

https://dspace.org/

Entrepreneurial intensity as a business success factor in the travel industry in South Africa.

Powell, Jennifer Laurel

2016
http://hdl.handle.net/10539/22650

Downloaded from a DSpace repository. https://dspace.org/

Entrepreneurial Intensity as a business success factor in the travel industry in South Africa.

Jennifer Powell

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Johannesburg, 2016

(Version_16 May 2016)

ABSTRACT

Corporate Entrepreneurship (CE), which generally refers to the advancement of new opportunities and ideas within established organisations, has been widely researched across industries and organisations worldwide. However, the concept is not as widely researched in the travel industry within the context of South Africa. Traditional corporate organisations have tended to rather focus on continuous improvement of operational effectiveness as opposed to the enhancement of innovation and new opportunities in a rapidly changing competitive environment based on evolving customer needs.

The integration of the entrepreneurial mind-set and behaviours into the formulation and execution of business strategies has been shown to ensure businesses gain and maintain positions of leadership in their markets.

This study examines the existence and level of corporate entrepreneurship within the South African travel industry and whether this concept is perceived as a successful business factor for the industry. Data for this study was collected via semi-structured, face-to-face interviews with 11 senior representatives in the sector, including destination management, touring and hospitality organisations. Purposive sampling was used to identify the participants and the data was then analysed using thematic content analysis.

The findings of this study revealed that key drivers of corporate entrepreneurship within the industry and companies, are the kind of leadership and behaviours demonstrated by the senior management and chief executive officers of the businesses. There are also a number of factors affecting whether the organisation favours corporate entrepreneurship, such as financial stability of the organisation, whether or not rewards and recognition are directly linked to innovation, risk appetite and time available for creativity and innovation.

The study concludes that the pillars and behaviours of corporate Entrepreneurial Orientation (EO) (being innovation, risk-taking and proactivity),whilst widely demonstrated by senior leaders, does not automatically transfer to all levels within

the organisation, especially the lower levels. The transfer of which, could help to effectively mobilise the organisation to benefit from the ability to rapidly adapt and evolve.

DECLARATION

I, Jennifer Powell, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration to the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this, or any other university.

Jennifer Laurel Powell

Signed at ……Bryanston……

On the …….29th…….. day of ……February…… 2016…..

DEDICATION

The privilege and opportunity of being able to participate and successfully complete my Masters in Business Administration, as a full time student for the first time in my life would not have been possible without the unwavering support, love and belief given to me by my family.

My mother, without her unconditional love and support, this journey would not have been possible. There are no words adequate enough in this world to thank her for everything she has afforded me up to and during this journey.

My father, without my dad my life would have fallen apart most definitely. He was there for me in a way that no amount of money, time or resources could have matched in that he took such beautiful care of our son Joshua during my absences.

My husband, Ryan was my pillar of strength through all the incredibly late nights and super early mornings in preparation for the next days classes, studies, exams and presentations. When I was so close to giving up, and there were many days like this throughout the year, he was there supporting me and driving me to keep going and remain focussed.

Joshua my son, your patience and love so unconditional and never faltering through the tough times and even when mommy couldn't play as much as my heart ached too – someday you will know that I did this for you too.

It goes to say that my family are my strength, without them I wouldn't be the person I am today or achieved what I have in my life journey.

ACKNOWLEDGEMENTS

Thank you to the wonderful organisations and respondents who opened their doors and invested their time freely to me for hours of questioning and discussion for my thesis. I appreciate the opportunity and privilege to have met with such strong and forward thinking leaders of great organisations.

Thank you Laurence Beder for your guidance and expertise as my supervisor in my area of research and for sharing your wealth of knowledge and resources with me in order to move me through the thinking quickly and effectively.

Professor Stacey, you were there for me especially throughout the last part of my journey in writing this paper. Your guidance, support and expertise were so greatly appreciated and I am eternally grateful for the time you gave me over and above all the many students you were already supervising. Thank you for making the time for me and for always being so approachable and available.

Nicola Burger, my super organised friend who's attention to detail is unmatched by anyone I know, thank you for all the personal time and effort you put into editing and proof-checking my report.

To my MBA colleagues and particularly the Research in Progress (RIP) study group created with Jayshina Panwasi, Miguel Graca, Irshaad Varachia, Saikiran Pinnapala and Kiashan Moodley, thank you for the every present support and fun.

Finally, albeit that my family were instrumental in the support on a personal level, so too were they always available to debate, support, direction and advice on the development of my thesis, thank you Mom, Ryan, Dad and Justin.

TABLE OF CONTENTS

ABSTRACT i

DECLARATION iii

DEDICATION iv

ACKNOWLEDGEMENTS v

LIST OF TABLES iv

LIST OF FIGURES v

CHAPTER 1. INTRODUCTION 6

1.1 PURPOSE OF THE STUDY 6

1.2 CONTEXT OF THE STUDY 6

1.3 PROBLEM STATEMENT 8

1.3.1 MAIN PROBLEM 8

1.3.2 SUB-PROBLEMS 9

1.4 SIGNIFICANCE OF THE STUDY 9

1.5 DELIMITATIONS OF THE STUDY 9

1.6 DEFINITION OF TERMS 11

1.7 ASSUMPTIONS 11

CHAPTER 2. LITERATURE REVIEW 13

2.1 ENTREPRENEURIAL ORIENTATION AND INTENSITY IN TRAVEL ORGANISATIONS 14

2.1.1 ENTREPRENEURIAL ORIENTATION 14

2.1.2 DIMENSIONS OF ENTREPRENEURSHIP 15

2.1.3 ENTREPRENEURIAL INTENSITY 17

2.2 CORPORATE ENTREPRENEURSHIP 19

2.2.1 CORPORATE ENTREPRENEURSHIP 19

2.2.2 ENTREPRENEURIAL ORGANISATIONS 21

2.2.3 CORPORATE ENTREPRENEURSHIP IN HOSPITALITY 22

2.2.4 RESEARCH QUESTION 1 23

2.3 ENTREPRENEURIAL INTENSITY AND ORGANISATIONAL PERFORMANCE 23

2.3.1 CORPORATE ENTREPRENEURSHIP LINKED TO ORGANISATIONAL PERFORMANCE 23

2.3.2 RESEARCH QUESTION 2 25

2.4 CONCLUSION OF LITERATURE REVIEW 25

2.4.1 RESEARCH QUESTION 1: 26

2.4.2 RESEARCH QUESTION 2: 26

CHAPTER 3. RESEARCH METHODOLOGY 27

3.1 Qualitative analysis 27
3.2 Research Design 28
3.3 Population and Sample 29
3.3.1 Population 29
3.3.2 Demographic profile of respondents 31
3.3.3 Sample and sampling method 32
3.4 The research instrument 33
3.5 Procedure for data collection 33
3.6 Data analysis and interpretation 34
3.7 Limitations of the study 35
3.8 Validity and reliability 36
3.8.1 External validity 36
3.8.2 Internal validity 37
3.8.3 Reliability 37
3.8.4 Ethical Considerations 38

CHAPTER 4. PRESENTATION OF RESULTS 39

4.1 Introduction 39
4.2 Results pertaining to Research Question 1: Entrepreneurial Orientation and Business Strategy 39
4.2.1 Corporate Entrepeneurship understanding and awareness 39
4.2.2 Demonstration and adoption of Corporate Entrepreneurship 42
4.2.3 Organisational boundaries 45
4.2.4 Other variables related to organisational climate 47
4.2.5 Financial stability as a factor of support for CE 49
4.2.6 Conclusion to Research Question 1 51
4.3 Results pertaining to Research Question 2: Entrepreneurial Intensity as a Perceived Business Success Factor 51
4.3.1 Organisational characterisation based on financial performance 51
4.3.2 Level and degree of entrepreneurial intensity demonstrated relative to products and services 53
4.3.3 Level and degree of entrepreneurial intensity demonstrated relative to systems and processes 56
4.3.4 Conclusion to Research Question 2 58
4.4 Summary of the results 59

CHAPTER 5. DISCUSSION OF THE RESULTS 60

5.1 Introduction 60
5.2 Discussion pertaining to Research Question 1: Awareness and adoption of EO as a Business Strategy 60
5.2.1 Leadership 61
5.2.2 Trust 63
5.2.3 Financial Stability 64
5.2.4 Conclusion to research question 1 65

5.3 Discussion pertaining to Research Question 2: Entrepreneurial Intensity and Entrepreneurial Orientation as a Perceived Business Success Factor 66
5.3.1 Organisational characterisation drives or inhibits innovation 66
5.3.2 Continuous incremental EI focus 68
5.3.3 Technology drives change 69
5.3.4 Conclusion to research question 2 70
5.4 Conclusion 71

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS 73

6.1 Introduction....73
6.2 Conclusions of the study....73
6.2.1 CE as a corporate culture and business strategy 73
6.2.2 Financial stability drives CE 74
6.2.3 Focussed on incremental innovation and continuous improvements 75
6.2.4 Overly structured and procedure driven environments.... 75
6.3 Recommendations....76
6.3.1 Corporate Entrepreneurship as a business strategy.... 76
6.3.2 Create an internal environment supportive of CE 77
6.3.3 Focus on discontinuous and dynamically continuous innovation 77
6.4 Suggestions for further research 78
6.4.1 Quantitative studies.... 78
6.4.2 Age of leadership teams 78
6.4.3 Organisational factors affecting CE.... 79

REFERENCES 80

APPENDIX A.....84

Actual Research Instrument.....84

APPENDIX B.....89

Letter of permission for recording.....89

APPENDIX C.....90

Thematic analysis.....90

LIST OF TABLES

Table 1. Population by Category.....29

Table 2. Breakdown of Interviewee Title per Organisation 30

Table 3. Demographic Profile of Respondents 31

Table 4. Interview Questions Relating to CE Understanding 40

Table 5. Interview Questions Relating to Adoption of CE 42

Table 6. Standard Operating Procedures 45

Table 7. Interview Questions Relating to Trust and Leadership 47

Table 8. Interview Questions Relating to Support for CE.....49

Table 9. Interview Questions Relating to Organisational Characterisation 52

Table 10. Interview Questions Relating to New Products and Services Introduced 54

Table 11. Interview Questions Relating to Processes and Systems.....56

Table 12. Themes Identified Through Data Capture.....59

Table 13. Number of Employees per Organisation 68

LIST OF FIGURES

Figure 1. The Entrepreneurial Grid (Morris et al., 2011) 18

Figure 2. Level of Innovation Compared to Competitors.....56

Figure 3. Entrepreneurial Grid Applied at CEO Level 61

Figure 4. Relating Types of Innovation to Risk with Organisations Plotted.....65

CHAPTER 1. INTRODUCTION

1.1 Purpose of the study

The purpose of this research is to expand on and analyse the intensity and frequency of entrepreneurial orientation as a perceived success factor within the travel industry in South Africa. This research is based on the extension of the concept of intrapreneurship and corporate entrepreneurship with a specific focus on the entrepreneurial intensity of the organisations. The study will also analyse the frequency and use of entrepreneurial intensity at a corporate level within the travel industry.

1.2 Context of the study

The current reality for businesses, is that companies that are able to adapt and continuously reinvent themselves with evolving competitive advantages, will survive and thrive in the long run over those that choose to rather focus on current operations in isolation. This reality is especially true in South Africa where the environment is becoming ever more challenging for both Small to Medium Enterprises (SME's) as well as large corporations within, but not limited to, the hospitality industry, to remain profitable and/or survive. This research may assist the corporate and travel organisations to understand how entrepreneurial behaviour and intensity might help them gain or maintain a competitive advantage.

Kuratko, Morris, and Covin (2011) share the view that the environment businesses now operate in can be described using the four powerful forces of: change, complexity, chaos and contradiction as originally discussed by Bettis and Hitt (1995) and Hitt and Reed (2000).

When considering the typical strategies within larger corporate organisations, they tend to focus on the continuous improvement of operational effectiveness which is a short-sighted approach delivering diminishing returns (Morris, Kuratko, & Covin, 2011). With the rapidly and continuously changing environments, the competitive landscape is always altering, and

when the organisation is not prepared for this, they are at risk of becoming irrelevant in the market place.

The integration of the entrepreneurial mind-set and behaviour into the formulation of corporate strategies defined for the organisation will ensure that the organisation will maintain their leadership positions in business (Barrett & Weinstein, 1998).

Research in the field of entrepreneurship has been focussed on small organisations in terms of venturing or large organisations discussed as corporate entrepreneurship, with the bulk of the studies having been conducted in America.

Urban (2012) explains that corporate entrepreneurship (CE) has long since been defined as a multidimensional phenomenon which incorporates the behaviour and interactions of the individual, organisational and environmental elements within organisations. CE implies the organisations strategy and commitment to innovation, pursuing new opportunities or businesses, products or services by continuously evolving and being proactive.

There are many definitions surrounding entrepreneurship and strategy, where we are now seeing research emerge around corporate entrepreneurship, corporate venturing as well as entrepreneurial strategy – all of which refer to the behaviours, which are strategic albeit they are defined separately, or differently depending on the specific study. Regardless of the different definitions, what does emerge is that the integration of entrepreneurship with strategy relies on the critical aspects of entrepreneurial strategy and a strategy for entrepreneurship specifically (Kuratko & Audretsch, 2009; Morris et al., 2011; Urban, 2012).

According to Ireland and Webb (2009, p.470), the term ‘strategic entrepreneurship’ can be defined as “exploration for future sources of competitive advantage, combined with exploitation of current sources of competitive advantage— [and] has been proposed as a means via which decision makers can manage uncertainty.” This poses a significant challenge for firms using strategic entrepreneurship in the transition process between exploration and exploitation.

With this challenge in mind, it is clear that a symbiotic relationship exists between strategic management and entrepreneurship, where strategic entrepreneurship is described as the activities through which companies exploit today’s competitive advantages at the same time

as searching for innovation which will present the foundation for tomorrow's competitive advantages (Ireland & Webb, 2007).

(Li, Tse, & Zhao, 2009)Li et al. (2009) describe the concept of entrepreneurship within the hospitality industry as an opportunity for further research as global competition intensifies; corporate downsizing and de-layering are implemented along with the rapid technological progress that is taking place in the industry. Therefore there is a desire to exploit product-market opportunities through innovation and proactivity.

The implementation of strategic entrepreneurship will require a company to change and adapt its structure, culture and operations (Ireland & Webb, 2009). This results in a mind-set shift for the organisation from reacting to the external environment and the changes, to being strategically entrepreneurial and adapting and growing with the changes the environment presents.

While the concept of CE in corporate environments is relatively well researched, this same concept specifically within the larger travel organisations is still relatively new and undiscovered. This study may assist in understanding the opportunities corporate entrepreneurship and more specifically entrepreneurial orientation and intensity presents to travel organisations. It is necessary for these organisations to understand these opportunities as they prepare for the future and the continuous challenges with which the environments present to them. Furthermore it is pivotal to establish whether CE is perceived to drive success within these travel organisations because the global market remains a competitive one.

1.3 Problem statement

1.3.1 *Main problem*

The main problem in this study is to assess the level of entrepreneurial orientation and entrepreneurial intensity existing within the travel industry in South Africa.

1.3.2 *Sub-problems*

The first sub-problem is to evaluate the degree of entrepreneurial orientation in corporate travel organisations.

The second sub-problem is to evaluate the degree and frequency of entrepreneurial intensity within corporate travel organisations as a perceived business success factor.

1.4 Significance of the study

Previous research in this area has focussed on corporate entrepreneurship along with strategic entrepreneurship generically, with a significant number of these studies being conducted in the United States of America (Urban, 2005; Ireland & Webb 2009; Morris, et al 2011). There is a perceived gap in the theory where previous studies have not yet focussed specifically on the level of entrepreneurial orientation specifically within South African-based travel organisations.

This study may provide guidance to the leadership teams within travel organisations and may assist in defining best practice strategies by using the entrepreneurial approach for these organisations to remain competitive and agile in light of the uncertain environments in which they operate.

1.5 Delimitations of the study

This research is undertaken with the appreciation of the fact that it has a number of limitations that may affect the interpretation and ultimate benefit of the research.

While the scope of this research will be key to understanding the level and frequency of entrepreneurial intensity and the associated behaviours adopted within the travel organisations operating in South Africa, there is no intention to present new specific integrated models focussing on the implementation of corporate entrepreneurial strategy within the organisations.

The current research has a national focus on the larger travel organisations based within South Africa. The level of the employees in the organisation through which the research

was aimed at, were the senior management and leadership teams responsible for the development and design of the organisational strategies.

The methodology deemed most appropriate to the research problem was the execution of qualitative research through semi-structured interviews. These interviews were arranged with the person responsible for defining the strategy or part of the strategies for the organisation and were therefore either a senior manager or director of the organisations targeted. The reason for selecting this method is due to the fact that the research question required contextual understanding of the environment specific to the interviewee as well as to allow the flexibility for new or more specific questions to arise throughout the interview process, which in turn aided the research process in terms of concepts, understanding and validity.

1.6 Definition of terms

Corporate Entrepreneurship is defined as the entrepreneurial behaviour inside established mid-sized and large organisations with related terms such as “organisational entrepreneurship,” “intrapreneurship,” and “corporate venturing” (Morris et al., 2011).

Entrepreneurial Orientation refers to the way the organisation creates strategies and processes in engaging in entrepreneurial activities (Lumpkin & Dess, 2001). The authors’ well-known model of entrepreneurial orientation (EO) defines five related dimensions namely: autonomy, innovativeness, risk taking, proactiveness and competitive aggressiveness.

Entrepreneurial Intensity takes into account the number of entrepreneurial events that take place in a given company known as the frequency of entrepreneurship along with the degree of EO in order to assess the overall level of entrepreneurship in a company (Morris et al., 2011).

Intrapreneurship is a word devised by Pinchot III (1985) where he merged the words “intra” and “entrepreneurship”. He goes on to define an intrapreneur as “a person who performs the tasks of an entrepreneur inside big organizations, including creating new units in the organization, presenting products, and inventing new processes which lead companies to development and profitability”.

Corporate venturing: (Morris et al., 2011) states that Corporate venturing includes a variety of means for creating, adding to, or investing in new businesses along with internal corporate venturing which is where the new businesses are created within the organisations.

Entrepreneurial strategy has been defined by Ireland, Covin and Kuratko (2009, p21) as “a vision-directed, organization-wide reliance on entrepreneurial behaviour that purposefully and continuously rejuvenates the organization and shapes the scope of its operations through the recognition and exploitation of entrepreneurial opportunity.”

1.7 Assumptions

- The research assumes that corporate entrepreneurship is understood as a concept by the organisations to be interviewed and as such, their responses will be in line with the required outcomes.
- The research assumes that entrepreneurial orientation is a widely understood concept which organisations are aware of at a corporate level.
- The research also assumes that the senior managers and directors to be interviewed represent the organisation in developing business strategies from their infancy.

CHAPTER 2. LITERATURE REVIEW

The literature review aims to review and convey the knowledge and concepts learned throughout the process of research. It begins with defining corporate entrepreneurship from earlier writers on the topic, followed by the evolution of the concept over history and within different industries. The literature intends to highlight some of the key factors of consideration when defining entrepreneurship as a way of thinking and the evolution of this thinking into attempting to understand the corporate entrepreneurial intensity of an organisation.

Historically, the perception existed that entrepreneurship as a behaviour and mind-set only existed in small start-up ventures who were skilled at identifying new opportunities but less so at sustaining and exploiting these opportunities (Ireland, Hitt, & Sirmon, 2003). While arguably the larger organisations may have existing competitive advantage but without having identified new opportunities to explore which provides risk in ability to create wealth or at least maintain existing wealth. Ireland et al. (2003) therefore conclude that new venture and entrepreneurial organisations prove to excel at opportunity-seeking behaviours while the more established companies would then excel in advantage-seeking behaviours.

Strategic entrepreneurship can be described as the outcomes of combining entrepreneurship and strategic management knowledge in order to maintain a competitive advantage by creating wealth and shareholder value (Ireland et al., 2003).

Similarly, the literature around strategic management and entrepreneurship point to three consensual underlying dimensions of an organisations' predisposition to entrepreneurial intensity: innovativeness, risk taking and proactiveness (Kurgun, Bagiran, Ozeren, & Maral, 2011).

Covin and Miles (1999) go on to describe innovation as the critical source of competitive advantage and ultimately, the essence of an organisations entrepreneurial activity.

In a more recent study of corporate entrepreneurship in hospitality companies, Li et al. (2009) debate the importance of strategic planning as an organisational process which could either facilitate or impede the entrepreneurial activity of a larger organisation.

In understanding the critical role of entrepreneurial orientation, it is essential to understand the difference between entrepreneurship and entrepreneurial orientation. Entrepreneurship has been described as the act of new entry or starting a new venture within an organisation, whereas entrepreneurial orientation is in fact how the organisation goes about finding new opportunities (Lumpkin & Dess, 1996). Entrepreneurial orientation is related to the way an organisation goes about seeking and implementing these new ventures and opportunities.

Finally, in some of the most recent thinking in the area of corporate entrepreneurship, which is deemed to be most appropriate with regards to the purpose of this specific study, is the ability to identify and measure an organisations' entrepreneurial activity through its internal environment which is essential in delivering corporate entrepreneurial strategy (Kuratko, Hornsby, & Covin, 2013). The success therefore, of the implementation of corporate entrepreneurship strategy can be ascribed to leaders focussing more on creativity and innovation in all business areas as a means to a sustainable competitive edge.

This literature review will thus further uncover the previous literature and research around strategic corporate entrepreneurship within the hospitality and travel industry as well as corporate entrepreneurship intensity as a perceived factor of success for an organisation.

2.1 Entrepreneurial orientation and intensity in travel organisations

2.1.1 *Entrepreneurial Orientation*

Entrepreneurial events within an organisation vary with regards to degree referring to the extent to which events are either innovative, risky or proactive (Morris et al., 2011). The entrepreneurial orientation (EO) term emerged from literature around strategic management where it specifically refers to the actual processes, practices and decision-making activities of an organisation that result in a new venture or business opportunity (Lumpkin & Dess, 1996).

In a study by Rauch, Wiklund, Lumpkin, and Frese (2009), these authors view EO as the "entrepreneurial strategy-making processes that key decision-makers use to enact their firm's organizational purpose, sustain its vision, and create competitive advantage(s)".

The original concept of EO as defined by Miller (1983), includes the three dimensions of EO which have been applied consistently throughout literature ever since. These three dimensions include: innovativeness, risk taking and proactiveness.

- Innovativeness - refers to the engagement and experimentation in developing and introducing new services, products, processes, systems or technology.
- Risk taking - is the ability to make bold decisions and actions within uncertain environments.
- Proactiveness – is defined as opportunity-seeking behaviour regarding future thinking and competitive advantage.

(Morris et al., 2011) go on to explain “there is always some level of innovativeness in entrepreneurship, but innovative behaviour takes many forms.” These authors elaborate on the idea that highly innovative organisations are often both employee-centric as well as customer-centric, where employees often demonstrate a passion for innovation.

The theoretical framework proposed by Lumpkin and Dess (1996) investigates the relationship between EO and organisational performance considering the specific dimensions of EO as autonomy, innovativeness, risk taking, proactiveness and competitive aggressiveness.

Similar to the original definition of EO from Miller (1983), the authors (Morris et al., 2011) agree in that when determining the entrepreneurial orientation of an organisation, as there is always some level of entrepreneurship present in every organisation, the three underlying dimensions of entrepreneurship need to be considered being innovativeness, risk-taking and proactiveness.

2.1.2 *Dimensions of Entrepreneurship*

Innovation

Innovation is simply the extent to which companies are doing things differently or unique, ranging across products, services and processes or systems. Organisations now find that they need to innovate more than before with the pressures to innovate usually due to

external forces such as improved technology, globalisation, fragmentation of markets, government deregulation and social changes(Morris et al., 2011).

Most organisations tend to innovate only when they need to respond to a competitors move or if the organisation is in trouble (Morris et al., 2011), where innovation is mostly about the future where managers are generally focussed on the present.

(Morris et al., 2011) state that innovation works when employees are given a level of freedom, discretion and autonomy with certain flexibility in terms of rules, budgets, processes and controls. The most innovative companies are suggested as those who take the entire business concept as the starting point for innovation and not just focus on one product or service.

Risk-Taking

New products, services and processes involve risk, where taking these risks involves the willingness of the organisation to pursue opportunities that may produce losses or performance challenges with the emphasis in CE on risks that are moderate and calculated(Morris et al., 2011).

Innovativeness and risk-taking are complex in relationship and dynamics in that risk is high when an organisation ignores product and service opportunities for innovation, but risk is also high if organisations attempt breakthrough innovation in creating new or redefining markets (Morris et al., 2011).

Proactiveness

The dimension of proactiveness is also viewed as a dimension of strategy design where an entrepreneurial organisation would be acting on opportunities rather than reacting to changes in the environment(Morris et al., 2011). The proactiveness of an organisation is seen in it’s ability to implement, adapt and persevere continuously in its search for new market opportunities and responding to the rapidly changing environment.

2.1.3 *Entrepreneurial Intensity*

Existing organisations have different levels of entrepreneurship, which can be measured by looking at the three aforementioned underlying dimensions of entrepreneurship being innovativeness, risk taking and proactiveness (Morris et al., 2011).

Some organisations may produce a continuous flow of new services, products or processes, while other organisations very rarely produce anything different or new to the market. This is where the concept of entrepreneurial intensity (EI) comes into play.

The 'degree' of an organisations entrepreneurship is described as the extent to which the events are innovative, risky and proactive. The 'degree' of entrepreneurship is considered to be as important as the number of entrepreneurial events taking place over a specific time period and is referred to as the 'frequency of entrepreneurship' (Morris et al., 2011). By combining these two concepts of degree and frequency, we are able to assess the overall entrepreneurial intensity of an organisation.

The EI may differ significantly from one organisation to another and even within departments or areas in a company due to the variable nature of EI and the degree and frequency of entrepreneurial events taking place at a given time. (Morris et al., 2011) also found that EI plays a critical role in defining the relationship between the external environment facing the organisation, the strategy of the organisation and their internal structure. For example, organisations which are facing highly turbulent environments may require higher levels of EI in order to adapt and survive, which the authors go on to explain, has an impact in generating more aggressive corporate strategies along with structures that are more flexible.

In order to further demonstrate the concept of EI, (Morris et al., 2011) developed a two-dimensional matrix referred to as the "entrepreneurial grid" - which reflects the number (frequency) of entrepreneurial events on the vertical axis and with the extent (degree) to which these events are innovative, risky and proactive along the horizontal axis. Figure 1 below illustrates the five possible scenarios or segments applicable to an organisation at a particular point in time:

- Periodic/incremental

- Continuous/incremental
- Periodic/discontinuous
- Dynamic
- Revolutionary

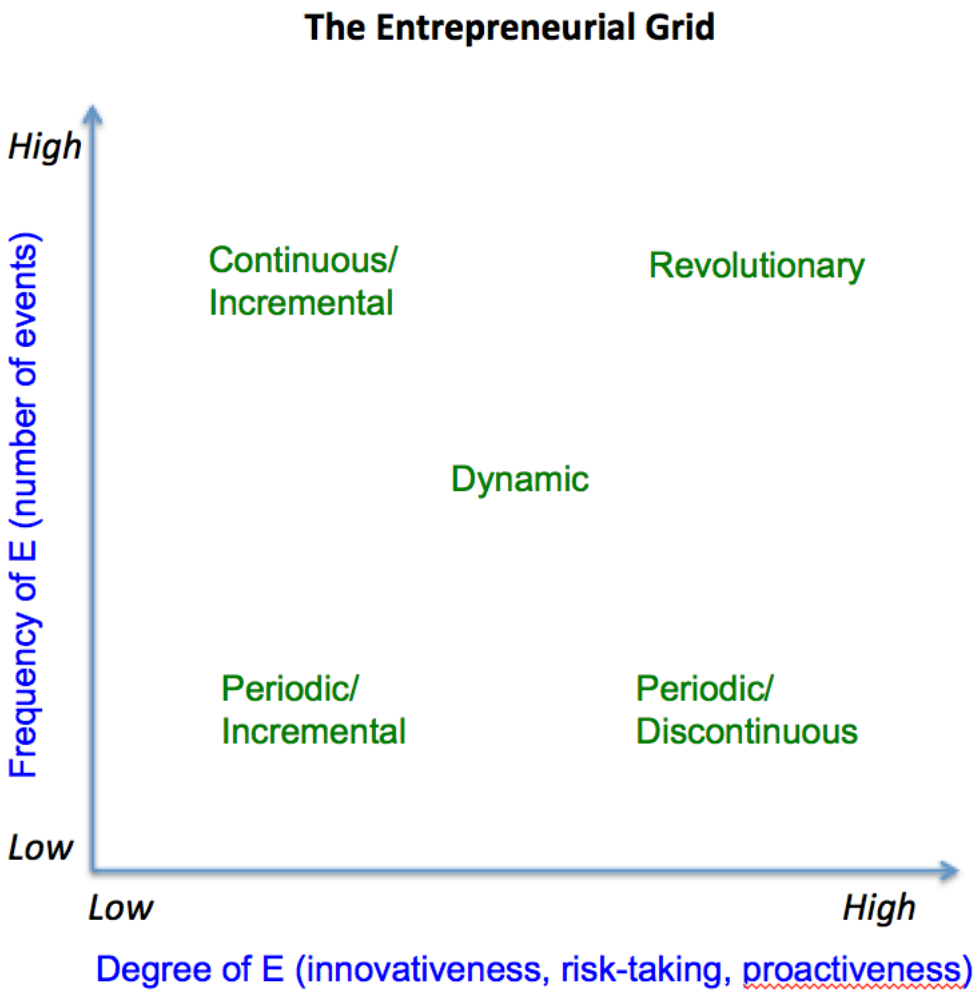


Figure 1. The Entrepreneurial Grid (Morris et al., 2011)

Managers or leaders who are aiming to define the role of entrepreneurship within their organisations, through identifying where their organisation is placed on the grid so as to clearly define the entrepreneurial strategy for the organisation, would use the entrepreneurial grid as per figure 1 above.

2.2 Corporate Entrepreneurship

2.2.1 *Corporate Entrepreneurship*

Corporate entrepreneurship, also defined as intrapreneurship, can be described as existing organisations demonstrating entrepreneurial behaviours, which are different to previous or customary ways of conducting business within existing businesses. Antoncic and Hisrich (2003) propose that the concept of intrapreneurship can be utilised as a successful method for organisations to make significant improvements in their company performance by analysing the distinctive eight components of: new ventures, new businesses, product and/or service innovativeness, process innovativeness, self-renewal, risk taking, proactiveness and competitive aggressiveness.

According to (Morris et al., 2011) corporate entrepreneurship can be described as the term given for the entrepreneurial behaviour that takes place within established middle to large organisations. Further to this definition, they define strategic renewal, innovation and corporate venturing, all of which form part of the corporate entrepreneurship concept. These authors go on to introduce the importance of corporate entrepreneurship where organisations are continuously striving for sustainable competitive advantage, where, in the twenty-first century this denotes the need to be more adaptable and flexible, faster and more aggressive, and generate higher rates of innovation compared to other companies. In short, it is an opportunity-driven process of value creation in already established organisations, where the value is created through a unique combination of the organisations resources.

Global leaders today agree that when it comes to increasing their pace of change in the global environment, innovation is the most important route to success (Kuratko et al., 2013). Corporate entrepreneurship therefore can be viewed as a critical form of corporate innovation where strategic leaders now need to look beyond product and service innovation (Govindarajan & Trimble, 2005) into rather pioneering innovation throughout their organisational processes, structures and management functions across the organisation.

In understanding the earlier literature regarding entrepreneurial organisations as a start, it is agreed that entrepreneurial firms are risk-taking, innovative and proactive as opposed to

your more conservative organisations which demonstrate less innovative processes and are viewed as risk-adverse (Li et al., 2009).

Earlier research on the CE topic by Covin and Slevin (1986) suggested the same, in that they developed a 9-item scale where an organisation's tendency towards innovation, risk-taking and proactiveness could be measured.

A particularly conclusive definition and model of corporate entrepreneurship strategy was devised by Ireland, Covin, and Kuratko (2009) as:

> "Manifested through the presence of three elements: an entrepreneurial strategic vision, a pro-entrepreneurship organizational architecture, and entrepreneurial processes and behaviour as exhibited across the organisational hierarchy"

An important theme emerges when discussing the successful use of corporate entrepreneurship strategy, in that organisations with corporate entrepreneurship strategies must ensure that they engage in entrepreneurial behaviour on a relatively continuous and regular basis (Ireland et al., 2009).

The more recent literature on the matter finds this thinking to be true, where the development of a company strategy that is seen as entrepreneurial would not be obvious, would discover unique positions in the marketplace and it would potentially move away from how the organisation previously operated (Morris et al., 2011).

(Morris et al., 2011) go on to provide a specific definition for entrepreneurial strategy "as a vision-directed, organisation-wide reliance on entrepreneurial behaviour that purposefully and continuously rejuvenates the organisation and shapes the scope of its operations through the recognition and exploitation of entrepreneurial opportunity." They further explain that setting this kind of strategy would define a higher level of risk and a unique way of creating value for the market. There are also organisations that would participate in entrepreneurial activities, but not necessarily have these activities linked to their overall business strategies, which would imply that they are not as entrepreneurial orientated as those organisations who define the behaviour and activities as core to their strategies.

Strategic entrepreneurship as defined by (J. Webb, Ketchen, & Ireland, 2010) is about exploring future business while exploiting current business domains, which presents the decision criteria for most business owners in deciding between which existing areas to exploit as well as which areas to explore as new opportunities.

Organisations successfully using strategic entrepreneurship have had a shift in the mind-set of the companies' decision makers, where this mind-set is embedded in the organisational structure, culture, as well as the operations (Ireland & Webb, 2009). These authors go on to attribute the successful use of strategic entrepreneurship as a direct result of a company finding a balance between opportunity and advantage seeking behaviour. This specific study conducted by Ireland and Webb (2009) examined the performance outcome and important success factor of organisations effectively being able to transition from exploration processes into exploitation.

In a related study by Carlbäck (2012), with regards the hospitality industry, the author relates this approach to ensure strategic entrepreneurship by developing the appropriate mind-set for the organisation, finding the balance between exploitation and exploration and finally driving continuous innovation as a business owner in the industry. This is believed to result in maintaining a competitive advantage, which is an important factor in the hospitality industry. Interestingly, the findings of this study suggest that there is a significant presence of strategic entrepreneurship among Swedish hoteliers, the majority of which, had a good understanding of areas to exploit within their current situation but also possessed the thinking around exploring new ways of conducting business.

2.2.2 *Entrepreneurial organisations*

In understanding the earlier literature around entrepreneurial organisations as a start, it is agreed that entrepreneurial firms are risk-taking, innovative and proactive as opposed to your more conservative organisations which demonstrate less innovative processes and are viewed as risk-adverse (Li et al., 2009).

There are organisations that do not integrate entrepreneurial activities into their core strategies, but do engage in some levels of entrepreneurial activity on a haphazard basis. This suggests that while there is entrepreneurial activity in established organisations, this is not necessarily embraced or driven as a business strategy (Morris et al., 2011).

In further pursuing a strategy for entrepreneurship in an established organisations goal to be entrepreneurial, the internal marketplace inside the company must be stimulated for ideas and innovation which is related to dealing with external questions when applying entrepreneurial thinking to an organisations' core strategy (Morris et al., 2011).

Based on the enormous growth in the academic literature over the last decade in developing the concepts of entrepreneurship, it is widely accepted that entrepreneurship can be developed and taught provided the right internal environment is created (Gibb & Hannon, 2006).

It is therefore pivotal for organisations to systematically scan both external and internal environments evaluating the combinations of existing technology, concepts and ideas as well as new applications for existing competencies (McFadzean, O'Loughlin, & Shaw, 2005). Organisations that have an entrepreneurial vision, reflecting what the organisation expects to achieve in the future are considered entrepreneurial organisations with talented entrepreneurs as leaders who then use the vision to energise employees (McFadzean et al., 2005) in achieving the entrepreneurial goals and business strategy.

(Morris et al., 2011) agree with this thinking in that in order to encourage employees to recognise and act upon innate entrepreneurial potential, the leaders of the organisations need to build an appropriate work environment. The key elements of the work environment as discussed by (Morris et al., 2011) are the strategy of the organisation, its structure, culture and human resource management system.

2.2.3 *Corporate Entrepreneurship in hospitality*

In an earlier study conducted within the tourism sector by Lordkipanidze, Brezet, and Backman (2005), the trends observed at the time in this industry, was the demand for small-scale, nature-related and rural tourism. The tourism industry was then, and remains one of the economic sectors where a large degree of involvement is required by the entrepreneurial sector due to the rapid growth of the international market. This reveals an opportunity and a challenge to corporate tourism organisations to adopt the entrepreneurial approach to finding innovative and more proactive ways of conducting business within the sector while involving the communities from where they choose to operate, in order for it to be a sustainable and successful business.

The entrepreneurial approach to management is widely needed in both the development of new businesses but also within existing businesses, and is appropriate for both large and small businesses regardless of sector, be it private or public (Ball, 2005). It would seem that while little research and attention has been given to the specific role of entrepreneurial activity and corporate entrepreneurship within the tourism sector and organisations, it is gaining more relevance due to the tourism industry's impact on economic development (Ball, 2005).

In a quantitative study conducted by Jogaratnam and Ching-Yick Tse (2006) on entrepreneurial orientation and structuring of organisations within the Asian hotel industry, the authors found that a hotel organisation deemed entrepreneurially orientated, was positively associated with performance. They further found that entrepreneurial organisations shape their own destiny by proactively scanning the environments for emerging trends, while developing strategies and adopting tactics to face new challenges. These organisations were also found to be forward-thinking, albeit at a degree of risk, with a tendency of being industry leaders in innovation as well as finding better ways of doing business to maintain a competitive advantage.

2.2.4 *Research Question 1*

To which degree are travel organisations aware of, and adopting entrepreneurial orientation as an overall business strategy?

2.3 Entrepreneurial Intensity and organisational performance

2.3.1 *Corporate entrepreneurship linked to organisational performance*

A company's financial performance will likely be affected in the longer term by its entrepreneurial accomplishments, where some of the first signals of successfully implementing entrepreneurial initiatives may be seen from the market place such as increased sales, market share, return on assets and profitability (Aktan & Bulut, 2008). Aktan and Bulut (2008) research findings reveal that each of the dimensions of entrepreneurial orientation, being: innovation, risk taking, proactiveness and competitive aggressiveness are positively associated with the company's performance. However, these

authors stress that the effectiveness in its application depends on how well entrepreneurship is integrated into the company mission, objectives, strategies, operations as well as the culture.

This thinking is supported by the fact that in order to facilitate corporate entrepreneurship in an organisation, it is required that management are given the required resources, time and support for risk taking along with a sense of reasonable tolerance for failure (Hancer, Ozturk, & Ayyildiz, 2009).

Further research within the hospitality sector, specifically the casual dining sector by Brizek and Khan (2007) reveals the perception and relationship between corporate entrepreneurship practices and management performance. The findings validate that organisational rewards, job satisfaction and reinforcement of management innovation does in fact contribute to the practice of corporate entrepreneurship in the casual dining sector.

Corporate entrepreneurship, while not only limited to large organisations, it has been found that larger organisations do benefit from having more resources and the empowerment to implement entrepreneurial ideas, thus consideration of the size of the organisation is critical in its impact on the level of corporate entrepreneurship and organisational performance (Martín-Rojas, García-Morales, & Bolívar-Ramos, 2013).

(Morris et al., 2011) explain that the link between EI and performance for companies that operate in highly turbulent environments is increasingly strong in that the rapidly changing environments force organisations to be more entrepreneurial in approach and strategy.

Rauch et al. (2009) agree with the benefit of organisations adopting EO in an attempt to provide future profit streams from existing operations as well as to seek new opportunities in order to remain relevant and ahead in an environment that is rapidly and constantly changing. Additionally, they argue that EO essentially leads to higher performance. The authors' research findings do in fact support the philosophy of the EO dimensions of innovation, risk taking and proactiveness with equal importance when it comes to organisational performance.

2.3.2 *Research Question 2*

To what extent does entrepreneurial orientation have a positive effect on perceived financial performance within travel organisations?

2.4 Conclusion of Literature Review

In conclusion, the literature in and around the concept of corporate entrepreneurship dates back many years with early recognition of the terms innovation entrepreneurship and innovation management (Urban, 2012). The term more widely accepted to describe corporate entrepreneurship today, is intrapreneurship (Antoncic & Hisrich, 2003).

Corporate entrepreneurship and a company's entrepreneurial intensity form the basis of successful organisational performance when the organisation integrates the entrepreneurial mind-set and orientation throughout all processes, structures and areas of the business. The associated behaviours of innovation, risk-taking and proactiveness are commonly used in describing organisations that are entrepreneurially orientated in order to provide a competitive advantage and create or sustain wealth for the business and its shareholders.

A company's entrepreneurial intensity should be key activity which is monitored within the organisation on a continuous basis in order to assist the organisation in tracking its levels of entrepreneurship as well as assessing the relationships between EI and the organisational performance variables (Morris et al., 2011).

Ultimately, with the rapidly changing environments along with the continuously increasing pace of change, it has become critical for businesses to adapt and change the way they operate and do things in order to remain relevant. Herein lies the importance and opportunity for the travel industry in South Africa to adopt a model of entrepreneurial orientation to continuously evolve and maintain a competitive edge in a very competitive industry.

This study will therefore provide a view of the existing levels of entrepreneurial orientation within the travel industry in South Africa and in so doing, highlight the opportunity for other business sectors to adopt and enhance their entrepreneurial intensity in order to remain relevant and successful.

2.4.1 *Research Question 1:*

To which degree are travel organisations aware of and adopting entrepreneurial orientation as an overall business strategy?

2.4.2 *Research Question 2:*

To what extent does entrepreneurial orientation have a positive effect on perceived financial performance within travel organisations?

CHAPTER 3. RESEARCH METHODOLOGY

This section clarifies the research methodology used to gain understanding and insight into corporate entrepreneurship as a mind-set and contributing factor to the perceived success of travel organisations.

It firstly describes the approach for the methodology and then provides a rationale for the decision to follow the specified approach to the research. The second section uncovers the appropriate research design utilised, followed by an elaboration on the population and sample selected.

Finally, the research instrument that was used for data collection and analysis is discussed along with the clarification of the limitations and validity of the selected methodology approach.

3.1 Qualitative analysis

The outcomes from qualitative research can be defined into four categories of analysis around description, interpretation, verification and evaluation (Peshkin, 1993). For the purposes of this study the required outcomes of the qualitative approach and analysis will predominantly be to interpret and elaborate the existing concepts of corporate entrepreneurship and to then evaluate the existence of these practices within travel organisations.

Qualitative research places an emphasis on words rather than on the collection and analysis of pure data where the theory of qualitative analysis will be an outcome of the investigation rather than an input (Bryman, 2012).

Qualitative interviews with less structured interview strategies, allows the person being interviewed to participate in creating meaning behind the information received (DiCicco-Bloom & Crabtree, 2006).

The questions that will be investigated in this study will require specific insights into people's experiences and opinions and therefore the qualitative method was deemed appropriate in this case (Boyce & Neale, 2006).

3.2 Research Design

A specific questioning framework of in-depth, semi-structured interviews seemed most appropriate in aiming to answer the research questions and to address the gap in the research within the travel industry in South Africa.

The sample size of eligible participants, based on their influence and decision making ability, was small which allowed for more in-depth discussions in order to answer the research questions posed above (Bryman, 2012).

Qualitative research was used in order to contribute to a body of knowledge (DiCicco-Bloom & Crabtree, 2006) around theory and concepts which are based on the meanings that the life experiences hold for the interviewees.

The advantage of conducting the semi-structured interviews is the ability to schedule a specific time and location in advance and the fact that they are generally arranged around predetermined open-ended questions paired with additional questions which emerged during the interview process (DiCicco-Bloom & Crabtree, 2006). These individual interviews then allowed the interviewer to specifically delve deeper into the specific areas of the research questions, allowing the interviewee to share their knowledge and experiences on the specific subject.

The research questions in this study were therefore best suited to a qualitative semi-structured research design approach in order to understand the specific activities and the intensity relating to entrepreneurial orientation within the organisation, which the interviewee leads or manages.

The interviews that take place within a qualitative study context are usually less structured than those carried out within a quantitative study, where less structured interviews may also provide more flexibility to the interviewer during the process (Leedy & Ormrod, 2013).

The specific disadvantage associated with the approach of in-depth, semi-structured interviews is that the research may often elicit different responses from the various interviewees and this makes it challenging to compare when analysing the data.

Another disadvantage associated with this technique is that certain quantitative researchers may regard the empirical data derived by interpretive methods as somewhat unreliable or not objective where the interviews may seem more like casual conversations (Qu & Dumay, 2011).

Therefore, for this study, the researcher ensured they conducted proper preparation and careful planning of the questions along with intensive listening and note taking skills during the interviews (Qu & Dumay, 2011) over and above the use of an audio recorder in order to have captured as much information from the interview as possible.

3.3 Population and Sample

3.3.1 *Population*

The interviews were scheduled across three medium to large travel organisations from various areas of the travel industry operating inbound and outbound within South Africa on a corporate level. The following types of travel organisations were targeted as is outlined in Table 1 below as the objective of the study was to conduct the research across the main categories within the travel industry:

Category	**Sub-category**	**Qualifying criteria**
• Inbound Travel Company	• Destination Management Company	• Operations within South Africa • Number of employees greater than 100 • Established corporate companies
• Outbound travel companies	• Tour operator	
• Accommodation and Hospitality Provider	• Hospitality Group	

Table 1. Population by Category

The target population included senior management within the organisations who have the knowledge and influence to make decisions. Their views and decisions directly impact the overall strategic design of the organisation and its business activities.

The specific targeted stakeholders were the senior leaders including CEO and/or Strategic, Commercial and Sales Directors and they had to comply with the following criteria:

- Senior member of the leadership team
- Typical to their environment
- Good level of work experience
- Reside in Johannesburg

The area of responsibility for each respondent interviewed within the aforementioned organisations is outlined in Table 2 below.

Company One	• Sales & Operations Director • Chief Financial Officer • Touring Director • Chief Marketing Officer • HR Director
Company Two	• CEO • Chief Marketing Officer • Chief Operating Officer
Company Three	• GM Corporate Affairs • HR Training and Development Manager • Director of Development

Table 2. Breakdown of Interviewee Title per Organisation

3.3.2 *Demographic profile of respondents*

The respondents selected were all at a senior level within their organisations and responsible for making business decisions and leading their teams. The results broadly suggest that the opportunity to be innovative and creative lies mainly at senior and CEO level, which seems to not translate at the same level further down within the organisation.

Respondent	Sex	Level	Age
Respondent 1	Male	Director	40-45
Respondent 2	Male	Chief Financial Officer	40-45
Respondent 3	Male	Director	34-39
Respondent 4	Female	Chief Marketing Officer	40-45
Respondent 5	Male	Director	55-60
Respondent 6	Male	Chief Executive Officer	46-50
Respondent 7	Female	Chief Marketing Officer	40-45
Respondent 8	Male	Chief Operating Officer	46-50
Respondent 9	Female	General Manager	40-45
Respondent 10	Female	Training and Development Manager	40-45
Respondent 11	Male	Director	55-60

Table 3. Demographic Profile of Respondents

With reference to table 9 above, nine (roughly 82%) of the respondents are under the age of 50, which indicates a trend towards younger senior leadership teams across the three organisations. Four out of the eleven respondents were female and five of the eleven respondents were at c-suite level in the organisation.

3.3.3 *Sample and sampling method*

Due to the nature of this study, the selection of organisations is essentially with direct reference to the research questions being asked and for this reason, generic and typical purposive sampling suits this study (Bryman, 2012). Further to this, the research specifically requires the sample to be within a particular industry of travel and hospitality and gaining access to a wide range of individuals within the industry and targeted organisations.

This sampling strategy allowed the researcher to examine the similarities as well as the differences among interviewees within each corporate company interviewed.

One of the challenges faced in qualitative research, is the difficulty in defining how many people will essentially be interviewed from the onset (Bryman, 2012). Further to this, many arguments have been made as to the minimum number of interviews required, where Bryman (2012) goes on to say that the size of the sample will vary from one situation to another in purposive sampling where researchers need to take a balanced approach in that the sample should neither be too small nor too large for deep case-orientated analysis.

For the research to be as relevant and meaningful as possible, a minimum of 10 purposefully selected participants were targeted with 11 actual respondents who then participated in the semi-structured, in depth interviews. Due to the researcher's existing experience and relationships within the tourism industry, the interviews were set up relatively easily and access to participants was not a challenge.

The researcher discovered through the data collection and analysis process that the respondents started to give similar answers to most of the questions as the interviews for respondent 8 through 10 were interviewed indicating that saturation was reached by the time interview 10 was completed.

An email was sent to each of the targeted individuals within the organisations explaining the purpose of the researcher's request and the objective of the research and the interview. The individuals were then invited to participate in the current study and they were provided with time options in order to arrange an interview at a time most appropriate for them.

3.4 The research instrument

When considering the concepts of this study, the most appropriate research methodology suited to the research questions proposed would be to conduct in-depth qualitative semi-structured interviews.

In this study, to better understand the degree and frequency of an organisations entrepreneurial orientation, the researcher needed to investigate firstly, the degree of orientation through understanding whether the activities in which the organisation participates meet the criteria of innovative, risk taking and proactivity. Secondly, the researcher would then need to investigate the frequency that the organisation participates in entrepreneurial activities – essentially how often and how many, in order to define the level or intensity of the entrepreneurial orientation of the organisation.

By applying the theory as discussed in the literature review along with considering the questions used in determining the CECI and EI frameworks, the researcher compiled their own set of interview questions to be used in the data gathering process. The researcher used a Philips digital voice recorder to capture each interview with the permission given from each respondent beforehand.

Due to the varied environments and contexts of each organisation, a semi-structured face-to-face interview was most appropriate in that the researcher was prepared with the related themes and questions (Saunders, Saunders, Lewis, & Thornhill, 2011) to be covered but with flexibility to tweak from one interview to the next based on the differing contexts.

3.5 Procedure for data collection

Throughout the literature review process of gathering relevant academic articles and theory on the topic of corporate entrepreneurship, entrepreneurial orientation and entrepreneurial intensity, key themes were highlighted in order to refer to defining the question topics required for the interviews.

The data collection procedure was conducted through the in-depth, face-to-face semi-structured interviews at a one on one basis with the specifically targeted population. The advantages associated with collecting data via interviews, as explained by Creswell (2003),

could be that participants are able to provide historical information and the researcher has some control over the process of questioning. Conversely, the limitations associated with this procedure provided by the author includes the following: the potential for researcher bias in the responses; the information provided may be filtered indirectly through the views of the interviewees; and not all participants are equally perceptive and articulate.

Interviewees were contacted via telephone, email and personal referral to introduce the context of the study and outline the framework of the interview requirements including the length and appropriate time period required.

The researcher conducted the interviews within the environment most suitable to the interviewee and all interviews were audiotaped with the permission of the participants. These audiotapes were then sent to a reputable transcribe to be transcribed into word format, in order to ensure that all information and responses are validated based on the captured notes from the interviewer.

The research instrument followed the protocol for interviews as set out by Creswell (2003) where the instrument contained: “a heading, instructions to the interviewer (opening statements), the key research questions, probes to follow key questions, transition messages for the interviewer, space for recording the interviewer’s comments, and space in which the researcher records reflective notes”

The interview transcripts and interviewer notes formed the basis of the data analysis, where each transcript was identified by a code in order to ensure anonymity of the company and respondent interviewed.

In depth thematic analysis was therefore conducted as is evident in the attached Appendix C depicting the table of analysis and responses captured per respondent, which was then analysed to identify themes emerging from the data.

3.6 Data analysis and interpretation

Saunders et al. (2011) describe the process of analysing qualitative data as allowing the researcher to develop theory from the data collected and the process of analysis through

the use of conceptualisation. The author goes on to describe the nature of the analysis as interactive allowing the researcher to identify important themes, patterns and relationships which emerge during the process of analysis and can assist in adjusting future data collection to align to these themes.

This research therefore followed a thematic analysis using an inductive approach where a conceptual framework was developed as the data was collected and analysed in order to guide subsequent work. However, the use of deductive analysis was also used in conjunction as part of the template analysis method (Saunders et al., 2011).

Once all notes had been written up and transcripts produced, the interview sessions were summarised into key points, statements and quotations in order to condense the large volumes of responses. This process of summarising allowed the researcher to become familiar with the themes, which emerged from the interviews which assisted with further data collection and development of themes for on-going data collection throughout the process.

Due to the largely exploratory nature of this study, the most suited process of coding the data was inductive coding determined by the reading of the data requiring several iterations of the processing and coding in order to continuously improve the categorisation of the data.

Once the data had been coded, reviewed and categorised, it was then ready for interpretation.

3.7 Limitations of the study

The limitations of the research refer to potential shortcomings and disadvantages of the qualitative methodologies used in the current study and are summarised as follows:

- As the research was primarily qualitative in nature, the data cannot be generalised to represent the entire tourism industry accurately.
- Qualitative research may be perceived as rather subjective and often relies on the researcher's own views with regards to what is important (Bryman, 2012).

- Challenging to replicate due to the unstructured or semi-structured approach in data collection and the interpretation of the findings is very subjective to the researcher.
- Due to the small size of the sample, there are often challenges around generalisation of findings, particularly to other organisations or populations.
- Each interviewee has their own points of view, which, at times, made it challenging to code the responses accurately or organise the data into themes because each interpretation and response was different.

3.8 Validity and reliability

While validity and reliability are widely and more commonly used criteria for assessing quantitative data, the criteria can be adapted by reducing the factors of measurement when assessing qualitative data (Bryman, 2012). Authors such as Lincoln and Guba (1985) proposed alternative criteria such as trustworthiness and authenticity when applying to qualitative data analysis.

3.8.1 *External validity*

While the concept of validity is essentially concerned with the integrity of the conclusions drawn from a study, the actual measurement of validity applies primarily to quantitative research. The external validity of a study refers to the generalisation of the results outside of the context of the research (Bryman, 2012).

With regards to this study, one could argue that the research is not externally valid in that it is very difficult to generalise the results across other industries or organisations due to the specific population and small size of the sample.

In the case of the alternative criteria of trustworthiness and authenticity (Lincoln & Guba, 1985), we can consider the parallel of external validity to be the transferability of the study. Due to the richness of the interview and data collected, there is the possibility of the data providing others with enough information to make judgements, thus proving the transferability of the findings of the research into other areas and industries.

3.8.2 *Internal validity*

The internal validity often refers to the existence of a good match (Bryman, 2012) between theory and the researcher's observations. As mentioned above, when considered using Lincoln and Guba (1985) approach to qualitative analysis, the internal validity would refer to the credibility of the study.

The researcher will provide the interviewees with a copy of the final report should they request it, in order to ensure the credibility of the data collected and a true account of the interviewees responses. In so doing, the research will be validated by the respondents due to the transparency of this study and findings.

In order to enhance the internal validity of the study, the researcher first confirmed the understanding of the constructs of corporate entrepreneurship at the commencement of each interview.

3.8.3 *Reliability*

The reliability of a study depends on whether the study can be replicated, which is considered a challenging criterion to meet when dealing with qualitative research as noted by Bryman (2012) in that it is not possible to freeze the circumstances of an initial study to make it replicable.

However when you consider the parallel again for reliability as the dependability of the study in a qualitative setting, one could argue that this research would be reliable in that the researcher intends to maintain a clear audit throughout the process. All records of the research process including notes, transcripts, analysis and final reports are kept confidentially on record and accessible should an auditor be selected by the researcher to audit the process and documents at any point in time.

In order to enhance the reliability of this study, the researcher further confirmed the understanding of the constructs by requesting and discussing examples of CE within the respective respondent companies on commencement of the interview.

3.8.4 *Ethical Considerations*

The actual names of all the respondents and the organisations they represent do not appear in this report, nor does any personal or identifying information per participant appear in the report, which ensures anonymity for respondents.

Participants were invited to participate and there were no negative consequences for them if they chose not to participate of if they chose to withdraw from the study at any stage of the process.

Permission was obtained from each respondent before commencing interviews to obtain voice recordings.

CHAPTER 4. PRESENTATION OF RESULTS

4.1 Introduction

The research instrument represented in Appendix A, was developed by the researcher using an adaptation and selection of the questions found in the measurement instrument for assessing Entrepreneurial Intensity (EI) within a company and the Corporate Entrepreneurship Climate Instrument (CECI) which is used for assessing, evaluating and managing the internal environment of the company with regards to entrepreneurship (Morris et al., 2011).

The results from the interviews conducted are presented below using a combination of quotations from respondents, graphs, figures and extracts from source documentation including a summary of the common themes that emerged throughout the research process.

4.2 Results pertaining to Research Question 1: Entrepreneurial Orientation and Business Strategy

In seeking to understand how aware organisations were of the concepts of EO and CE, and whether the concepts are adopted within the respective organisations, the researcher included a specific question around each respondent's own understanding of the concept of CE. Further discussions covered which leaders within the organisation demonstrated the behaviours, which support the concept as part of driving business growth and success. The respondent views are captured below in each table referring to a particular theme or common discussion area from the interviews.

4.2.1 *Corporate Entrepeneurship understanding and awareness*

When the respondents were asked the questions in the research instrument as indicated in table 3 above, the following views were recorded:

Interview Questions
• What is your understanding around the topic of corporate entrepreneurship? • What forms do you think Corporate Entrepreneurship may take in your organisation? Some of the ways in which Entrepreneurship is manifested in established organisations may be through; Traditional R&D AdHoc Venture Teams New Venture divisions or groups Champions and the mainstream Acquisitions Outsourcing Hybrid forms

Table 4. Interview Questions Relating to CE Understanding

When the respondents were asked the questions in the research instrument as indicated in table 3 above, the following views were recorded:

> *"Like entrepreneurship but in a corporate environment…the kind of innovation that takes place within a company…"*
>
> *"...the actions we take on a daily basis to remain competitive and improve our business."*
>
> *"New and exciting ways of doing the same thing in a different way, or finding a new way of doing something completely different that creates some form of entrepreneurial profit at the end of the day."*
>
> *"...I guess the thing around (corporate) entrepreneurship is around being able to take an idea and commercialise it in some way..."*
>
> *"...It's literally about meeting what you think is a possibility on the horizon that might be around tourism and then how you adapt it and how you meet it."*

"To me the difference between personal entrepreneurship and CE is minimal, the only difference is whose cash you are playing with. Depending on the culture in the business often a corporate entrepreneur has the ability to do much more than an entrepreneur in his own business, simply because there are more funds and infrastructure available than in a smaller business."

"CE for me means taking ownership, taking total ownership of the division…ownership means taking accountability…but corporate entrepreneurship is running this business as if I owned it…"

"I sort of was almost taken by surprise by the very idea of entrepreneurship in a corporate environment."

"...my further understanding is that it is also a culture within an organisation ...where the entity was derived from in the spirit of entrepreneurship and that origin of a business has carried through to the extent where the fabric of the business is comprised of this type of innovative entrepreneurial thinking..."

"I would think that it is people within a corporate having the ability to display behaviours that would grow a business."

"I think personally that people think that you're either corporate or you're an entrepreneur but in actual fact I think that if you aren't an entrepreneur you will not survive as a corporate..."

The respondent views as quoted above, refer to the undersanding of the concept of corporate entrepreneurship from each of the respondents in their own words.

When considering how aware the respondents were of the concept of CE, the majority of the respondents understood the concept and had an explanation congruent with the theory of the concept as discussed in the literature review. However, there was one respondent who had not heard of the concept and found it rather difficult to understand it in the context of being entrepreneurial in a corporate environment.

Most respondents understood the concept of CE as a means of growing the business through the demonstration of the characteristics of an entrepreneur but within an

established corporate environment. Two repsondents referred to the term 'innnovation' in their explanation and understanding of the concept of CE.

4.2.2 *Demonstration and adoption of Corporate Entrepreneurship*

The respondents were asked a number of questions as identified in table 4 below relating to the specific people within their organisations who demonstrate support for CE along with associated behaviours such as encouraging innovation, risk-taking and proactivity.

Interview Questions
• Who within your management team demonstrates support in the organisation for Corporate Entrepreneurship and how do they do so?
• As a leader of the organisation how do you encourage new ideas or new processes/improved methods from your employees?
• How are employees encouraged to take calculated risks with new ideas, or given free time to develop new ideas?
• Is there considerable desire from colleagues to come up with new ideas across departments and boundaries?

Table 5. Interview Questions Relating to Adoption of CE

The respondent views in response to the questions in table 4 above were captured as follows:

> *"I am part of the leadership team and above me is the CEO, he is always very open to us, suggesting ideas and things. I'm currently busy with something which I believe will be really innovative and a first for the industry…. He has given me the freedom to be able to explore other options… innovation in our head-office environment comes from the leadership team- thinking about how we can do things differently."*
>
> *"...what really drove entrepreneurship at Company A, was a new management team, it was around 2010/2011…" "...it was only when Company A CEO joined us that there was a real vibe to change..."*

"It's very much an open line of communication, so open to critique as well as open to advice and open to positive feedback too... Leadership - leadership change was the biggest issue or not issue but biggest change, we went from a background where leadership was all about big rash statements of intent versus a leadership now who has statements of intent, maybe brash or otherwise but they deliver on those statements..."

"He (Company A CEO) is very open to suggestion, he can be quite direct in terms of his way but he doesn't shut down new ideas, he might not adopt them straight away but he will definitely consider them… I think that trust makes a big difference in giving somebody the freedom to make a decision..."

"Well specifically Company A CEO does (demonstrates support for CE), I don't think Company A CEO is letting anything lie, he is consistently testing us on a number of drivers that he has envisaged to keep us ahead of the pack." "We had a lot of freedom (previous management) but we were not getting the end result and I think since Company A CEO has come into this business, I think we have somewhat less freedom, he has never stopped anybody probably because we're more focussed on output and so there isn't as much free time to go to that (creativity and innovation)."

"I see my only role in this business as to drive the culture and value people as I have no other job." "Correct (response to question whether calculated risk taking is encouraged even if the result is failure) and we've had many businesses like that and without a shadow of a doubt, I have managed many businesses that have failed because if you don't try it you will never know if it fails and the nice thing in this company is you don't lose your job if you fail."

"We are very fortunate to have Company B CEO and that's where I think that CE is developed, he has developed that amongst all of us so we don't run to him every time we need to do something." "I am one of the biggest drivers of new ideas, I love to push boundaries, I love to do new things, very similar to Company B CEO...we like to explore." "(He) is very good at selecting people that can run their own businesses, he doesn't micro-manage."

"I have got to say my boss (Company B CEO) certainly is a great supporter of CE." "The reason our structure works because Company B CEO, he is a big thinker and he always acknowledges that he is able to move away largely because he knows that he can trust me and my team." "I have a lot of freedom and flexibility."

" The leadership team running this large organisation demonstrates those behaviours (CE)…but importantly each of those individuals (in the leadership team) is, I think in their own way, accountable and responsible for ensuring that this entrepreneurial kind of thinking and innovation and things like that are extended into their departments and further into the business. And so it's the leadership of the company coming together in order to ensure that CE is extended into the rest of the company."

"I think our CEO does it (demonstrates support for CE), he has a got a huge growth mind-set. He really believes in looking for business opportunities all the time and he does challenge his directors to be looking for those." "...I believe our CEO is a hunter, he is always looking for new opportunities and new things that could be done..."

"Many, many people, it's a culture that comes from the top (demonstrating support of CE) – Company C CEO in his nature has a very entrepreneurial nature and I have worked for a number of CEO's – funnily enough again, they start off very entrepreneurial and then within 3 to 4 years they become increasingly dogmatic."

The most common theme, which emerged from all 11 respondents interviewed referred to the kind of leadership demonstrated within the organisations. Of particular interest was the leadership behaviours demonstrated by the respective Chief Executive Officers (CEO's) of each company. The respondents all referred to their CEO's as being the individual within the leadership team demonstrating the highest level of entrepreneurial behaviour.

The characteristics commonly referred to by the respondents in describing the behaviour demonstrated by the CEO can be listed as follows:

- Open to new ideas
- Trusts the leadership team to deliver
- Provides clarity and direction

- Open communication style
- Provides freedom and encourages ownership
- Continuously seeks new opportunities

4.2.3 *Organisational boundaries*

The respondents were then asked questions pertaining to the standards of operating and procedures within the organisation per table 5 below, and their views to these questions are recorded below.

Interview Questions
• Do you or your colleagues and employees often follow specified standard operating procedures or practices for major tasks? Or are there written rules and procedures for doing tasks in the organisation? • Is there certainty/clarity in what is expected of you and your colleagues from your job role? • Do job descriptions clearly specify performance standards required and are managers discussing performance of employees during the year?

Table 6. Standard Operating Procedures

> *"We take where people sit in the value chain into account, how much support they've given us, who they particularly book through – that is all very processed and rule driven – all our clients work against terms and conditions which guides behaviour and how they interact and work with us."*
>
> *"...to a large degree is a lot of standard operating procedures happening – I think in my mind what is more important is the ability to understand and interpret the output to make sure that the standard operating procedure is not being applied without..."*
>
> *"...We have best operating practices that are documented, it's a grey world so while it caters to 85% of occurrences out there and 15% where you have to go off book, there we trust the consultants and Managers to make sure they make their own decisions and when not they come to me for balance – have to in this business, there*

are too many things at stake here to not do it properly through an established standard."

"Look there are quite a few on this side and a lot of them have been developed over the last 3 years or relooked at over the last 3 years to improve the quality, basically of the consultant's outputs at the end of the day…"

"I actually think that is a bit of a mixed bag as well because certain sectors in this business, it is very, very clear and I think that we've moved from very little on that front to much more – we're in that process of sort of moulded between the two…"

"We do have an employee handbook that crystal clearly documents what is required of people, people also have strictly documented KPA's against which they get measured we have a strictly enforced KPA review process within the business on a half-yearly basis…so for on-going evolutionary type of business, we have very firm boundaries because it's impossible to run a business this size otherwise."

"We actually are quite structured in almost anything and everything, every single operation, anything in operations and reservations, there is a document procedure in how you do it and exactly how your file is going to look and how you are going to do this…"

"…if you have a look at that shelf over there, those are our How to books – I'm an absolute believer in following standard operating procedures because if you've got that you can't go wrong…"

"In the entire organization – we have standards in place and structure is extremely important in order to operate successfully if you're running a large organization or even a small organization with different teams or with different departments, we have things like HR policies and procedures that govern everything in an employees' lifecycle basically from interview to exit and including things like employee benefits and all that kind of stuff…"

"There are pockets in the business that are very legal, very driven by legal stuff and so they would have to follow that, they absolutely have to, there is a lot of that in the

business and again I think in our area, not so much, I personally absolutely hate boundaries…"

"I think first of all I the hospitality side, there has to be, I mean we call it SOPS – there has to be very strong SOPS – you have to adhere to SOPS – just like in the military, if you don't adhere to SOPS you will die and in the hospitality industry unless you follow procedure you're dead but following procedure is not different from being creative because there will be always a gap…"

All the respondents agree that their organisations are very process driven using many documented standard operating procedures for day-to-day tasks for employees. Four respondents do mention that this differs at different levels or exists in pockets in the organisation where they indicate that leadership teams are far less procedure driven than the rest of the organisation.

4.2.4 *Other variables related to organisational climate*

Interview Questions
• How would you describe the organisational culture with respect to structure, innovation, flexibility, proactivity and performance?
• Do you feel the company's environment encourages people to talk openly across operations about new ideas and improvements?
• How quickly, if at all are new services and products adopted into the business or new ideas approved or not in the organisation?

Table 7. Interview Questions Relating to Trust and Leadership

The respondents were asked the above questions relating to the organisational climate and environment with respect to the structure and overall culture of the organisation. The respondent views were recorded as follows:

"…they're probably leaders in their field, not only within Company A but certainly internationally and so there is a high level of ***trust*** *that I have in recommendations*

that they (in referring to his team) make and it's through that support that is available to them that they have the confidence to find solutions for problems."

"*We have best operating practices that are documented, it's a grey world so while it caters to 85% of occurrences out there and 15% where you have to go off book, there we* ***trust*** *the consultants and Managers to make sure they make their own decisions…"*

"…we also have a ***trust*** *in each other, we were a new team working with each other, I think that* ***trust*** *makes a big difference in giving somebody the freedom to make a decision – without that, you might say they have a freedom… I think that* ***trust*** *is I think a big part of it – in that freedom too to innovate…"*

" Absolutely and Company B CEO is very good at ***trusting*** *his people… (He) doesn't want people around that don't* ***trust*** *each other."*

"…he (Company B CEO) is a big thinker and he always acknowledges that he is able to move away largely because he knows that he can ***trust*** *me and my team."*

"...you need to exhibit those kinds of qualities (CE) and so I encourage everybody in my department to take ownership of what they're doing, to form a sense of ***trust*** *- trust involves a load of things, it's quite a lot of work."*

"Exactly, level of ***trust*** *and the experience that we have."*

Seven of the respondents referred to the trust demonstrated either by the CEO in his leadership team, or alternatively the trust they as part of the leadership demonstrate in their managers reporting to them. The respondents also referred to the importance of the CEO showing trust in their teams to deliver and to take ownership of their areas of responsibility in the organisation as part of their success.

4.2.5 *Financial stability as a factor of support for CE*

In responding to the questions relating to how the organisation might provide the freedom and structures to support innovation, the respondents were asked the questions as tabled in table 7 below.

Interview Questions
• How does the organisation provide the freedom to be creative, use own judgement and allow you to take responsibility for how you do your job? • Are rewards and recognition dependent on innovation demonstrated in the organisation? • Is there a general feeling of enough challenge in employee's roles and your own?

Table 8. Interview Questions Relating to Support for CE

The respondent views based on the above questions in table 7 were captured as follows:

> *"...he hasn't said, well here is a whole bunch of money go and make it happen; he has said well why don't you go and have a look and spend some time understanding it….if it comes out as being something worth pursuing, we'll do it."*

> *"...I think in any business you need to have a solid base in order to create the ability to have creativity in order to take advantage of those opportunities that are there because you can be as creative as you want - if you've got no cash, you can't pay employees, if you can't pay your employees, you've got no collaborative genius at the very least to make those opportunities happen." "It all depends on the amount of money that is involved in the decision - typically things that cost us very little or nothing at all are adopted super quick, implemented, smashed in place and you see the immediate benefits of it...whereas longer terms of adoption are anything that has a larger price tag attached to it and specifically whether it's a planned price tag or unplanned price tag. If it's planned, as in there is research and it's in the budget then it goes a lot quicker, if it's unplanned, then there is a ton of business case analysis required in order to get it across..."*

"I think that trust is a big part of it, in that freedom to innovate when you're not going anywhere (financially) and you're sinking." "There is a lot of what's happened in the past year where we've been trying to fix the foundational type of issues and processes and the systems and now those are done - it's freeing up time to innovate which is quite nice." "The risks associated with those (ideas that bring in more money and do not necessarily cost a lot) are often lower than those that require an investment." "I think we are running quite resource tight, that probably also prevents that type of behaviour (innovation and creativity)…"

"Things have stabilised (financially) and that we have the basis in position and properly established that allows you that (freedom to be more innovative) and I think it also goes down to you know when you feel that you're at a point where you can take on more and not lose sight of them all." "If you said to me, what is the handbrake on that (how quickly new services and products are adopted into the business) it's probably just the financial impact."

"The more senior you are the more money you can play with and all that to make a difference."

"You need to limit those funds, you have to limit the financial exposure but by the same token, you've got to be accepting of the fact that there will be certain financial write-offs or losses that will happen accordingly."

Most respondents referred to the ability to be innovative and take risks as an organisation as being directly linked to the financial stability of the organisation. They felt that when the organisation is profitable financially, that there is the scope and ability to be innovative and take more calculated risks in growing the organisation.

Similarly most respondents indicated that when resources are restricted, including finances,then there is a lot less innovation and risk-taking across the business.

4.2.6 *Conclusion to Research Question 1*

Support for CE and the related entrepreneurial behaviours and orientation of the organisations is demonstrated at senior leadership level, but is not perceived to be instilled further down the ranks of the organisations.

Similarly, the respondents interviewed believed that the degree to which an organisation is able to demonstrate CE and the related behaviours of innovation, risk-taking and proactivity, is directly linked to whether the organisation is financially profitable or not. Therefore the level of CE demonstrated within the organisations varies depending on the business cycle and profitability over a time period.

4.3 Results pertaining to Research Question 2: Entrepreneurial Intensity as a Perceived Business Success Factor

The group of questions used to research the frequency and degree of EO within the organisation relating to its perceived financial performance firstly covered the respondent's characterisation of the organisation between being slow and steady in growth versus innovative and risk-taking following big opportunities.

Thereafter, a discussion around how often and how many different products and services, processes and systems were introduced into the organisations over the last two-year period will occur. Finally, the perceptions of whether the aforementioned aspects were to a greater or lesser degree than their competitors in the market.

4.3.1 *Organisational characterisation based on financial performance*

The respondents were asked to characterise their organisation as per the question indicated in table 8 below with the respondent views to the questions captured thereafter.

Interview Question
• Would you say the organisation is characterised more by innovation and risk-taking to achieve rapid growth and big opportunities or rather by steady growth and stability as a primary concern and why?

Table 9. Interview Questions Relating to Organisational Characterisation

"I would probably say we are more stability in terms of how we grow, we're going through a rapid growth phase now, by adding new product into the system, but that's not risk-taking its stuff that complements our core circuit and our core business…"

"I think each and every opportunity is weighed up, so we wouldn't storm into something without due consideration and you know, given if there is a big opportunity with a bit amount of risk, but we feel that if we mitigate the risk, we will definitely consider it and if there is a huge amount of risk with massive exposure to the company, then we would tread carefully."

"Last 3 years is was a steady growth concern to create stability to give us a platform - if I look at where we are going forward…, I think the risk-taking aspect of it is going to grow exponentially now that we have a steady base…"

"It's around finding that structure of the financial hurdle. That is the thing that stops it, that financial risk."

"Grow, grow, grow, grow and if we're not growing we get taken out big time but ja, we definitely sit in the first option (characterised by innovation, risk taking and big opportunities) – definitely."

"...you've got to remain relevant and we found ourselves in a situation where even 10 years ago, people thought we would be gone and redundant but it aint happening and I don't see it happening for a long time." "I think steady growth and stability for inbound, rapid growth for other areas of the business as pursued by (the CEO)."

"Definitely steady growth and stability…"

"Our CEO is for risk entrepreneurial absolutely, that is his way but the rest of the company isn't."

"It's got two patches, in the general organisation, it's steady state…the growth entrepreneurial and opportunity leaps, they are done from the corner office with (the CEO)…"

There was a mixed response to the characterisation of the organisations, as detailed below:

Company A: Most respondents believed that the organisation, prior to the new leadership team, was failing financially. Therefore, the new leadership team had to add structure and financial stability through slow and steady growth. The respondents felt that now that the organisation was stable financially, they are able to invest in innovation and other larger opportunities.

Company B: Most respondents including the CEO himself, referred to the organisation as innovative and high in risk-taking, chasing many large opportunities for growth.

Company C: Most respondents believed that while the CEO demonstrated the most risk-taking and innovation, the rest of the organisation as a whole, was characterised as risk-averse and more towards a slow and steady rate of growth.

4.3.2 *Level and degree of entrepreneurial intensity demonstrated relative to products and services*

Respondents were firstly asked the question as to how many new products and services were introduced over the last two years in their organisations as captured in table 9 below followed by the respondent views then captured.

Interview Questions
• What number of new services or products has the company introduced roughly over the past two years?
• How do you think this number compares to your competitors?
• To what degree would you say that these new products or services introduced were not

previously available in the markets you serve?

Table 10. Interview Questions Relating to New Products and Services Introduced

In response to the first question around the number of new services or products has the company introduced roughly over the past two years, the respondent views were the following:

> *"I would probably say over the course of the last two years, if you look at the things we've changed within our environment which makes it easier for us to do business with – I'd probably say in the region of about 20 (new products and services introduced)."*

> *"Plenty, plenty… I think any good competitor would also be driven by innovation – any company that does not change its processes or reconsiders its operations on a daily basis is going to fall behind very quickly, so we're running and we've made up a lot of ground but we're not out-sprinting the competition, we need to keep up what we're doing."*

> *"Wow it's quite a bit… the investment strategy we've had over the last 3 years has been enormous."*

> *"I think it definitely has been more, I mean the initial years we shrank… but generally you would say it's more than the average."*

> *"It's been a fair amount and we've also responded to the market – if you go back to East Africa's situation where suddenly there has been a down-turn in the market, we've had to be innovative and we've had to come in with new packages, we had to come in to try and entice the market into there…"*

> *"I would say 30% of our turnover with this year relates to stuff that we invented in the last two years."*

> *"It's not a lot because it's very difficult but I would say there is a few – if I have to take out of 10, we've probably introduced 5 new products and they have all done very well for us – they are doing very well for us – put it that way."*

"It's a lot – ja – but you understand our industry and our business, it's not like every creative idea or itinerary that's kind of new. It's on-going in our business."

"There is a fair amount…so I can't necessarily give you a number but every year we are introducing new products, new concepts, new lines of products and refurbishing or improving."

"…It would be new brands on the food and beverage side bigger and (unclear) and publicity – new service on the F&B side, we've really upped our game in the last few years but again all of those are improvements to the business…"

"I think we have done a lot of stuff – on the food and beverage side we've done a lot of innovation and different stuff – I mean I could bore you with all that…"

All three organisations believed that they were introducing a high number or fair amount of new products or services into the market. Although it was challenging for the respondents to give a specific number for the last two years, they all felt that they had been introducing a fair amount of new products and services to the markets over the last two years.

In response to the subsequent questions around the degree to which the respondents felt these new products and services were unique to the markets, from the eleven respondents interviewed, six said that the new products and services their companies introduced to its markets were brand new and unique, or not yet previously offered to the specific markets they serve.

When asked whether the volume of new products and services introduced to their markets was more than or less than competitors, the majority (9 out of 11) respondents interviewed agreed that their organisations' level of innovation around these products and services was higher than that of their competitors as depicted in figure 2 below.

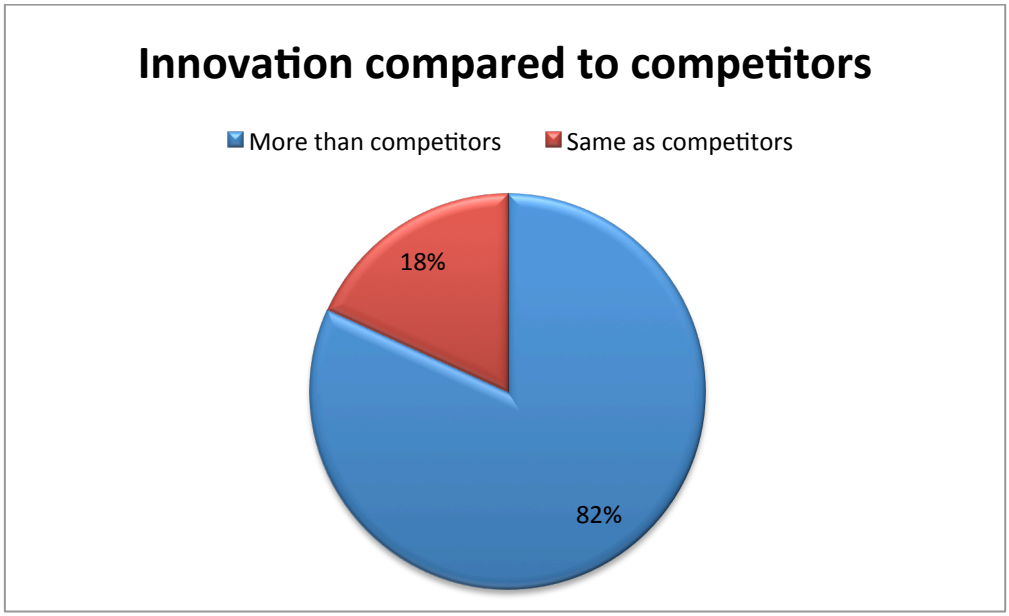


Figure 2. Level of Innovation Compared to Competitors

4.3.3 *Level and degree of entrepreneurial intensity demonstrated relative to systems and processes*

The respondents were asked the same questions as per the number of products and services the organisation introduced as discussed above but relating to new systems and processes more specifically.

Interview question
• Can you estimate how many significant new methods or operational processes the organisation has implemented over the past two years over the past two years?

Table 11. Interview Questions Relating to Processes and Systems

The respondent's responses to the question in table 10 above were captured as follows:

> *"No new systems. In fact, we've been consolidating and removing systems out of the business because it was just too much and it's too complex and we spent the bulk of our time – again, I've been spearheading a project within our head-office*

environment on the simplification of our processes in our business and standardizing and aligning – if there is a new process, it's an amendment to an existing process – we're trying to reduce complexity within our operating environment..."

"I think I would answer it the same (as products and services) – a lot."

"No idea – I would say a fair few, I wouldn't say a heart-stopping amount either, like ridiculous amounts – I think a fair amount."

"As part of our yielding, we've put in quite a lot of new process because we weren't able to police…"

"There are quite a few… there have been so many changes on that front – actually innovative-wise, we've been through quite a substantial growth I would say, especially with digital around."

"Hundreds…I've got four software developers here – we created a piece of software that auto-reads those emails and imports them in a fully automated fashion into our res system and it makes an enormous difference…"

"We've got lots and I'm telling you now…It's actually too hard for me even to tell you – because we've become so diverse and because we are trying to minimize our wastage of time, we've introduced things like auto confirmations, we've introduced Live Connect to the team, we've introduced our B2B…Automation stuff – lots of things to help the consultants have more time through technology."

"Lots…More systems, like systems – big time – systems because we in turn, also have to adapt to technology and there are so many things that I could talk to you for half the day on…"

"We do that all the time… I guess a fair amount… and people come up with the most wonderful, wonderful ideas…"

"Again, we have a new booking system in the training, in our new training products, we've put in some new IT systems, we introduced into resorts and new time-share processes, and we've got new property management systems…"

"I think there has been a fair amount – I would go like 60:40 – I'd say that there is a fair amount of things that have gone out there – we've introduced…"

Most respondents felt that their organisations had introduced a fair amount of new systems and processes over the last two-year period, although none of the respondents could give a specific figure. The new processes were predominantly aimed at automization and streamlining existing processes within the organisation rather than introducing new processes over and above the old. The respondents had a mixed approach to systems, in that some respondents felt consolidation was required as too many systems overlapped and by streamlining and consolidating, additional value was created for the business.

The majority of the respondents felt the systems they were introducing to be highly technological, based in terms of advancements in information technology and the management of information within the business through technology.

With regards to structure and standard operating procedures, all three companies and all eleven respondents confirmed that their organisations are largely driven by these standard operating procedures for daily tasks, especially at the lower levels of the organisation.

4.3.4 *Conclusion to Research Question 2*

There were mixed responses between the three organisations where some felt their organisations were slow and steady in terms of growth based on their financial standing, while others felt they were more innovative and risky in their approach to business.

Participants from Company A and B believed that they demonstrated a far higher number of events, in terms of the introduction of new products, services, systems and processes in comparison to its' competitors. However, these events were only nominally innovative, risky and proactive, which then places the organisation as continuous or incremental in terms of its level of EI. While the two organisations demonstrate a high frequency of entrepreneurship, the degree of the entrepreneurship is not sufficiently innovative to be described as revolutionary. Company B demonstrated a higher level of innovativeness to Company A based on respondent views, but fairly equal in frequency of entrepreneurship demonstrated.

Finally, while the leadership levels of all three organisations were not very structured around standard operating procedures for conducting their roles, this differed throughout the rest of the organisation, where employees at lower levels were highly regulated by standard operating procedures for conducting their roles on a day to day basis.

4.4 Summary of the results

Key themes were identified when extracting and analysing the interview data from respondent's transcribed interviews as detailed in table 9 below.

Research Question 1 Themes identified	Research Question 2 Themes identified
Leadership	Organisational characterisation drives or inhibits creativity and innovation
Trust	Continuous/ incremental EI focus
Financial stability	Technology drives change

Table 12. Themes Identified Through Data Capture

To summarise the findings, the themes which emerged from the analysis of the data collected around research question one covered leadership, trust and financial stability. These three themes played the most important role in establishing whether an organisation is entrepreneurially orientated and whether it demonstrates corporate entrepreneurship.

The data analysis for research question two uncovered three additional themes around whether an organisational structure drives or inhibits creativity and innovation based on whether employees' roles were highly structured around standard operating procedures for daily tasks. Secondly, the three organisations were largely incremental in terms of entrepreneurial intensity while demonstrating a fair amount of entrepreneurial events, the events were not particularly highly innovative.

CHAPTER 5. DISCUSSION OF THE RESULTS

5.1 Introduction

The findings presented above are further discussed below with regards to the themes identified and other links to the theory discussed as discovered throughout the data analysis process. The discussion will discuss in further detail the relevance of the themes identified and whether the data analysed is in line with the theory on the subject or whether new information in this area has been revealed through this study.

5.2 Discussion pertaining to Research Question 1: Awareness and adoption of EO as a Business Strategy

In evaluating and discussing the relevance of the themes of leadership, trust and financial stability it is evident that these three areas directly impact the likelihood of the organisation demonstrating levels of entrepreneurial behaviour across the organisation.

5.2.1 *Leadership*

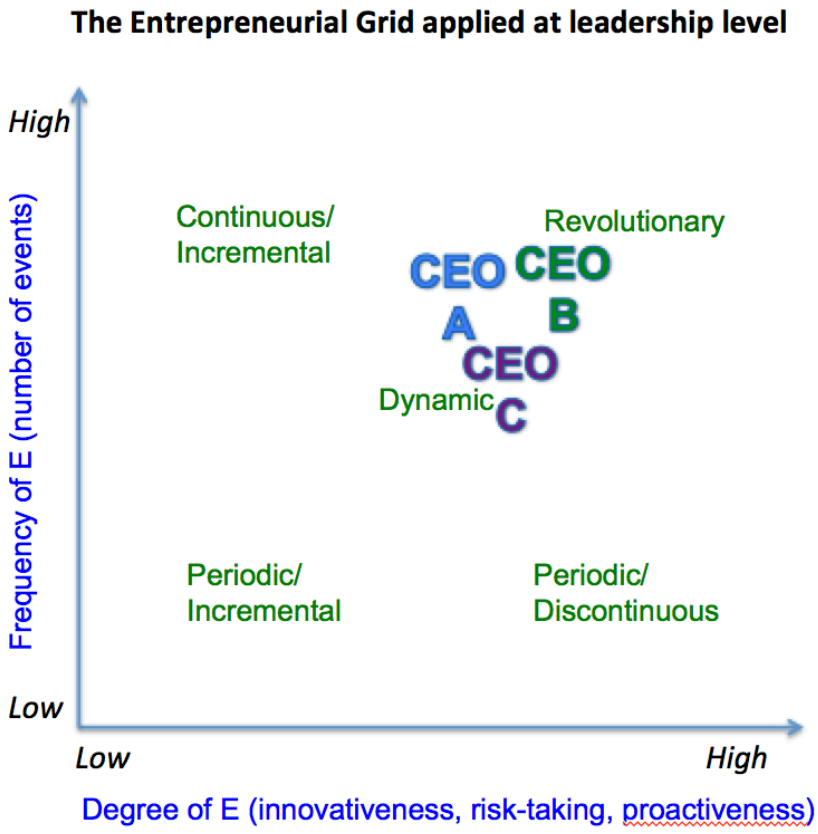


Figure 3. Entrepreneurial Grid Applied at CEO Level

In applying the EI grid per figure 3 above, to the three CEO's of the respective organisations, they demonstrate higher levels of innovation, risk-taking and proactivity on a much more frequent basis when compared to their organisations as a whole. Table 4 as discussed in the findings in Chapter 4 suggest that the CEO's and their leadership teams demonstrate and endorse entrepreneurial behaviours and are most often seen as the person's in the organisation to recognise and explore these opportunities.

(Morris et al., 2011) defined the practice of corporate entrepreneurship as a collective responsibility where employees at all levels of the business actively participate in recognising and exploiting innovative opportunities. However, the beginning point is the role of the leaders in business. From the data analysis, it is evident that all three company CEO's lead with a strong entrepreneurial style, demonstrating the behaviours of innovation, risk-taking and proactivity. However, the challenge is that this behaviour does not seem to

translate consistently through the commonly distinguished levels of management identified as top-level, middle-level and front-line management within the organisation's interviewed.

As identified by (Morris et al., 2011), senior leaders are ultimately responsible for developing and communicating a clear entrepreneurial vision. However, this is arguably a challenging task in itself. One of the key roles of senior management is described as ensuring the company employs people who have an entrepreneurial inclination or orientation, which is why the selection and development of people becomes critical in order to unleash the entrepreneurial potential within the organisation at all levels. Interestingly, as identified during the data analysis, company B respondent 3 specifically identifies the fact that the CEO is very specific in his selection process for the leadership and management teams in order to ensure they are entrepreneurially orientated and able to drive their departments as if it were their own businesses as quoted below:

> *"Company B CEO is very good at selecting, (he) is also very good at selecting people that can run their own businesses, Company B CEO doesn't micromanage – we you don't have a philosophy of micro-managing at all, (he) empowers you, gives you all the resource and he goes, make it happen."*

Due to the pursuit of entrepreneurial opportunities being the collective responsibility of the entire organisation, it is important that front-line staff are empowered to act on these entrepreneurial opportunities and also to recognise these opportunities in their daily work routines (Morris et al., 2011). A challenge identified across all three organisations in this study is that while the leadership teams and CEO's demonstrate high levels of entrepreneurial behaviour, these behaviours are not as evident further down the levels of business into front-line employees and roles.

A link is evident between the levels of entrepreneurship throughout the lower echelons the organisation to how heavily the organisation depends on standard operating procedures for day to day tasks. While leaders of their departments are encouraged to be entrepreneurial, the employees are encouraged to follow all the standard operating procedures given for each task which may confine their ability to be creative or think of entrepreneurial opportunities on a daily basis.

The seemingly lack of innovative and creative behaviour and thinking at front-line employee level could be attributed to the fact that their daily roles are very process-driven which leaves very little room for creativity. The potential implication of this with regards to the travel industry is the continuous challenge for leader's to create a culture for entrepreneurship throughout the organisation. This lack of creativity and innovation would directly impact the travel industry and potentially render many organisations irrelevant within the short term.

5.2.2 *Trust*

The use of the word trust was evident in 7 of the 11 respondents in their description of their leadership style with their own employees as well as the leadership style of the CEO discussed in each organisation. The sense of trust instilled in them by the CEO gives them the freedom to be innovative and take the necessary risks or explore opportunities for business growth. Without this trust at senior level, the business would not be able to create an internal environment conducive to corporate entrepreneurship and the associated behaviours.

Authors Hornsby, Kuratko, and Zahra (2002) discuss how the middle manager's perception of the internal environment for corporate entrepreneurship is critical in that they are responsible for creating the social capital and trust required to foster the corporate entrepreneurial process in business. The social capital and trust created by middle managers is pivotal due to the fact that is encourages and empowers employees to take risks without the fear of losing their jobs should the conceptualised risk produce an undesirable outcome (Floyd & Wooldridge, 1997).

Corporate entrepreneurs use social capital in order to access resources required (Starr & MacMillan, 1990) and this social capital is usually embedded in trust which is critical in further creating an organisational culture which promotes sharing and integration of ideas in order to exploit opportunities (Zahra, Nielsen, & Bogner, 1999).

The leaders of the three organisations have much to gain by encouraging the creation of social capital and trust into the lower levels of the organisation by empowering and supporting their teams to be innovative, proactive and take risks in order to take advantage of opportunities for business growth or gain.

5.2.3 *Financial Stability*

The theme emerging from the data around financial stability reflects the respondents' views regarding the necessity of having financial stability in order to then have the available finances to innovate and be creative. Company A respondent 2 very specifically explains the requirement for a solid financial foundation by saying that "you need to have a solid base in order to create the ability to have creativity in order to take advantage of those opportunities." This implies that the more financially stable an organisation, the higher the levels of innovation and corporate entrepreneurial activities within the business. The perception of most respondents is that innovative behaviour is directly correlated to higher risks for the business and therefore they are only able to innovate if they are already in a financially strong position. This perception differs from the theory where a company's financial performance will likely be affected in the longer term by its entrepreneurial accomplishments, and by a company being entrepreneurially orientated around innovation, risk taking and pro-activeness, there is a subsequent positive result in the company's financial performance (Aktan & Bulut, 2008).

This perception is further argued by (Morris et al., 2011) in that innovativeness and risk-taking may not always be directly correlated and the relationship is more complex in that risk is also high when the company ignores new product and service development or engages in little or no innovation. Thus, organisations face higher risks when they do not innovate as market environments and technology change and competitors can capitalise on these. Similarly, risk is also high if organisations take on too much risk in an attempt to come up with breakthrough innovation. In discussing this relationship between risk and innovation, we can consider the four types of production innovation (Morris et al., 2011) as:

- Discontinuous innovation – breakthrough innovation
- Dynamically continuous – dramatic improvement on existing state-of-the-art solution
- Continuous innovation – incremental
- Imitation – copying, adapting or mimicking other innovations

Most organisations tend to spend their resources on continuous innovation as did the three organisations in this study; demonstrating a significant amount of emphasis on incremental or continuous improvements across product, service, process and system development.

While this approach to innovation may seem the most prudent risk-management strategy for the business it may not be the case if we consider figure 5 below, adapted from (Morris et al., 2011), where the risk equation is U-shaped showing high levels of risk at both ends of the spectrum, being imitation and discontinuous innovation.

Company A and B seem to be pursuing lower risk by concentrating on either continuous or dynamically continuous innovation, and Company C, although they do not appear don't to be pursuing higher risk, they are not innovating to the same level as company A and B and therefore could very well be at higher risk of losing market share to competitors if they don't begin to evolve and innovate as a business.

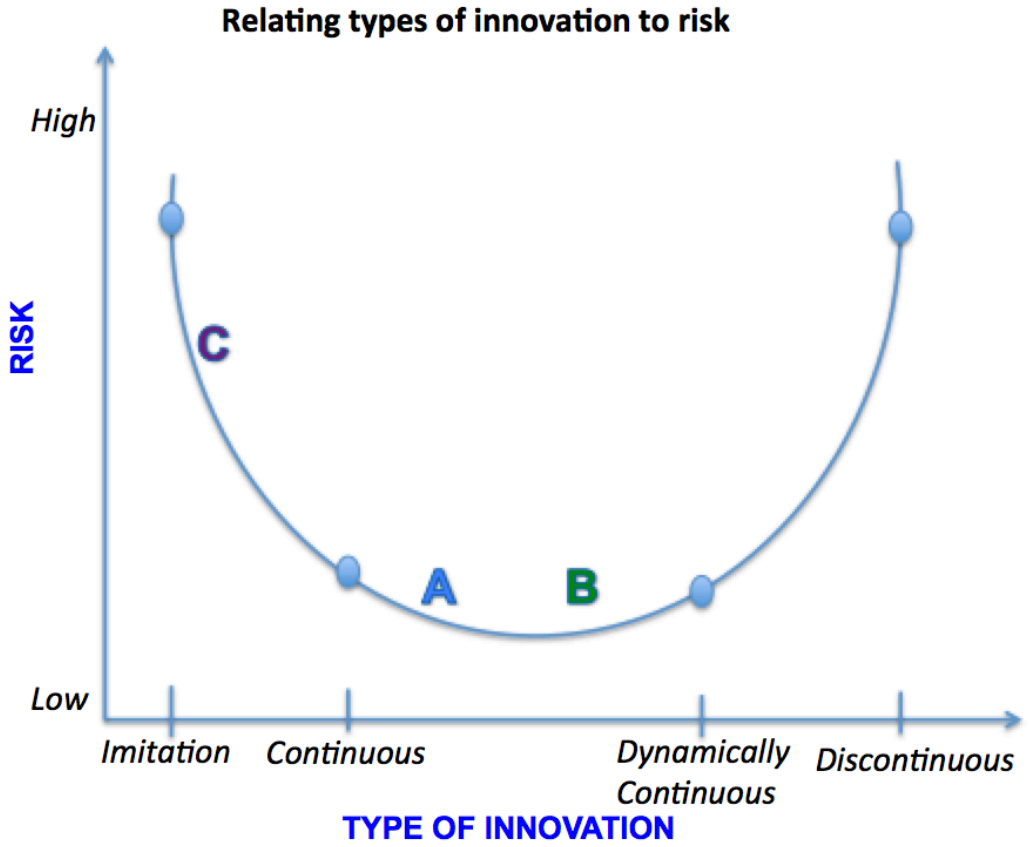


Figure 4. Relating Types of Innovation to Risk with Organisations Plotted

5.2.4 *Conclusion to research question 1*

The similarities between the three organisations are clearly evident in that all three companies have strong entrepreneurial CEO's who are willing to take risks, be proactive

and innovative in order to drive the business growth and evolution. The challenge for all three companies lies in the ability to create a culture for corporate entrepreneurship where all levels of the organisation demonstrate entrepreneurial behaviours without the fear of losing their jobs or reputations. There is a difference between the three organisations in terms of the type of innovation on which they focus, albeit they are mostly driven by incremental/continuous innovation, company B has a higher appetite for being dynamically continuous with company A not far behind in this regard. While this offers lower risk to the company as a strategy, by not taking on higher risks in order to drive breakthrough or discontinuous innovation they may well miss opportunities or have competitors take advantage of greater opportunities to change the market dynamics altogether.

In conclusion, while the travel organisations interviewed are all very aware of corporate entrepreneurship as a concept, they are only adopting it at a leadership level in terms of their behaviours. However, these organisations are not adopting entrepreneurial orientation or CE as an overall business strategy.

The implications for the travel industry in South Africa is the irrelevance and bankruptcy of many South African firms as globalisation gives rise to wider competition across the international global market place. The ability to conduct business across continents and countries with technology ever evolving and improving, makes it pivotal for South African organisations to continuously innovate and drive entrepreneurial orientation and behaviours as a culture throughout their organisations in order to survive and evolve as a business.

5.3 Discussion pertaining to Research Question 2: Entrepreneurial Intensity and Entrepreneurial Orientation as a Perceived Business Success Factor

5.3.1 *Organisational characterisation drives or inhibits innovation*

The way the respondents characterised the organisation as either by being more innovative and risk-taking to achieve rapid growth and big opportunities, or alternatively by focussing on steady growth and stability, indicates whether the organisational characterisation drives or inhibits innovation. The similarities across the three organisations again, was that the

CEO's are demonstrating the risk-taking and innovative behaviour while the rest of the organisation are seemingly demonstrating characteristics of a steady and slow growth organisation.

Having discussed the possible link between an employee's ability to be creative and innovative being limited by the level of standard operating procedures in the company, one respondent noted that an organisation that is large requires more standard operating procedures in order to be productive. When considering the approximate size of each organisation in table 13 below, along with the level of innovativeness of each organisation, it is apparent that Company C, being the largest, appears to be the least innovative and is characterised by steady growth as opposed to innovation by the respondents in this study. However, the opposite could be argued in that organisation B is larger, or twice the size of organisation A but appears to practice more dynamic or continuous innovation as an overall organisation.

Organisation	Approximate number of employees
Company A	2 000
Company B	4 000
Company C	12 000

Table 13. Number of Employees per Organisation

Damanpour (1992), argues both for and against size and centralisation of the organisation, suggesting that the size of the organisation may affect the ability and level of innovation both positively or negatively depending on the type of organisation and market dynamics. Therefore, the size of the organisation may not necessarily be an indicator as to whether the company is able to be highly innovative or not as both large and small organisations can be effective and innovative.

5.3.2 *Continuous incremental EI focus*

The Entrepreneurial Grid (Morris et al., 2011) was used to assess the overall level of entrepreneurship of each company and then the organisations were plotted on the two dimensional matrix as per figure 6 below, considering both the number of entrepreneurial events as well as the degree to which these events might be innovative, risky and proactive.

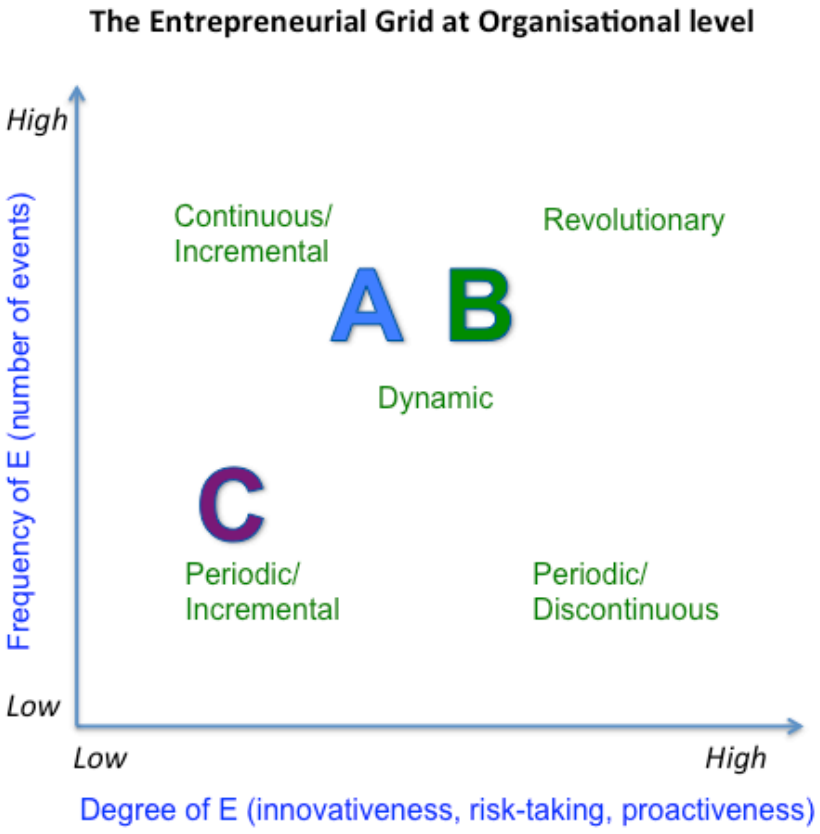


Figure 5. Entrepreneurial Grid with Organisations Plotted

Company A – Described as continuous/incremental, with a mostly modest level of EI suggesting a high number of incremental improvements and number of entrepreneurial events, with only few being considered innovative and risky.

Company B – Positioned slightly more dynamic than Company A, with a higher number of entrepreneurial events, which are relatively innovative or new to the market. This company seems to be striving for revolutionary innovation.

Company C – Classified as periodic/incremental in that the organisation has been described as slow and traditional, where the CEO demonstrates some levels of innovative behaviour and risk-taking, but much more calculated risk-taking, while the rest of the organisation is mostly dominated by standard operating procedures at most levels in order to achieve incremental improvements and steady growth.

Overall, it would appear that the travel industry as a reflection from the three companies interviewed, is still largely driven by incremental or continuous innovation, improvement and entrepreneurial intensity. Whilst many travel organisations are continuously looking to improve the service and products they offer, not many organisations are being revolutionary in their approach to innovation. There is an opportunity for a travel organisation to change the market dynamics by taking on more risk and being more revolutionary in their approach to innovation around the products and services it offers to its customers. The travel organisations would benefit in using the above EI grid analysis in defining their own strategies for entrepreneurship going forward in order to remain relevant in the future.

5.3.3 *Technology drives change*

The highest level of entrepreneurial intensity is seen across the three travel organisations in systems and process innovation and development more so than the incremental innovation in products and service offerings. The environment is continuously changing particularly with the digital and technological enhancements driving most of the business change, these

organisations tend to focus on enhancing systems and processes as a result of automation and digital enhancements.

Damanpour (1991) agrees that innovation is generally a means of changing an organisation in response to these internal or external environmental changes, where innovation is used to contribute to the performance of the organisation.

These organisations are responding to the changing demands of the external environment and customer needs by improving and innovating around systems and processes within their businesses in order to streamline the experience for both the customer and the employee by delivering faster and more efficient service.

Travel organisations need to be highly aware of how the customer experience and customer needs have changed and continue to evolve in that they are much more technologically advanced and able to make all their travel bookings directly with suppliers and all online through the internet. The industry needs to take into account that many areas of the value chain may become redundant and irrelevant in the next few years, whereby booking and travel agents may no longer be required as much as they were before if customers are able to book directly with providers with ease and comfort.

This dynamic will change how the travel organisations do business and operate with suppliers and customers in the very near future.

5.3.4 *Conclusion to research question 2*

The leadership teams of each of the organisations seemingly value the impact of innovation for its contribution to the overall financial performance of the organisation. However, the general consensus is that in order to innovate, they require financial stability. The organisations such as company A and B in this study, demonstrate higher levels of innovative behaviour and events and are therefore more entrepreneurially orientated than those who focus only on incremental improvements such as company C. This implies that organisation A and B are more likely to adapt and evolve through innovation in order to remain profitable and financially viable in the future. The more risk adverse company C may very well be financially stable through following a low risk strategy. However, they run

higher risk of being displaced by competitors in the changing market dynamics and external environment factors.

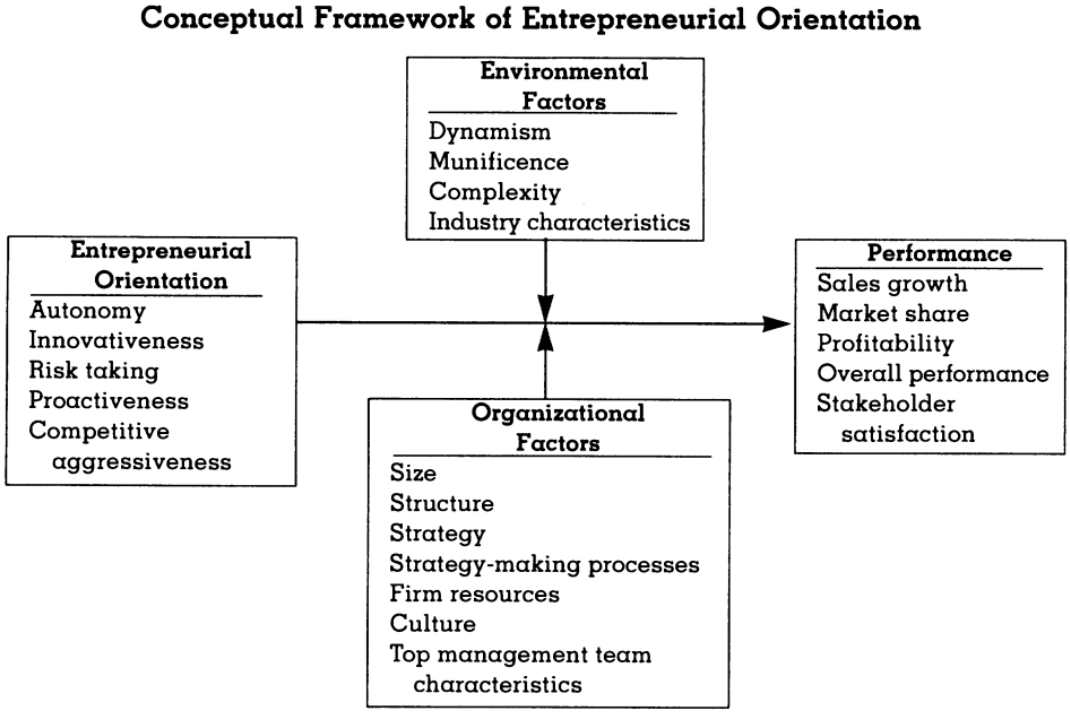


Figure 6. Conceptual Framework of EO (Lumpkin & Dess 1996)

Lumpkin and Dess (1996) developed a conceptual framework per figure 6 overleaf to present the factors that affect the relationship between EO and performance of an organisation. This suggests that not only does the Entrepreneurial Orientation of an organisation affect its' performance, but simultaneously the environmental and organisational factors need to be taken into account as these three overall factors together impact on the organisation's performance.

5.4 Conclusion

The concept of corporate entrepreneurship is a familiar concept across the travel organisations and more specifically, at leadership level where the CEO's and their leadership teams are practising many of the associated entrepreneurial behaviours. The travel industry, being a service industry seems to be most widely focussed on incremental or continuous innovation around offering better service to its customers through improved systems and processes rather than revolutionary or breakthrough product innovation.

The understanding and perception is that most leaders feel that in order to take on higher risks by investing more resources into researching unchartered waters so as to come up with revolutionary innovative products and services, is only really possible if the company is already in a strong financial position. Therefore, it can be assumed that these organisations do not adopt corporate entrepreneurship as an overall business strategy for growth and innovation.

With reference to the entrepreneurial intensity (EI) of the travel organisations and industry, it can be noted from this study, taking into consideration the aforementioned research limitations, that the industry as a whole has relatively modest or low levels of EI. Therefore placing them either at continuous incremental or periodic incremental on the EI grid as previously referred to in figure 6 above. Although the organisational leaders are very aware of the concept of CE, they are less convinced or aware of the concept having the potential to drive revenue and financial performance as a business strategy overall. This lack of awareness of its' use as a business strategy to drive growth may well be the reason that the philosophy and behaviours associated with entrepreneurial orientation are not filtering down throughout the rest of the organisation.

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

There is a general lack of transparency in results.
Data analysis is basic and does not control for bias and subjective interpretations. How are issues of reliability and validity handled?
There is some comparison of themes viz-a-via concepts but issues of fit are not addressed.
There should be a more systematic treatment of responses and an in-depth thematic analysis.

6.1 Introduction

This chapter concludes the overall study, summarising the research findings for the research questions posed in identifying the entrepreneurial intensity within the travel industry as well as the awareness and adoption of CE as an overall business success factor or strategy.

The concluding sections below include discussion on the relevance of the research, recommendations to the stakeholders involved in this study, and finally concludes with suggestions for further research in this area and industry.

6.2 Conclusions of the study

6.2.1 *CE as a corporate culture and business strategy*

This study found the arguments made by (Morris et al., 2011) to be true to the travel industry in particular, where the organisations tend to focus resources on continuous improvements and operational effectiveness which is said by these authors to be a short-sighted approach delivering diminishing returns.

In considering the context of this study, it is clear that CE is in fact a multidimensional phenomenon as it requires the internal and external environment of the organisation to be committed and aligned to entrepreneurial behaviours throughout all levels of the

organisation in order to derive benefit through continuously evolving as a business and pursuing new opportunities for growth. Similarly, the organisations in this particular study are able to demonstrate and adopt the CE and EO behaviours at senior leadership level demonstrating risk-taking, innovative thinking and proactivity. However, these behaviours do not infiltrate the rest of the organisation and so it can be said that unless CE is implemented as an overall business strategy and as part of the vision of the company, it is unlikely to become a culture throughout the organisation.

Ireland and Webb (2007) agree with this conclusion in that there is a clearly symbiotic relationship between entrepreneurship and strategy development in order for the organisation to remain competitive and relevant. Herein lies the opportunity for these travel organisations to adopt CE as a business strategy throughout the organisation in order to specifically drive innovation to retain competitive advantage in the travel industry.

6.2.2 *Financial stability drives CE*

In more recent studies by Nayager and Van Vuuren (2015), it is agreed that as global competition and rapid technological innovation add additional pressure for change, it is also no longer enough to offer better quality products and services at lower costs. The authors agree with earlier research in this field that adaptability, flexibility, speed, aggressiveness and innovativeness are required and can be achieved through CE in larger organisations in order to improve profitability and competitive advantage.

There is still a strong perception within all three organisations, around the ability to be innovative or take risks, which appears to be directly linked to the financial stability and profitability of the company. This in itself is a perception, which is contrary to some of the theory on the topic discussed in the literature review chapter where CE as a concept may drive profitability and business growth.

Aktan and Bulut (2008) research findings reveal that each of the dimensions of entrepreneurial orientation being innovation, risk taking, proactiveness and competitive aggressiveness are positively associated with the company's performance. However, the authors stress that the effectiveness in its application depends on how well entrepreneurship is integrated into the company mission, objectives, strategies, operations as well as the culture.

Essentially the organisations and industry believe that first having financial stability, will enable focus on CE and the associated behaviours such as innovation. Whereas the theory and previous studies suggest the opposite, where focus and implementation of a CE strategy for the overall business may in fact deliver profitability.

6.2.3 *Focussed on incremental innovation and continuous improvements*

Most organisations and particularly the organisations in this study, focus on incremental or continuous innovation, which is due to this being at the lower end of the risk spectrum of the innovation versus risk equation discussed in figure 5. However, these organisations are not aware that by seemingly applying a risk-averse strategy or low risk strategy to business development and innovation, they run an even greater risk of being completely outsmarted by other competitors in the market who may be taking on higher risk but potentially delivering breakthrough innovation, which would change the entire market place and environment for all competitors.

6.2.4 *Overly structured and procedure driven environments*

The travel and tourism industry is somewhat highly governed by standard operating procedures for most roles largely driven by numerous service level agreements and customer expectations in this industry such as turnaround times for responses being 24 hours or less on all enquiries. The added time pressure all respondents confirmed they are continuously under, along with the heavily structured operating environment can be seen to hinder the ability and opportunity for employees to be creative or come up with innovative solutions and ideas. When asked the questions about time availability per Appendix A, interview guide, every respondent said that there is never enough time or always a challenge to find time with most indicating that this was largely the nature of the industry. To allow employees the opportunity and time to be creative and innovative, requires a culture and behaviour that is set at leadership level which says that it is ok to take risks on innovative ideas and time on creative thinking and that if we fail we try again and learn from the failures.

While some levels of structure and standard operating procedures are required in this industry to protect the individuals within the organisation, when this becomes the only way a

task can be conducted, this seems to limit the opportunity for the individual to question things or suggest more productive, efficient and innovative ways of doing the same task more quickly and more easily to achieve the same result.

6.3 Recommendations

6.3.1 *Corporate Entrepreneurship as a business strategy*

The travel industry generally seems to be lagging in terms of innovation in South Africa on service, product, system and process innovation opportunities when compared to international organisations. Travel organisations typically do not have innovation and entrepreneurship at the heart of their business or as part of their vision, mission and goals.

There is an opportunity for the travel organisations in this study, as well as other organisations in South Africa, to use the concept and philosophy of CE as an intended business strategy bringing in the pillars and behaviours of EO (innovation, risk-taking and proactivity) into the design of the business vision, mission and goals. The benefits of adopting a CE strategy as a business in this industry, is the ability to be more proactive and adaptive to the ever-changing market environment and customer needs allowing the businesses to retain or improve their competitive advantage.

This thinking and recommendation is further supported by Aktan and Bulut (2008) who agree that there is a positive association between the dimensions of EO and the company's performance. However, they do emphasise that the effectiveness of these dimensions depends entirely on how well entrepreneurship is integrated into the company vision, mission, strategies and culture.

Leaders of these organisations should look to create a culture for entrepreneurship from the top down through to the customer facing employees. The strategy of an organisation is designed and implemented by top management who need to set the direction of the business by having specific goals and strategies for innovation (Nayager & Van Vuuren, 2015). CE can be embedded and sustained within an organisation if it is firstly embedded in the culture of the company where management allow employees to take risks and make

mistakes and have the authority and ownership within their roles along with being rewarded for innovation and given the resources necessary, including time and flexibility to achieve these goals.

The only way an organisation is able to remain competitive or sustain a competitive or transient advantage (McGrath, 2013) in business, is if they continue to be innovative and create new and improved processes, services and products.

6.3.2 *Create an internal environment supportive of CE*

In defining and creating a strategy for CE in the organisation, the first critical step is to ensure the internal environment of the organisation is supportive of entrepreneurship. This would require organisations, once the strategy for CE is set, to then look at the structure, systems, policies and procedures that are in place to support the delivery of innovation and CE as a strategy (Nayager & Van Vuuren, 2015).

The internal systems and policies need to ensure that employees are rewarded or incentivised for innovation in their own roles but also across the business and departments within the organisation or for the benefit of the organisation as a whole. Other businesses in South Africa such as First National Bank in the financial services industry, focus mainly on innovation as being their strategic source of competitive advantage (BDlive, 2013). They incentivise and embed innovation in their organisation through internal employee rewards programmes, where they strive for radical, incremental as well as systemic innovation across all levels of the organisation. Successful programmes such as this can be useful for the travel organisations and industry to learn from and use in developing their own internal structure and environment conducive to CE and innovation more specifically.

6.3.3 *Focus on discontinuous and dynamically continuous innovation*

While focussing on incremental and continuous improvements across the travel organisations researched in this study, albeit a lower risk versus innovation strategy, these organisations need to consider a more dynamically continuous innovation strategy which as a first step still has relatively low risk but can reap higher returns for the business. The goal is to invest resources and energy into doing more dynamically continuous and

discontinuous or revolutionary innovation, which, although may present a higher risk, could change the market place and potentially set the organisation apart from competitors and potentially displace competitors by evolving and revolutionising how they operate.

Travel organisations should place resources clearly focussed on innovating around technology and the internet of things, where the growth of the internet makes it possible for the processing of information effectively, quickly and at a low cost for tourists (Law, Leung, & Wong, 2004).

6.4 Suggestions for further research

6.4.1 *Quantitative studies*

The data analysis of the study revealed a link between the level of innovation or EI demonstrated by an organisation and its' financial profitability. It would be valuable to have a more quantitative approach or study being undertaken on the direct link between these two across many travel organisations in the industry. The study may reveal whether innovation and EI organisations are more profitable generally than the organisations, which are more traditional and risk-averse in strategy and culture.

6.4.2 *Age of leadership teams*

Further research opportunity lies in investigating whether the age of the CEO or their leadership team impacts the level of EI demonstrated by an organisation. In this particular study, all three CEO's of the organisations they lead were under or approximately the age of 45 years. This may or may not suggest, once researched further, that these leaders are potentially more open to new ideas and innovation as a business strategy than more traditional or mature leaders of organisations.

6.4.3 *Organisational factors affecting CE*

Within the travel industry, overall the research and studies in the area of Corporate Entrepreneurship in South Africa is relatively under-researched. Particular areas for suggested further research may be the organisational factors in particular that affect whether an organisation adopts and successfully demonstrates CE or not. The specific factors listed by Lumpkin and Dess (1996) in figure 6 that would be of particular interest, given the data analysis of this particular study would be the size of an organisation, strategy process formation and top management characteristics. Of particular interest, given that entrepreneurial start-up businesses are small in size, would be whether the size of an established organisation affects the ability to innovate and adopt CE as a business strategy and culture.

In final conclusion, this study revealed that there is a clear gap between the leader's of the travel organisations and their employees when it comes to demonstrating entrepreneurial and innovative behaviour. The gap is further enhanced by the fact that the organisations do not develop their vision and business strategy using the concepts of CE and EO to their advantage in order to maintain competitive advantage or strive for transient advantage as indicated by McGrath (2013) as the new normal in the field of strategy.

McGrath (2013) maintains that the ability to sustain one unique competitive advantage is no longer relevant for most businesses and organisations and so the travel industry needs to focus on continuously launching new strategic initiatives repeatedly in order to create a range of advantages that are easily and quickly built and abandoned as required. This strategic notion of transient advantage will require a different set of operational capabilities unlike the existing capabilities apparent in the travel industry and organisations today.

In identifying these gaps and challenges for the travel industry through this study, so are the opportunities and potential revealed in order for these organisations to explore new opportunities along with exploiting existing opportunities to evolve as a business and succeed in the short and longer term.

Essentially, real change will be seen if these organisations start with designing an organisational strategy with CE at the heart of its values and vision so as to take advantage of developing transient advantage through dynamic and continuous innovation.

REFERENCES

Aktan, B., & Bulut, C. (2008). Financial performance impacts of corporate entrepreneurship in emerging markets: A case of Turkey. *European Journal of Economics, Finance and Administrative Sciences, 12*, 69-79.

Antoncic, B., & Hisrich, R. D. (2003). Clarifying the intrapreneurship concept. *Journal of small business and enterprise development, 10*(1), 7-24.

Ball, S. (2005). The importance of entrepreneurship to hospitality, leisure, sport and tourism. *Hospitality, leisure, sport and tourism network, 1*, 1-14.

Barrett, H., & Weinstein, A. (1998). The effect of market orientation and organizational flexibility on corporate entrepreneurship. *Entrepreneurship: Theory and Practice, 23*(1), 57-58.

BDlive. (2013). Innovation Master – Zenith Award: FNB. *In Depth: Accenture Innovation Index Awards*. http://www.bdlive.co.za/indepth/innovationindex/2013/10/16/innovation-master--zenith-award-fnb Retrieved from http://www.bdlive.co.za/indepth/innovationindex/2013/10/16/innovation-master--zenith-award-fnb

Bettis, R. A., & Hitt, M. A. (1995). The new competitive landscape. *Strategic Management Journal, 16*(S1), 7-19.

Boyce, C., & Neale, P. (2006). *Conducting in-depth interviews: A guide for designing and conducting in-depth interviews for evaluation input*: Pathfinder International Watertown, MA.

Brizek, M. G., & Khan, M. A. (2007). An empirical investigation of corporate entrepreneurship intensity in the casual dining sector. *International Journal of Hospitality Management, 26*(4), 871-885.

Bryman, A. (2012). *Social research methods*: Oxford university press.

Carlbäck, M. (2012). Strategic Entrepreneurship in the Hotel Industry: The Role of Chain Affiliation. *Scandinavian Journal of Hospitality and Tourism, 12*(4), 349-372.

Covin, J. G., & Miles, M. P. (1999). Corporate entrepreneurship and the pursuit of competitive advantage. *Entrepreneurship: Theory and Practice, 23*(3), 47-47.

Covin, J. G., & Slevin, D. P. (1986). The development and testing of an organizational-level entrepreneurship scale. *Frontiers of entrepreneurship research, 1*(1986), 626-639.

Creswell, J. W. (2003). *Research Design Qualitative, Quantitative, and Mixed Methods Approaches* (Vol. Second Edition): Sage Publications, Inc.

Damanpour, F. (1991). Organizational innovation: A meta-analysis of effects of determinants and moderators. *Academy of Management Journal, 34*(3), 555-590.

Damanpour, F. (1992). Organizational size and innovation. *Organization studies, 13*(3), 375-402.

DiCicco-Bloom, B., & Crabtree, B. F. (2006). The qualitative research interview. *Medical education, 40*(4), 314-321.

Floyd, S. W., & Wooldridge, B. (1997). Middle management's strategic influence and organizational performance. *Journal of Management Studies, 34*(3), 465-485.

Gibb, A., & Hannon, P. (2006). Towards the entrepreneurial university. *International Journal of Entrepreneurship Education, 4*(1), 73-110.

Govindarajan, V., & Trimble, C. (2005). Building breakthrough businesses within established organizations. *Harvard business review, 83*(5), 58-68.

Hancer, M., Ozturk, A. B., & Ayyildiz, T. (2009). Middle-Level Hotel Managers' Corporate Entrepreneurial Behavior and Risk-Taking Propensities: A Case of Didim, Turkey. *Journal of Hospitality Marketing & Management, 18*(5), 523-537.

Hitt, M. A., & Reed, T. S. (2000). Entrepreneurship in the new competitive landscape. *Entrepreneurship as Strategy*, 23-48.

Hornsby, J. S., Kuratko, D. F., & Zahra, S. A. (2002). Middle managers' perception of the internal environment for corporate entrepreneurship: assessing a measurement scale. *Journal of business venturing, 17*(3), 253-273.

Ireland, R. D., Covin, J. G., & Kuratko, D. F. (2009). Conceptualizing corporate entrepreneurship strategy. *Entrepreneurship Theory and Practice, 33*(1), 19-46.

Ireland, R. D., Hitt, M. A., & Sirmon, D. G. (2003). A model of strategic entrepreneurship: The construct and its dimensions. *Journal of management, 29*(6), 963-989.

Ireland, R. D., & Webb, J. W. (2007). Strategic entrepreneurship: Creating competitive advantage through streams of innovation. *Business Horizons, 50*(1), 49-59.

Ireland, R. D., & Webb, J. W. (2009). Crossing the great divide of strategic entrepreneurship: Transitioning between exploration and exploitation. *Business Horizons, 52*(5), 469-479.

Jogaratnam, G., & Ching-Yick Tse, E. (2006). Entrepreneurial orientation and the structuring of organizations: performance evidence from the Asian hotel industry. *International Journal of Contemporary Hospitality Management, 18*(6), 454-468.

Kuratko, D., & Audretsch, D. (2009). Strategic entrepreneurship: exploring different perspectives of an emerging concept. *Entrepreneurship Theory and Practice, 33*(1), 1-17.

Kuratko, D., Hornsby, J., & Covin, J. (2013). Diagnosing a firm's internal environment for corporate entrepreneurship. *Business Horizons, 57*(1), 37-47.

Kurgun, H., Bagiran, D., Ozeren, E., & Maral, B. (2011). Entrepreneurial marketing-The interface between marketing and entrepreneurship: A qualitative research on boutique hotels. *European Journal of Social Sciences, 26*(3), 340-357.

Law, R., Leung, K., & Wong, R. (2004). The impact of the Internet on travel agencies. *International Journal of Contemporary Hospitality Management, 16*(2), 100-107.

Leedy, P. D., & Ormrod, J. E. (2013). *Practical Research: Pearson New International Edition: Planning and Design*: Pearson Higher Ed.

Li, L., Tse, E. C.-Y., & Zhao, J.-L. (2009). An empirical study of corporate entrepreneurship in hospitality companies. *International Journal of Hospitality & Tourism Administration, 10*(3), 213-231.

Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic inquiry* (Vol. 75): Sage.

Lordkipanidze, M., Brezet, H., & Backman, M. (2005). The entrepreneurship factor in sustainable tourism development. *Journal of Cleaner Production, 13*(8), 787-798.

Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of management Review, 21*(1), 135-172.

Lumpkin, G. T., & Dess, G. G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of business venturing, 16*(5), 429-451.

Martín-Rojas, R., García-Morales, V. J., & Bolívar-Ramos, M. T. (2013). Influence of technological support, skills and competencies, and learning on corporate entrepreneurship in European technology firms. *Technovation, 33*(12), 417-430.

McFadzean, E., O'Loughlin, A., & Shaw, E. (2005). Corporate entrepreneurship and innovation part 1: the missing link. *European journal of innovation management, 8*(3), 350-372.

McGrath, R. G. (2013). Transient advantage. *Harvard business review, 91*(6), 62-70.

Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management science, 29*(7), 770-791.

Morris, M., Kuratko, D., & Covin, J. (2011). *Corporate innovation & entrepreneurship* (3 ed.): Cengage Learning.

Nayager, T., & Van Vuuren, J. J. (2015). An analysis of an organisational strategy, structure and culture that supports corporate entrepreneurship in established organisations. *South African Journal of Economic and Management Sciences, 8*(1), 29-38.

Peshkin, A. (1993). The goodness of qualitative research. *Educational researcher, 22*(2), 23-29.

Pinchot, G. (1985). Intrapreneuring. *New York: Harper & Row Publishers*.

Pinchot III, G. (1985). Intrapreneuring: Why you don't have to leave the corporation to become an entrepreneur. *University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship*.

Qu, S. Q., & Dumay, J. (2011). The qualitative research interview. *Qualitative Research in Accounting & Management, 8*(3), 238-264.

Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice, 33*(3), 761-787.

Saunders, M. N., Saunders, M., Lewis, P., & Thornhill, A. (2011). *Research methods for business students, 5/e*: Pearson Education India.

Starr, J. A., & MacMillan, I. C. (1990). Resource cooptation via social contracting: Resource acquisition strategies for new ventures. *Strategic Management Journal, 11*(4), 79-92.

Urban, B. (2012). The effect of proentrepreneurship architecture on organisational outcomes. *Journal of Business Economics and Management, 13*(3), 518-545.

Webb, J., Ketchen, D., & Ireland, R. (2010). Strategic entrepreneurship within family-controlled firms: Opportunities and challenges. *Journal of family business strategy, 1*(2), 67-77.

Webb, R. D. I. a. J. W. (2009). Crossing the great divide of strategic entrepreneurship: Transitioning between exploration and exploitation. *Business Horizons, 52*(5), 469-479.

Zahra, S. A., Nielsen, A. P., & Bogner, W. C. (1999). Corporate entrepreneurship, knowledge, and competence development. *Entrepreneurship: Theory and Practice, 23*(3), 169-169.

APPENDIX A

Actual Research Instrument

INTRODUCTION KEY COMPONENTS: • Thank you • My name • Purpose • Confidentiality • Duration • How the interview will be conducted • Opportunity for questions • Signature of consent	I want to thank you for taking the time to meet with me today. As you know, my name is Jennifer Powell and I would like to talk to you about the level of entrepreneurial orientation within your organisation along with the level of entrepreneurial intensity of the activities your organisation participates in. The interview should be roughly one hour and with your permission I will be audio-taping the session as I don't want to miss any vital comments you share. Although I will be taking some notes during the session, I may miss some details. All responses will be kept confidential your identity will be kept anonymous. You are not obliged to share any details or information you feel you don't want to. Having said all of this, the questions are generally not sensitive in nature and should at the very least generate some interesting conversation. Are there any questions about what I have just explained? Are you willing to participate in this interview?

	_____ _____ _____ PARTICIPANT DATE INTERVIEWER
QUESTIONS: • Approximately 20 structured questions with flexibility to adapt based on context and discussion flow	1. What is your understanding around the topic of corporate entrepreneurship? 2. What forms do you think Corporate Entrepreneurship may take in your organisation? Some of the ways in which Entrepreneurship is manifested in established organisations may be through; - Traditional R&D - AdHoc Venture Teams - New Venture divisions or groups - Champions and the mainstream - Acquisitions - Outsourcing - Hybrid forms **Management Support** 3. Who within your management team demonstrates support in the organisation for Corporate Entrepreneurship and how do they do so? 4. As a leader of the organisation how do you encourage new ideas or new processes/improved methods from your employees? 5. How are employees encouraged to take calculated risks with new ideas, or given free time to develop new ideas? 6. Is there considerable desire from colleagues to come up with new ideas across departments and boundaries?

	Work Discretion 7. How does the organisation provide the freedom to be creative, use own judgement and allow you to take responsibility for how you do your job? **Rewards/Recognition** 8. Are rewards and recognition dependent on innovation demonstrated in the organisation? 9. Is there a general feeling of enough challenge in employee's roles and your own? **Time Availability** 10. Is there available time within a month for example to develop new idea, or to think about wider organisational challenges? 11. Do you feel that there is more than enough time to do the day job or are you and your co-workers often under time pressure? **Organisational boundaries** 12. Do you or your colleagues and employees often follow specified standard operating procedures or practices for major tasks? Or are there written rules and procedures for doing tasks in the organisation? 13. Is there certainty/clarity in what is expected of you and your colleagues from your job role? 14. Do job descriptions clearly specify performance standards required and are managers discussing performance of employees during the year? **Other climate variables** 15. How would you describe the organisational culture with respect to structure, innovation, flexibility, proactivity and performance? 16. Do you feel the company's environment encourages people to talk openly across operations about new ideas and improvements?

	17. How quickly, if at all are new services and products adopted into the business or new ideas approved or not in the organisation? **Entrepreneurial Intensity** 18. How would you characterise the top management's philosophy and emphasis on new product and service development for the organisation? 19. Is there emphasis on continuous improvement across operations and service delivery? 20. Is there a live and let live philosophy in dealing with competitors or how does the organisation seem to perceive competitors? 21. Would you say the organisation is characterised more by innovation and risk-taking to achieve rapid growth and big opportunities or rather by steady growth and stability as a primary concern and why? **New Product/service introduction** 22. What number of new services or products has the company introduced roughly over the past two years? 23. How do you think this number compares to your competitors? 24. To what degree would you say that these new products or services introduced were not previously available in the markets you serve? 25. Can you estimate how many significant new methods or operational processes the organisation has implemented over the past two years – for example new systems, processes for sales, distribution, etc.
CLOSING KEY COMPONENTS:	Is there anything more you would like to add?

• Additional comments • Next steps • Thank you	I'll be analysing the information you, and others have given me and submitting a draft report to the organisation if required. Thank you for your time.

APPENDIX B

Letter of permission for recording

Jennifer Powell

Mobile: +27 (0) 76 151 5463 Email: jenniferbau@gmail.com

Date:

Full Name
Title
Company Name

Dear XXX

I want to thank you for taking the time to meet with me today. As you know, my name is Jennifer Powell and I would like to talk to you about the level of entrepreneurial orientation within your organisation along with the level of entrepreneurial intensity of the activities your organisation participates in as part of my thesis for my MBA with Wits Business School.

The interview should be roughly one hour and with your permission I will be audio-taping the session as I don't want to miss any vital comments you share. Although I will be taking some notes during the session, I may miss some details.

All responses will be kept confidential and your identity will be kept anonymous.
You are not obliged to share any details or information you feel you don't want to. Having said all of this, the questions are generally not sensitive in nature and should at the very least generate some interesting conversation.

Are there any questions about what I have just explained?

Are you willing to participate in this interview?

_____	_____	_____
PARTICIPANT	DATE	INTERVIEWER

Sincerely,

Jennifer Powell
MBA Candidate

Wits Business School