methods

Sample and Data Collection Procedure

As in Chapter 3, the proposed model was tested in the context of the business-to-consumer banking industry using an employee survey conducted by a large mid-western bank.

Measurement

Measurement scales for all constructs are provided in Appendix B. Unless otherwise noted, all items were measured on a five-point scale (1 = strongly disagree, 5 = strongly agree). Table 4.1 presents the correlation matrix, descriptive statistics and reliabilities. All scales were assessed for reliability and validity. Coefficient alpha is reported for each multi-item scale and confirmatory factor analysis was conducted on all items. Factors were derived through a least squares factor solution and a terminal solution was obtained through varimax rotation. All factor loadings were > 0.50 and all items loaded on the appropriate factor.

Manager Integrity. A two-item scale was used to measure employees’ perceptions of the immediate manager’s level of integrity. The items used are conceptually consistent with previously established measures of manager integrity.
(Davis and Rothstein 2006) which include the Perceived Leader Integrity Scale (Craig and Gustafson 1998) and the Hunt et al. (1984) scale of management support for ethical behavior.

**Teamwork.** Teamwork was measured using a four-item scale. The items are consistent with measures used in previous research to tap into employees’ perceptions of coworker support and cooperation (Ng and Sorensen 2008) and are most similar to measures of instrumental coworker support (Ducharme and Martin 2000). According to Ducharme and Martin, instrumental coworker support refers not to emotional coworker support, but rather to the type of support which results in tangible aid, such as in sharing information or helping out when the workload is high.

**Person-Organization Misfit.** Person-organization misfit is operationalized as a difference score which was calculated as the difference between a single-item measure of organizational intrapreneurial climate and the intrapreneurial orientation of the individual. The single intrapreneurial climate item reflects a climate for corporate entrepreneurship as measured by Ireland, Kuratko and Morris (2006). This measure of person-organization misfit as a difference score is an indirect, objective measure involving a comparison between the individual and the individual’s perception of the organization that allows for an assessment of fit without requiring implicit judgment on the part of respondents (Kristof 1996).

**Intrapreneurial Orientation.** A three-item scale was used to measure employees’ degree of intrapreneurial orientation. These items tap into how
entrepreneurial respondents are at work compared to their peers and the extent to which they act like an “owner” of the company rather than just an employee.

*Job Satisfaction.* Job satisfaction was measured using a single-item global measure, “Considering everything, how satisfied are you with your job?” with 1 = very unsatisfied and 5 = very satisfied. Previous research surrounding the validity of single-item overall measures of job satisfaction have found that these measures are robust and valid with observed correlations between single items and scales of 0.67 (Wanous, Reichers and Hudy 1997).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Reliability</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Manager Integrity</td>
<td>4.01</td>
<td>0.84</td>
<td>.88</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Teamwork</td>
<td>4.13</td>
<td>0.66</td>
<td>.81</td>
<td>.565*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Person-Organization Misfit</td>
<td>0.74</td>
<td>0.67</td>
<td>N.A.</td>
<td>-.059*</td>
<td>-.027*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) IO</td>
<td>3.25</td>
<td>0.65</td>
<td>.61</td>
<td>.100**</td>
<td>.081**</td>
<td>.113**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(5) Job Satisfaction</td>
<td>3.95</td>
<td>0.93</td>
<td>N.A.</td>
<td>.450**</td>
<td>.475**</td>
<td>-.114**</td>
<td>.169**</td>
<td>1</td>
</tr>
</tbody>
</table>

*p < .05 (2-tailed)
**p < .01 (2-tailed)
All measures are on a 1-5 scale with the exception of P-O Misfit which is calculated as a difference between two 1-5 scaled variables.

Table 4.1: Descriptive Statistics and Correlation Matrix.
Analysis and Results

The proposed hypotheses were tested using multiple linear regression analysis incorporating both main effects as well as cross-product interaction terms. All variables were centered prior to analysis to eliminate any effects of multicollinearity. Table 4.2 summarizes the results of the analysis. The overall F for the model is significant ($F = 417.748$, $p = 0.000$) with $R^2 = 32.1\%$. As shown, support is found for all hypotheses. Consistent with $H_1$, as perceptions of manager integrity increase, job satisfaction increases ($\beta = 0.243$, $p = 0.000$). In support of $H_2$, teamwork also has a significantly positive impact on job satisfaction ($\beta = 0.310$, $p = 0.000$). As perceptions of cooperation among one’s immediate work group increase, job satisfaction increases. In addition, the degree of person-organization misfit negatively impacts job satisfaction ($\beta = -0.077$, $p = 0.000$) validating $H_3$, while intrapreneurial orientation positively impacts employee levels of job satisfaction ($\beta = 0.176$, $p = 0.000$) in support of $H_4$. One point worth mentioning in regards to the main effects is that when performing multiple regression with both main effect and interaction terms, caution must be used in predicting changes in the response variable using main effect coefficients when significant interaction terms are present. In these models, the main effect coefficients do not represent the mean response to a unit change in the independent variable with other variables held constant. Rather, the mean response is a function of both the main effect coefficient as well as the interaction term. However, this does not change the conclusions regarding the direction and significance of the main effects on the response variable (Kutner, Nachtsheim and Neter 2004).
Support is also found for $H_{5a} - H_{5c}$ as all interaction terms are significant and negative. While manager integrity positively impacts job satisfaction, this impact is attenuated for those individuals who exhibit a high level of intrapreneurial orientation ($\beta = -0.065, p = 0.000$). Similarly, teamwork has less of a positive influence on job satisfaction for those who are high in IO compared to those who are low in IO ($\beta = -0.034, p = 0.010$). Finally, while person-organization misfit has a negative effect on job satisfaction, the negative impact is less for those who are highly intrapreneurial ($\beta = -0.134, p = 0.000$). To summarize, intrapreneurial orientation interferes with the effects of manager integrity, teamwork, and person-organization misfit on job satisfaction. These results should not be interpreted to mean that employees who have a high level of IO would prefer a work environment characterized by low levels of manager integrity and teamwork and a high level of person-organization misfit. However, compared to individuals who are low in IO, the job satisfaction levels of high IO employees are less impacted by these factors.
Table 4.2: Results of Regression Analysis.

Discussion

The results of this analysis point to the important role of individual difference variables in determining significant work outcomes. Through a study of employees within the retail banking industry, I am able to show that an intrapreneurial orientation not only exerts a direct, positive impact on employee job satisfaction, but also negatively moderates the relationships between job satisfaction and the environmental variables of manager integrity, teamwork, and person-organization misfit. The model of job satisfaction presented here demonstrates that employees’ perceptions of their manager’s integrity, the quality of support received from their coworkers, and the extent to which their predisposition towards entrepreneurial behaviors aligns with the entrepreneurial climate of the organization all impact job satisfaction. However, job satisfaction levels of those employees who are highly
intrapreneural are less impacted by these factors. While not explicitly tested, I argue that this is due to the impact of several characteristics and motivations that intrapreneurially oriented employees share with entrepreneurs.

The results of this analysis are best depicted through the use of an example. In the process of organizational restructuring, employees are often reassigned to new departments or work units, which frequently involves a new group of teammates or coworkers. In the case where this transition entails a move from a group with strong teamwork qualities to a group with much weaker teamwork qualities, the job satisfaction of the employee will be negatively impacted. However, if the employee of interest is intrapreneurially oriented, their level of job satisfaction will not decline as much as that of a less intrapreneurially oriented employee. Given the significant outcomes of job satisfaction, this research suggests that the intrapreneurially oriented employee is more likely to maintain a higher level of organizational commitment and a stronger intent to remain with the organization throughout the change process. Such a situation presents an opportunity for future research.

The premise of this research is that individuals with an intrapreneurial orientation possess many of the same traits and motivations that characterize the classic, new-venture entrepreneur. While the intrapreneurship literature has only just begun to take a closer look at intrapreneurs and their personalities and motivations, I draw on the characteristics of what it means to be entrepreneurial in a global sense. Rather than attempt to measure the personality traits and motivations of intrapreneurial employees, I broadly define an intrapreneurial orientation as adopting an entrepreneurial approach at work, and then extend what we know about the
originators of an entrepreneurial approach, true entrepreneurs, to the context of employees within an existing organization.

In studying the role of intrapreneurial orientation in the workplace, I have established that not only is an intrapreneurial orientation a meaningful driver of employee performance, but the influence of this orientation at work extends beyond performance. Through an investigation of the moderating role of intrapreneurial orientation in the environmental variable-job satisfaction relationship, I have demonstrated that an intrapreneurial orientation impacts other work outcomes that are of consequence to the organization.

Managerial Implications

Several important managerial implications arise as a result of the findings presented here. The first of these concerns organizational change. Throughout 2008 and 2009 many organizations have experienced a considerable amount of upheaval whether through reorganizing or restructuring, downsizing, or actual government take-over. The finding that intrapreneurial employees are less impacted by certain work environment variables suggests that these individuals are particularly well equipped to carry the organization through such significant transitions while continuing to maintain a certain degree of satisfaction in their jobs. When a company goes through substantial change, even when the change is positive as can be in the case of an acquisition, considerable stress is often placed on the employees of the company. Acquisitions, mergers, restructuring, etc. all potentially involve manager changes, team changes, and a shift in organizational values. Because high
IO employees are less affected by these factors, my model implies that their job satisfaction will essentially take a smaller hit when they are faced with these types of changes. As such, these employees should maintain a higher level of job satisfaction throughout such transitions.

I believe that these results also suggest that highly intrapreneurial employees are well suited to leadership positions which require autonomy and independence as these individuals are less dependent on team and managerial dynamics in order to maintain positive feelings regarding their role within the organization. At the same time, because these individuals are less concerned with team dynamics, managers should take caution in assigning too many high IO employees to any one team as this may negatively impact team cooperation and ultimately productivity. High IO individuals may not be as attuned to team needs and may not be as inclined to put forth as much effort in support of the team.

The possibility that intrapreneurial employees are less concerned with fitting in with the team or organization can have both positive and negative implications for the company. As mentioned, high IO individuals may not be the strongest team players, nor may they completely support the organization’s values. However, if they are less concerned with “fitting in”, they may apply their proactiveness and innovativeness more freely in their roles. While their perspective may not always align with the traditional thinking of the organization or team, it may bring to light entirely new and potentially beneficial ideas.

Furthermore, the person-organization fit literature, and ASA theory (Schneider 1987) in particular, suggests that because of the attraction-selection-
attrition process, organizations over time become comprised of like-minded individuals. A key part of the ASA cycle is that organizations recruit and hire those individuals whom they believe will fit well in their organizations. Part of the logic in recruiting individuals who “fit” is that ultimately, these employees are less likely to leave the company once they have been hired (Schneider 1987). In following this type of recruitment process, however, organizations may be overlooking a particular group of individuals who have the potential to thrive within the organization regardless of their level of P-O fit. It is these individuals, the highly intrapreneurial, who have the promise to bring a creative, action-oriented approach to their work. As such, managers should be wary of focusing too narrowly on high-fit candidates in their recruitment efforts.

Lastly, I believe these results also hold implications for the services context in particular. In services, attitudes and behaviors of employees impact attitudes and behaviors of customers (Bitner 1990). Specifically, we know that more satisfied employees lead to more satisfied customers (Bendapudi and Bendapudi 2005; Heskett, Sasser and Schlesinger 1997). Given the importance of job satisfaction to the overall happiness of the employee at work, it is important for managers to have a thorough understanding of the drivers of employee job satisfaction. This research suggests that managers cannot assume that the satisfaction levels of all employees are equally impacted by the same types of factors. To the contrary, certain employees are less sensitive to the effects of some of these drivers of job satisfaction. For example, a manager’s attempt to boost job satisfaction through teamwork
exercises would be less effective for a group of highly intrapreneurial individuals compared to a group of less intrapreneurial individuals.

In addition, because high IO employees appear to be more immune to the effects of some work environment variables, it may be beneficial to place these individuals in customer service situations that are particularly challenging such as those involving exceptionally difficult customers. The job satisfaction of service employees is not only impacted by organizational and supervisory variables, but is also affected by customers as the relationship between employee satisfaction and customer satisfaction is reciprocal (Hoffman and Bateson 2006). If the results presented here hold true for the impact of customer satisfaction on employee satisfaction, then employees with a high degree of IO should be less impacted by disgruntled and disrespectful customers, thereby allowing them to provide a higher and more consistent level of service when faced with these types of situations.

Limitations and Directions for Further Research

The primary limitations associated with this research deserve discussion in the context of both interpreting these results as well as considering areas for future research. Due to the limitations of the dataset, I was not able to control for several variables that have been found to positively impact job satisfaction, namely age and organizational tenure. As in Chapter 3, this research was conducted with employees in one company within the retail banking industry, so caution should be exercised in generalizing beyond this context. Furthermore, only a few environmental variables were included in this particular model. As such, these results should not be
extrapolated to conclude that highly intrapreneurial employees are not as impacted by any work-environment variable as are less intrapreneurial employees. Rather, it may be that there are other variables to which high IO individuals are particularly sensitive such as individual reward and feedback mechanisms. It would be helpful to explore this possibility qualitatively through one-on-one interviews with intrapreneurial individuals in order to learn more about their attitudes toward an array of work-environment factors.

In addition, true grounded-theory development of a measure of intrapreneurial orientation should be performed involving the thoughts and feedback of a number of entrepreneurs, intrapreneurs, executive managers, and academics. While the measures for intrapreneurial orientation utilized in this research are believed to be sufficiently global in nature to capture the overall disposition of an entrepreneurial approach toward one’s work, it would be beneficial moving forward to more specifically delineate the nature of what it means to be intrapreneurial.

We know much about the traits, motivations, and competencies that characterize classic entrepreneurs, and I have established that an entrepreneurial approach at work has a tangible impact on important workplace outcomes such as performance and job satisfaction. However, this works assumes that the same characteristics that describe the classic entrepreneur also describe the intrapreneur. In other words, I assume that because entrepreneurs have a high internal locus of control, intrapreneurs must have a high internal locus of control as well. In Chapter 3 I show that the classic entrepreneurial traits of innovativeness and proactiveness do in fact spill over into the context of the intrapreneur, so the logic that entrepreneurs
and intrapreneurs share many common characteristics appears valid. However, the large-organization context in which the intrapreneur functions is arguably different from the start-up context that defines the entrepreneur. Therefore, I believe that future work should include an examination of those unique characteristics required for intrapreneurial success that may not play an important role in determining entrepreneurial success. For example, the ability to successfully manage and navigate organizational politics is one factor that could be crucial to the career progression of a highly intrapreneurial, achievement oriented individual within a large company. However, the future success of the entrepreneur, as the founder of his or her own business, is probably not as dependent on the ability to manage such politics even when they are present within the company.

Future work should also address the impact of IO on other important organizational outcomes such as organizational commitment and turnover. Although not presented as a part of this research, preliminary analysis suggests that IO positively impacts one’s commitment to the organization, but negatively impacts one’s intent to stay with the organization. Additional qualitative research may provide some insight into these findings which appear contradictory, and I do not have a theoretical basis on which to develop an explanation as to why individuals who are highly intrapreneurial would be more committed to their organizations, but report lesser intentions to remain with those organizations. Anecdotal evidence based on a limited number of conversations with high-level executives as well as the literature on entrepreneurial opportunity recognition indicate that highly intrapreneurial employees may, as long as they have made the decision that their
current company presents the best opportunity for them, be very hard-working, committed employees. However, because entrepreneurial individuals are adept “opportunity recognizers”, they may be more prone to jump to a different company when a better career opportunity presents itself. Whatever the theoretical argument may in fact be, these preliminary finding are interesting and warrant additional study.

To summarize, I have shown that intrapreneurial orientation not only impacts employee performance, but also impacts another organizational outcome of consequence, job satisfaction. The work presented in this dissertation, I believe, establishes the importance of an intrapreneurial orientation in the workplace. While Chapter 2 outlines the historical evolution of the intrapreneurial orientation construct, Chapter 3 demonstrates the impact of this construct on employee performance and well as the process by which this influence occurs. Finally, Chapter 4 provides evidence that an intrapreneurial orientation impacts the dynamics of the workplace environment insofar as the job satisfaction of highly intrapreneurial employees is impacted to a lesser extent by such factors as manager integrity, teamwork, and person-organization misfit.
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Appendix A: Measures Pertaining to Chapter 3

_Innovativeness_
I search out new technologies, processes, techniques, and/or product ideas.
I generate creative ideas.
I promote and champion new ideas to others
I investigate and secure funds needed to implement new ideas.
I develop adequate plans and schedules for the implementation of new ideas.
I am innovative.

_Risk-Taking_ (all items are reverse-scored)
I am not willing to take risks when choosing a job or a company to work for.
I prefer a low risk/high security job with a steady salary over a job that offers high risks and high rewards.
I prefer to remain on a job that has problems that I know about rather than take the risks of working at a new job that has unknown problems even if the new job offers greater rewards.
I view risk on a job as a situation to be avoided at all costs.
When it comes to making work-related decisions, I like to “play it safe.”
I like to implement a plan only if I am very certain that it will work.

_Proactiveness_
Wherever I have been, I have been a powerful force for constructive change.
If I see something I don’t like, I fix it.
No matter what the odds, if I believe in something I will make it happen.
I love being a champion for my ideas, even against others’ opposition.
I am always looking for better ways to do things at work.
I can spot a good business opportunity long before others can.

_Intrapreneurial Orientation_
Compared to other personal bankers, I am entrepreneurial in how I approach my work.
Customer Orientation

Need to Pamper
I enjoy nurturing my customers.
I take pleasure in making every customer feel like he or she is the only customer.
Every customer’s problem is important to me.
I thrive on giving individual attention to each customer.

Need to Read Customers’ Needs
I naturally read the customer to identify his or her needs.
I generally know what customers want before they ask.
I enjoy anticipating the needs of customers.
I am inclined to read the customer’s body language to determine how much interaction to give.

Need to Deliver
I enjoy delivering the intended services on time.
I find a great deal of satisfaction in completing tasks precisely for customers.
I enjoy having the confidence to provide good service.

Need for Personal Relationship
I enjoy remembering customers’ names.
I enjoy getting to know my customers personally.

Sales Readiness
I am comfortable with the customer sales aspect of my job.
I have the tools I need for the customer sales aspect of my job.
I have the training I need for the customer sales aspect of my job.
I believe that customer sales is an important aspect of my job.

Service Readiness
I am comfortable with the customer service aspect of my job.
I have the tools I need for the customer service aspect of my job.
I have the training I need for the customer service aspect of my job.
I believe that customer service is an important aspect of my job.

Performance
Compared to other personal bankers, how would you rate your performance in your job?
Appendix B: Measures Pertaining to Chapter 4

**Manager Integrity**
My manager’s actions are consistent with what he or she says is important.
My manager takes the appropriate action to ensure that associates act in a manner consistent with company values.

**Teamwork**
The people I work with cooperate to get the job done.
People in my work unit help me out when my workload is high.
In my work unit, we share information and ideas that we think will help one another.
Overall, how would you rate the quality of your relationship with your co-workers?

**Intrapreneurial Climate**
This company definitely rewards people who take calculated risks to come up with innovative solutions.

**Intrapreneurial Orientation**
Overall, I am more entrepreneurial than my peers at this company.
Even though I work for a large company, I behave more like an owner of the company than like an employee.
Compared to my peers, I care more about my work unit’s bottom-line performance.

**Job Satisfaction**
Considering everything, how satisfied are you with your job?