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THE IMPACT OF CORPORATE ENTREPRENEURSHIP ON EMPLOYEES' JOB SATISFACTION

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The Impact of Corporate Entrepreneurship on Employees' Job Satisfaction

Abstract

Title

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This study aims to investigate the competitiveness of corporate entrepreneurship by taking into consideration its impact on job satisfaction from the support provided to the intrapreneurs from their organization. While much of the literature on corporate entrepreneurship has focused on financial benefits for corporations, this study is aiming at understanding some partial aspects of non-financial benefits for corporations. I hypothesized that entrepreneurship programs would be positively related to job satisfaction, and employee loyalty, and these relationships would be because the participants of these programs receive higher organizational support.

In order to assess this topic, two studies were conducted. Study 1 analyzed the results of 100 surveys that were taken by entrepreneurs and non-entrepreneurs in large German corporations. The second study consisted of four in-depth interviews with successful participants of corporate entrepreneurship programs.

Results show that corporate entrepreneurship programs have no effect on job satisfaction, perceived organizational support, and commitment to the company that the entrepreneurs have been working for when comparing the surveys to regular employees of the company. However, the findings showed that those who did participate in an entrepreneurship program expressed a slightly negative change of happiness with their employer after completing the entrepreneurship program.

Key words:

Corporate Entrepreneurship, Job satisfaction, Entrepreneurship, Accelerator,

Incubator

Abstracto

Título

O impacto dos programas de empreendedores corporativo na satisfação no trabalho do colaborador

Autor

Rose Dinah Belizor

Este estudo tem como objetivo investigar a competitividade do empreendedorismo corporativo, tendo em consideração o seu impacto na satisfação no trabalho através do apoio dado aos empreendedores na organização. Embora grande parte da literatura sobre empreendedorismo corporativo se tenha focado nos benefícios financeiros para as empresas, este estudo visa compreender alguns aspectos parciais dos benefícios não financeiros para as empresas. Foi colocada a hipótese de que os programas de empreendedorismo estariam positivamente relacionados com a satisfação no trabalho e com a fidelidade dos funcionários, e que essas relações dever-se-iam ao facto dos participantes desses programas receberem um maior apoio organizacional. Para avaliar esta hipótese, foram realizados dois estudos. O primeiro estudo analisou os resultados de 100 questionários que foram respondidos por empresários e não empresários em grandes corporações alemãs. O segundo estudo consistiu em quatro entrevistas com participantes bem-sucedidos de programas de empreendedorismo corporativo. Os resultados mostram que os programas de empreendedorismo corporativo não têm um efeito significativo sobre a satisfação no trabalho, sobre o apoio organizacional percebido e sobre o compromisso com a empresa que os empreendedores têm trabalhado quando comparados com os colaboradores regulares da empresa. No entanto, os resultados mostraram que esses participantes dos programas de empreendedorismo expressaram uma mudança de felicidade ligeiramente negativa com os seus empregadores depois de concluírem o programa.

Palavras-Chave:

Empreendedorismo corporativo, satisfação no trabalho, acelerador, incubadora, intraempreendedorismo

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Abbreviations

Perceived Organizational Support (POS)

Corporate Entrepreneurship (CE)

Human Resource Management (HRM)

1. Introduction

This dissertation focuses on how Corporate Entrepreneurship programs can affect employees' job satisfaction and organizational support. For large companies, creating new businesses is very challenging. After years of downsizing and cost cutting, many corporations have realized that they cannot shrink their way to success. They have also found that they cannot grow rapidly by tweaking existing offerings, taking over rivals, or moving into developing countries. Because of maturing technologies and aging product portfolios, a new imperative is clear: Companies must create, develop, and sustain innovative new businesses. They must become like the ancient Roman myth Janus, the god with the two faces. Hence, looking in two directions at once, with one face focused on the old and the other seeking out the new (Garvin and Levesque, 2006).

However, the knowledge necessary to generate innovations increasingly resides outside the modern corporation's boundaries (Chesbrough, 2003; von Hippel, 2005). Therefore, after the first successful accelerator program YCombinator which started in 2007, many companies have begun to imitate the accelerator programs. Deutsche Telekom for example, has had an accelerator program for the past 2 years, called UQBATE. UQBATE is the corporate entrepreneurship program that is there to help employees found their own startup or work on their own project, without the interference of their daily jobs. This new program is an example of the adaption of open innovation - the paradigm that assumes firms should use external and internal ideas and internal and external paths to market (Chesbrough, 2003) - established businesses are building structured programs to harness entrepreneurial power (Horn, 2014). Those authors are combining the best of both worlds: the scale of large established corporations and the entrepreneurial spirit (Kohler, 2016). According to Kuratko, Hornsby, Naffziger & Montagno (1993), the thrust in entrepreneurship as a major force in corporations has led to the desire by corporate managers to replicate this type of activity inside enterprises. Some researchers have focused on a number of successful entrepreneurial ventures within established corporate frameworks and created a theoretical framework that explains the variables which affect the corporate entrepreneurship process.

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These ventures have been undertaken in companies such as 3-M, IBM, Hewlett-Packard, Polaroid, and General Electric (Kuratko, Hornsby, Naffziger, & Montagno, 1993). This new field is referred to as “Corporate Entrepreneurship” or “Intrapreneurship” (Gündoğdu, 2012). While much of the literature on Corporate Entrepreneurship has focused on financial benefits for corporations, this study is aiming at understanding some partial aspects of non-financial benefits for corporations. In order to understand non-financial benefits for corporations, this dissertation is aiming to understand whether and how individuals who have participated in Corporate Entrepreneurship (CE) in the form of accelerators, incubators, or other innovative initiatives or forms of training, experience non-financial rewards such as higher job satisfactions, perceived organizational support, and affective commitment to their organization.

Hence, the aim of this dissertation is to help corporations better understand the long-term value of such programs. Furthermore, this thesis can give valuable insights to leaders of such entrepreneurship programs. Lastly, employees who are considering joining a corporate entrepreneurship program can understand how this might benefit their career satisfaction with their employer. After a comprehensive literature review about the relevant literatures, two studies are introduced and the results analyzed to test the hypotheses of this thesis.

2. Literature Review

2.1 Corporate Entrepreneurship

Corporate entrepreneurship (CE) encompasses two types of phenomena and the processes surrounding them:

- (1) The birth of new businesses within existing organizations, for example internal innovation and venturing.
- (2) The transformation of organizations through renewal of key ideas on which they built, for example strategic renewal (Guth and Ginsburg, 1990).

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This dissertation will only focus on the birth of new business inside an existing organization - internal innovation and venturing. The concept of CE has evolved over the last thirty years (Hanan, 1976; Hill and Hlavacek, 1972; Peterson & Berger, 1972). It was defined early on as a process of organizational renewal (Sathe, 1989). This idea was followed by Zahra (1991), who observed, "corporate entrepreneurship may be formal or informal activities aimed at creating new businesses in established companies through product and process innovations and market developments. These activities may take place at the corporate, division (business), functional, or project levels, with the unifying objective of improving a company's competitive position and financial performance" (Zahra, 1991, p. 6).

Over the years, the literature on corporate entrepreneurship and organizational performance has shown that corporate entrepreneurship dimensions such as pro-activeness, risk-taking, innovations and competitive aggressiveness significantly and positively influence the organizational performance of the companies being investigated. However, research on indirect and interaction effects of other corporate Entrepreneurship-related factors and their influences on organizational performance have been minimal (Antoncic & Hisrich, 2003; Antoncic and Zorn, 2004; Özdemirci, 2011) and (Zahra, 1991, 1993). Consequently, the aim of this dissertation is to fill the gap in the literature and to better understand the indirect effects of corporate Entrepreneurship (non-financial) on organizations.

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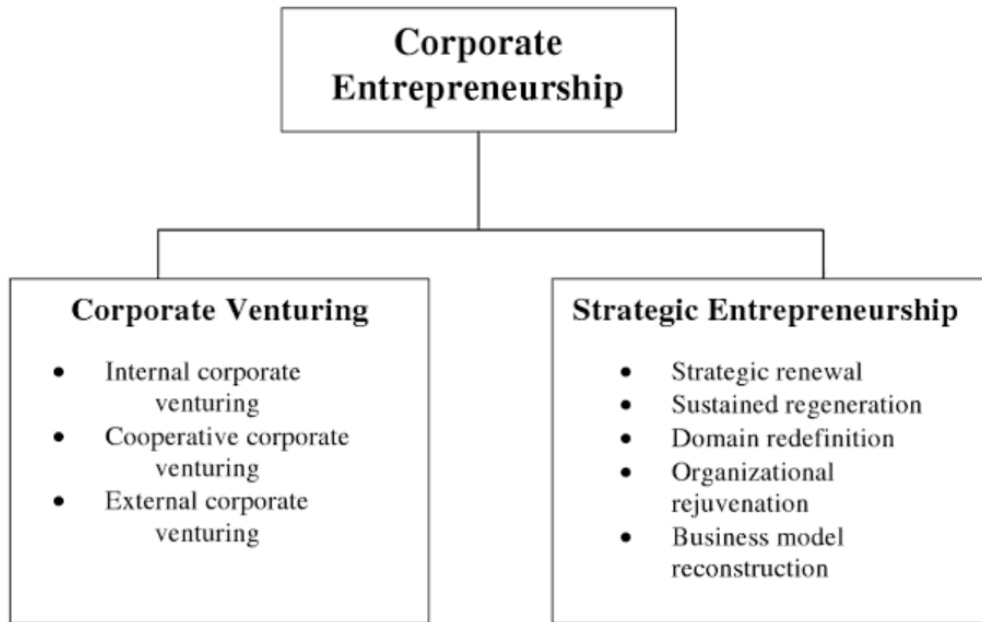


Figure 1: Overview of Corporate Entrepreneurship (Source: Morris, Kuratko, & Covin, 2008, p.81)

Drivers of Corporate Entrepreneurship

Corporate entrepreneurship is a set of companywide activities that centers on discovering and pursuing new opportunities through innovation, creating new business, or introducing new business models. Successful CE involves simultaneous attention to both innovation and exploitation (Zahra, 1996); therefore, there are various processes that are implemented. This is in line with Guth and Ginsberg's (1990) view that corporate entrepreneurship is the "birth of new business within existing organizations, internal innovation or venturing" (Guth & Ginsburg, 1990, p. 5). Such innovations renew companies, enhance their competitive advantage, spur growth, create new employment opportunities, and generate wealth (Hayton & Kelley, 2006). As described before, many researchers have examined the concept of CE since the 1970's on a theoretical perspective (Hill & Hlavacek, 1972, Peterson & Berger, 1971) and empirical basis (Covin & Slevin, 1986; Miller, 1983). Some researchers' discussion of CE has centered around the conceptual meaning, development of conceptual models, and has analyzed the relationship between CE and company's' performance. However, the question is not "whether companies should or should not engage in entrepreneurial

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activity, but rather what can be done to encourage establishment of entrepreneurship (Jackson, Schwab and Schuler, 1986, p.624).

2.2 The Current Innovation Landscape

Although, in the last few years, the talk of innovation has been significant, many companies are not succeeding with corporate entrepreneurship. Often times, the failure of corporate endeavors have been link to cultural and organizational barriers: Numerous researchers attribute failure to innovate to corporate culture. For example, it was stated that innovation is not part of the culture of most established firms (Wycoff , 2004). This anti-innovation culture directly affects those individuals responsible for carrying innovation forward. The idea that culture, among other factors, can impede the introduction, absorption, and application of new knowledge within a corporation has been formalized into the concept of *absorptive capacity*¹ by a number of scholars (Cohen and Levinthal, 1990; Lane and Lubatkin, 1998; Zahra and George, 2002). While the culture of a company may play a significant part, the biggest cause of failure for corporations to innovate is cultural barriers.

Many researchers have also posited that organizations simply are not designed well enough to foster innovation. Barriers include the notions of top-down command and hierarchical approaches (Kanter, 2006); inflexibility to respond to change as well as new market and technical opportunities (Abernathy & Wayne, 1974; Tushman and O'Reilly, 1997), and organizational rigidities for transitioning to next generation business paradigms (Leonard-Barton, 1992). Others have argued that large corporations require an organizational dualism that supports efficiency in core business but allows innovation for new business development (Zahra, 1999; Assink 2006). While creativity and innovation are valued by executives in the abstract (Lu et al., 2017), there is often a bias against specific creative ideas when they are proposed (Mueller, Melwani, & Goncalo, 2012; Staw, 1995).

¹ “Absorptive capacity is an organization’s ability to identify, assimilate, transform, and use external knowledge, research and practice. [It] is the measure of the rate at which an organization can learn and use scientific, technological or other knowledge that exists outside of the organization itself. It is a measure of an organizations ability to learn.”(Cohen & Levinthal, 1990, p. 129).

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Innovation Organizational Barriers

According to the review of literature, the major issue that innovation leaders face in terms of innovation is organizational barriers with various rules, and complex organizational structures. The question remains why this occurs. Many researchers have started to pick up on the fact that the corporate environment may not be suitable to innovate like a startup. Researchers like Garvin and Levesque have argued that there is a “poor fit between new businesses and old systems” (Garvin & Levesque, 2006). Garvin and Levesque have furthermore stated that “new businesses are quite different [from the corporate environment], with cultures all their own. Many are born on the periphery of companies established divisions; at times, they exist in the spaces in between.” (Garvin & Levesque, 2006 this is due to the fact that start-up companies operate differently in terms of their financials as well as their operations. Also, most of the start-up business models are not fully defined at the beginning (Garvin and Levesque, 2006), which is related to the fact that smaller firms are mostly less bureaucratic and more innovative and flexible (Knight & Cavusgil, 2004).

Corporations, however, are designed to ensure the success of their established business because existing operations, after all, account for the bulk of their revenues. In addition, organizational systems support current customers and technologies and their operating environments are “predictable, and executives’ goals are stability, efficiency, and making the most of incremental growth” (Garvin and Levesque, 2006). Therefore, because of the high level of uncertainty associated with new business and innovation corporations need adaptive organizational environments to succeed.

In order to improve the innovation in large cooperation’s, it is necessary to deal distinctly with the interpretive barriers. Dougherty (1992) highlighted the importance of collaboration, which means that “collaboration enhances the product's design” and enhances development process. Furthermore, the author describes that one major barrier to innovation in organizations is the way of thinking about innovation, the so-called "interpretive schemes (Dougherty, 1992).

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Another issue with innovation in large corporations is that few managers “really want to pay the price for innovation (Staw, 1995). For most managers, if they are innovative it means that they have to do everything wrong. With that mentality it is hard to move innovation forward.

Innovation Interpersonal Barriers

Beyond these limits mentioned above, fundamental incompatibilities between innovation and ongoing operations make it impossible for corporations to innovate on its own. According to the author of the book, *The Other Side of Innovation*, “because of the incompatibilities, innovation leaders often imagine themselves as rebels fighting the establishment” (Govindarajan and Trimble, 2010, p. 23). The authors have further explained how innovation leaders are more focused to compete within their own organization, rather to fear and fight outside competition. In addition, it appears that most collision happens between short-term and long-term priorities and that innovation leaders often face the struggle of being “under pressure to deliver profits everyday [...] any projects, or innovation initiatives that cannot make an immediate contribution is instinctively swat down” (Govindarajan and Trimble, 2010, p. 11). Therefore, the leaders in innovation often view the Corporation as a major adversary. Once they do have this view, the leaders often change their behavior and “break- all- the rules” (Govindarajan and Trimble, 2010, p. 12), innovation leaders would like to get things done as quickly as possible but face the challenge of corporate barriers which slow the process of getting things accomplish in a timely matter. Those authors referred to this as innovation's missing link (See Figure 2).

In addition, research has showed that organizational power structures are difficult to change (Staw, 1995). Those that are really high in management set the agenda, they reward those who are in line with their goals politically and often neglect those who do not follow the typical existing order. Often times, those who are in power “get the resources to maintain their positions, while others struggle to survive” (Staw, 1995).

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Therefore, these barriers are problematic for those who are trying to make innovation happen.

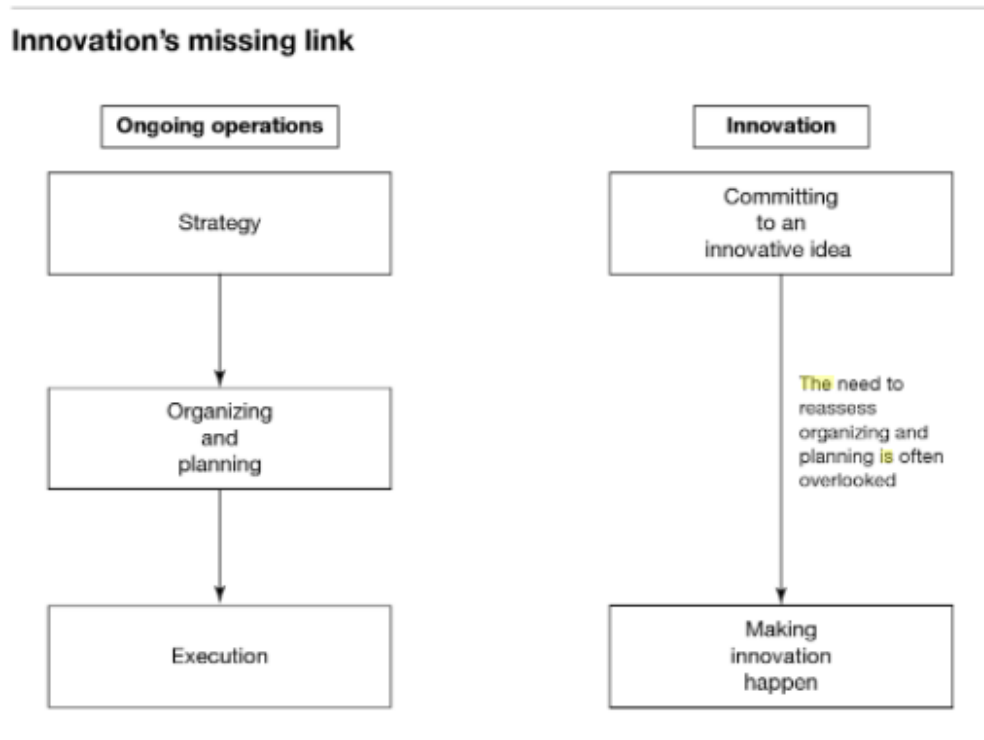


Figure 2: Innovation's missing link (Govindarajan & Trimble, 2010, p. 16)

In order for innovation leaders to succeed, a disciplined approach is recommended in literature, as will be described and reviewed below.

2.3 Entrepreneurial Action and Implications on the Variables for Firms' Performance

Entrepreneurial actions are any newly fashioned set of actions through which companies seek to exploit entrepreneurial opportunities that rivals have not noticed or exploited. Entrepreneurial actions constitute a “[...] fundamental behavior of firms by which they move into new markets, seize new customers, and/or combine (existing) resources in new ways” (Smith and Di Gregorio, 2002, p. 137).

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Researchers have measured the relationship between entrepreneurial actions and performance in large organizations differently. During the 1980s, it was found that it was difficult for people to act entrepreneurially in bureaucratic organizational structures (Duncan, Ginter, Rucks and Jacobs, 1988). During this same time period, others suggested that for companies of any size, entrepreneurial actions were possible, should be encouraged, and could be expected to enhance firm performance (Kanter, 1985; Kuratko and Montagno, 1989). According to Kuratko, Hornsby, & Bishop (2005), a “significant change in the general perception of the value of entrepreneurial actions as a predictor of firm performance took place throughout the 1990s”. In this time period, companies were redefining their businesses, thinking about how to most effectively use human resources and learning how to compete in the global economy (Kuratko, Hornsby, & Bishop, 2005). Hence, according to Zahra, Kuratko & Jennings (1999), companies went through a transformation to become more entrepreneurial by executing reorganization, downsizing, and restructuring over years (Cobb, 2016). These changes altered the identity or culture of these firms, infusing a new entrepreneurial spirit throughout their operations, change, innovations, and entrepreneurship became highly regarded words that describe what successful companies must do to survive” (Zahra, Kuratko and Jennings, 1999, p. 5).

Job Satisfaction

An individual's job satisfaction could have a mediating effect on the ability of a CE environment to outgrowth entrepreneurial actions or performance. While the relationship between job satisfaction and performance has been a persistent “chicken and egg” question, recent research suggests that job satisfaction and performance are moderately related and mutually influence each other (Judge, Thoresen, Bono, & Patton, 2001).

Also, a recent meta-analysis by Harter, Schmidt and Hayes (2002) suggests the relationship between job satisfaction and performance is understated due to incomplete measures of individual performance. Several recent studies examined the viability of the job satisfaction-performance relationship. These studies support Harter, Schmidt and

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Hayes's (2002) contention that the relationship is more complex and that the analysis suffers from poor measures of both constructs. Furthermore, the research suggests that many variables may mediate and/or moderate the relationship. For instance, a model that suggested job complexity or challenge was an important explanatory variable in the relationship between core self-evaluations (a combination of self-esteem, self-efficacy, locus of control, and low neuroticism) and job satisfaction, and that this relationship persists over time (Judge, Bono, & Locke, 2000). Furthermore, it was found that dispositions and excessive job demands are related to work reactions including job satisfaction (Griffin, 2001).

Recently research on innovation has spread from administrative science, communications, and anthropology to psychology and sociology. The spread according to West and Altink (1996) had been slow, partly because the study of innovation has been considered to be the domain of economics rather than human behavior (West and Altink, 1996). Other authors have suggested more specifically that CE requires a culture built around emotional commitment, autonomy, empowerment, earned respect, and a strong work ethic (Brandt, 1986; Tropman & Morningstar, 1989).

Job satisfaction is considered as the key factor in commitment to one's job or the intention to quit and change it (Liu & Hu, 2010). The most important scholars who helped developed the literature and studies for job satisfaction are Hackman and Oldham (1976). They developed the job characteristics theory, which describes the relationship between characteristics and individual responses to work. The theory specifies the task and condition in which individuals are predicted to work (Hackman & Oldham, 1976).

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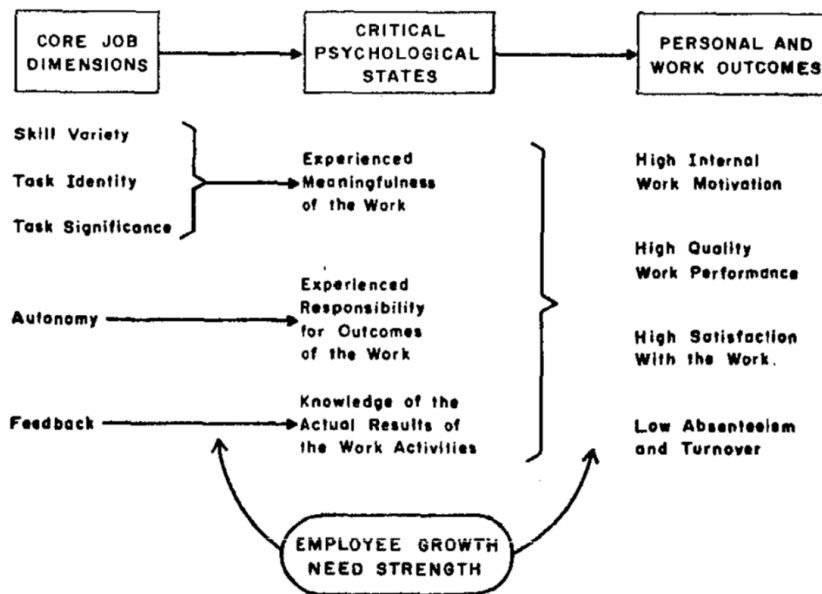


Figure 3: The job characteristics model of work motivation (Hackman & Oldham, 1974)

Many researchers have recognized that job satisfaction is a concept that is consisted of different components. The most typical categorization considers five components of job satisfaction: pay, promotions, coworkers, supervision, and the work itself (Smith, Kendall, & Hulin, 1969). Locke (1976) added some other components: recognition, working conditions, and company and management. In addition, many researchers separate job satisfaction into intrinsic and extrinsic parts (Wernimont, 1966; Judge, Cable, Boudreau, & Bretz, 1995), whereas pay and promotions are considered extrinsic factors while coworkers, supervision, and the work itself are considered intrinsic factors.

Organizational Support

One significant part of job satisfaction is organizational support. Many researchers have noted that job satisfaction and organizational support are two different variables but strongly correlated. (Eisenberger, Cummings, Armeli, & Lynch, 1997; Shore & Tetrick, 1991) developed the Perceived Organizational Support theory, which is a generalized conviction of the existence of friendly or unfriendly attitudes of an employer towards an employee, whereas job satisfaction concerns general assessment of various aspects of one's job (Shore & Tetrick, 1991). According to Eisenberger,

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Huntington, & Hutchison (1986). Organizational support is strongly correlated with an employer's operations and policies that employees believe to be of a voluntary character. Often times, employees develop a general perception concerning the extent to which the organization values their contributions and cares about their well being (perceived organizational support: Eisenberger, Huntington, Hutchison, & Sowa, 1986).

Consequently, employees who develop Perceived Organizational Support do so in order to meet the needs for approval, esteem, and affiliation, and to assess the benefits of increased work effort. These development and perceived notion help increases employees felt obligation to help the organization to reach its objectives, their affective commitment to the organization, and their expectation that improved performance will be rewarded (Eisenberger, Huntington, Hutchinson, & Sowa, 1986).

Some of the behavioral outcomes of Perceived Organizational Support include; increases in role, extra- role performance, and decreases in withdrawal behaviors such as absenteeism and turnover. Therefore, when an individual organization provides benefits that an employee can make use of, the employee's Perceived Organizational Support increases (Gouldner, 1960).

Another argument for POS is that it reduces turnover and increases affective commitment and performance. First, on the basis of the reciprocity norm (Cialdini, 1987), Perceived Organizational Support should produce a felt obligation to care about the organization's welfare and to help the organization reach its objectives. Second, the caring, approval, and respect connoted by POS should fulfill socio emotional needs, leading workers to incorporate organizational membership and role status into their social identity. Third, POS should strengthen employees' beliefs that the organization recognizes and rewards increased performance (for example, performance-reward expectancies). These processes should have favorable outcomes both for employees (such as increased job satisfaction and heightened positive mood) and for the organization (for instance increased affective commitment and performance, reduced turnover) (Rhoades & Eisenberger, 2002).

The most prevalent approach to organizational commitment in the literature is one in which commitment is considered an affective or emotional attachment to the

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organization such that the strongly committed individual identifies with, is involved in, and enjoys membership in, the organization. This view was taken by Kanter (1968) who described "cohesion commitment as the attachment of an individual's fund of affectivity and emotion to the group" (Kanter R. , *Commitment and Social Organization: A Study of Commitment Mechanisms in Utopian Communities*, 1968, p. 507) and by Buchanan (1974) who conceptualized commitment as a "partisan, affective attachment to the goals and values of the organization, to one's role in relation to the goals and values, and to the organization for its own sake, apart from its purely instrumental worth" (Buchanan, 1974, p. 533). The affective attachment approach is perhaps best represented, however, by the work of Porter and his colleagues who defined organizational commitment as the relative strength of an individual's identification with and involvement in a particular organization (Porter, Steers, Mowday, & Boulian, 1974). According to the literatures, commitment seems to be measured by three components; affective attachment to the organization, perceived cost associated with leaving the organization, and obligations to remain with the organization. When examining organizational commitment, John Meyer and Nancy Allen (1997) have identified three types of organizational commitment: Affective, continuance, and normative.

Affective commitment refers to the employee's emotional attachment to, identify with, and involvement with the organization. Usually these employees stay with an organization because they want to do so.

Continuance commitment refers to an awareness of the cost associated with leaving the organization. These employees usually remain with the organization because they need to do so.

Normative commitment refers to a feeling of obligation to continue employment. These individuals feel that they need to remain with the organization because they ought to do so. The authors of this model have argued that these different components have different implications for how individuals work in an organization (Meyer & Allen, 1997).

2.4 Implications on Employees

Turnover

One of the most studied links in organizational behavior science has been between commitment and organization tenure or its obverse, turnover (Staw, 1995; Bidwell, 2011; Mueller, Melwani, & Goncalo, 2012; Cobb, 2016; Lu, Hafenbrack, Eastwick, Wang, Maddux, Galinsky, 2017). It is important to note that according to Meyer and Allen (1991), employees' willingness to contribute to organizational effectiveness will be influenced by the nature of the commitment they experience. Over the years, there are several conceptual frameworks and models that have attempted to explain the process to which individuals quit their jobs. Much of these models have pointed to one consequence aspect of quitting, that is the employers must bare the cost of turnover (Bidwell, 2011).

Therefore, organizational researchers have spent a good amount of time to the study of employee turnover (Allen, Shore, & Griffeth, 2003; Mobley, 1977). Much of this research has focused on turnover as an outcome of a sequential process that begins with job dissatisfaction (Mobley, 1977). According to Holtom, Lee & Mitchell (2008), from a managerial perspective, the attraction and retention of high-quality employees is more important today than ever before. A number of trends (for example globalization, increase in knowledge work, accelerating rate of technological advancement) make it vital that firms acquire and retain human capital.

Although a number of researchers have suggested that some turnover is healthy for an organization, the predominant view underlying turnover research is that the phenomenon is disruptive and expensive and that understanding the causes of turnover is essential in order to reduce it (Shaw, Delery, Jenkins, Jr., & Gupta, 1998). Consequently, this is the reason why it is important to understand the value that corporate entrepreneurship brings to organizations.

When one decides to quit their job, the process starts with an evaluation of the current job. If the assessment is negative and the individual feels dissatisfaction in the job, thoughts of quitting are entertained, leading to an evaluation of benefits of search and costs of quitting. The process goes on to intention, action, assessment of

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alternatives, and comparison of alternatives to current job. The person then plans to stay or quit and later acts on such plan (Mobley, 1977). Other decision-making models propose a more direct connection between attitudes and behavior (Mowday, Porter and Steers). Although, one thing remains clear between Mobley's model and others is that intention to leave is a major immediate predecessor of an individual leaving. Those authors discussed several affective responses to job and organization. They considered three aspects:

- (1) Job expectations and values
- (2) Organizational characteristics and experiences, conceptualized as an individual's experienced organizationally reality
- (3) And job performance to be the most affective responses on employees (Steers & Mowday, 1981).

These responses from employees can alter or influence subsequent attitudes. It was further hypothesized by Steers & Mowday (1981), that job expectations and values are influenced by:

- (1) Individual characteristics
- (2) Available information about a job and an organization, conceptualized as the "degree of complete information" and
- (3) Alternative job opportunities

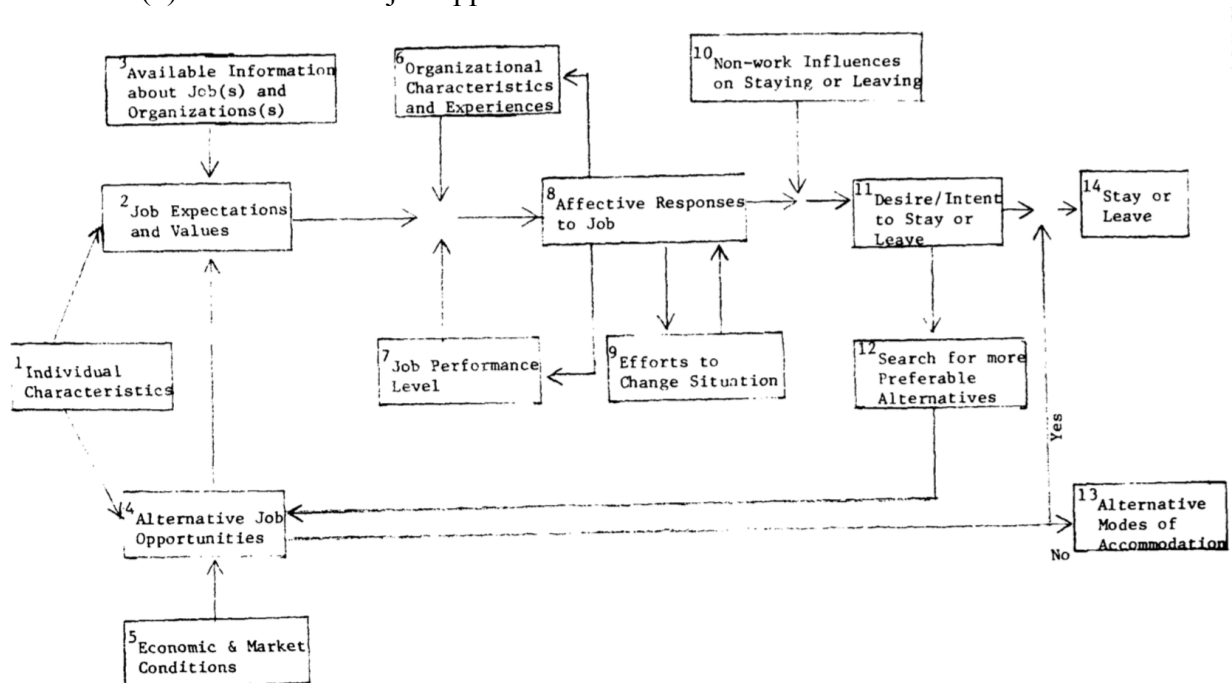


Figure 4: A Model of Voluntary Employee Turnover (Steers & Mowday, 1979)

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Therefore, individual characteristics and labor market prospects were seen as the primary influences on alternative job opportunities.

The Cost of Turnover on Companies

Employee turnover is concerning for organizations because large organizations invest a lot in their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, managers may seek to minimize employee's turnover. However, there is no standard account for why people choose to leave an organization (Lee & Mitchell, 1994). What seem to concern organizations the most are the involuntary leaves of employees. Voluntary leave has incurred significant cost both directly and indirectly. When we look at turnover from a financial perspective (direct cost), the costs are important but often hidden from managers. There are no profit and loss statements that specifically capture the "cost of voluntary turnover" (Holtom, Lee, Mitchell, & Eberly, 2008).

Instead, the costs are dispersed in in separate line items like recruitment, selection, temporary staffing and training. Even worse, the real but unmeasured costs from losses of customer service continuity or critical implicit knowledge are never calculated. Estimates of the losses for each employee vary from a few thousand dollars to more than two times the person's salary depending on the industry, the content of the job, the availability of replacements and other factors (Hinkin & Tracey, 2000). Much of the cost associated with the more expensive positions arose from training costs and lost productivity due to a steep learning curve. For highly skilled jobs, it takes a long time to learn the new job, and productivity is lost when someone unfamiliar with the tasks replaces a seasoned employee. The work of peers and supervisors is also disrupted as they pick up the slack until the new hire learns the job (Hinkin & Tracey, 2000).

3. Hypotheses and Overview of Studies

As mentioned earlier, the indirect and interaction effects of corporate entrepreneurship, in particular, the indirect effects of corporate entrepreneurship non-financial aspect of corporate organization have not been closely studied. Lumpkin and Dess (1996) are the first to have suggested the link between CE and non-financial outcomes such as commitment and satisfaction. Moreover, the relationship between entrepreneurial actions and performance in large organizations has been assessed differently across time (Kuratko, Hornsby, Bishop, 2005). Therefore, it is not surprising that in the literature on job satisfaction, Perceived Organizational Support of corporate entrepreneurs have not yet been studied.

Job satisfaction is among the most commonly discussed phenomena in the psychology of business and Human Resource Management (HRM), attesting to the importance it carries. Consequently, job satisfaction can be linked to job performance in several different ways. By far the most common methodology has been to ask employees about current satisfaction levels of their jobs and their responses are then correlated with other variables such as job performance based on their supervisors' evaluation. In this dissertation, employees with certain criteria's will be preselected and their responses about current satisfaction levels will be correlated with whether or not they completed an entrepreneurship program. Therefore, the first hypothesis was developed.

Hypothesis 1

There is a positive relationship between job satisfaction and having gone through entrepreneurship programs. One significant part of job satisfaction is organizational support. Many researchers have noted that job satisfaction and organizational support are two different variables but strongly correlated. Eisenberger, Cummings, Armeli, & Lynch (1997) and Shore & Tetrick (1991) developed the Perceived Organizational Support theory, which is a generalized conviction of the existence of friendly or unfriendly attitudes of an employer towards an employee, whereas job satisfaction concerns general assessment of various aspects of one's job (Shore & Tetrick, 1991). Therefore, in order to understand the connection between those who have

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participated in entrepreneurship programs and their views on the organization, the following hypotheses were developed.

Hypothesis 2: There is a positive relationship between perceived organizational support and having gone through entrepreneurship programs

Hypothesis 3: There is a positive relationship between affective commitment support and having gone through entrepreneurship programs

Lastly, the last hypothesis was developed based on observations and interviews conducted with the individuals who completed entrepreneurship programs. Some who completed accelerator programs mentioned that they were happier with their employers now compared to when they first begin.

Hypothesis 4

Those who have participated in entrepreneurship programs are happier with their employer after participating than before participating

3.1. Study 1

Methodology

In order to gather first information and to understand the topic in greater details, four expert interviews were conducted with entrepreneurs who are part of either accelerator programs or incubator programs in corporations. In order to also get their perspective on the barriers of corporate entrepreneurship. As innovation research is a challenging task, corporations have not much interest in making information regarding their innovation efforts public. Therefore, the only effective way to study the management innovation initiatives is to compile in depth-multiyear case histories, which takes time and resources (Govindarajan & Trimble, 2010, p. 1).

The questions were chosen in advance based on observations and discussions with the individuals who took part in entrepreneurship programs. Each interviews lasted between 15-20 minutes. Furthermore, the questions were also adjusted based on the

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literature of this dissertation. Excluding one interview, all interviews were face-to-face. This setting has been chosen so that personal contact and non-verbal impressions like gesture and facial expression can be considered. Nevertheless, the qualitative research method consists of many advantages but also disadvantages. It is important for the researcher to name some of the advantages and disadvantages of using the qualitative research approach (Mayring, 2000, p. 65ff).

Advantage includes:

- The trust association between the interviewee and the interviewer can animate the interviewee to more comprehensive and honest responses
- The interviewer gets the possibility to raise the subject again if the answers are not clear or if it seems that the interviewee can give further details
- Complexity and subjectivity can be answered by immediate reaction
- Non-verbal movements can support a better understanding of what is important to the interviewee

Disadvantages includes:

- Selection of adequate interview partners
- Statistical representation of the data collected is not possible
- High possibility of biases due to the compression of interview material
- There is a possibility of emotional influence through interpersonal contact

In addition, two separate interviews were conducted with innovation leaders from two large German corporations. The questions were chosen in advance in each interview lasted approximately 15 minutes. Only two individuals were chosen due to resource limitations. For these two individuals face-to-face interaction was at most importance since they may be more guarded about their speech due to their higher positions.

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Result and Discussion

The first insight of the interviews is that most entrepreneurs joined the entrepreneurship programs because they wanted to “start a new adventure” and do “something challenging”.

The second insight from the interviews with entrepreneurs is that before joining an entrepreneurship program they were happy with their employer but after the accelerator program they were even “happier”. This insight is exactly what led to the fourth hypotheses about entrepreneurs in corporations, where it is assumed that those who have joined the accelerator program are happier with their employer than previously disclosed. In other literature it is mentioned that employees who have “great working conditions” and “the ability create his or her own endeavor may lead to higher job satisfactions” (Smith, Kendall, & Hulin, 1969; Wrzesniewski & Dutton, 2001). During the entrepreneurship programs, entrepreneurs are given the resources to make their idea happen.

The working conditions mentioned by other researcher were present during the observation from different entrepreneurs programs. For example; during an accelerator or incubator program, the participants are working on their own initiative and therefore the entrepreneurs have stated that “the impact of the work that they did during their time in the accelerator or incubator was part of the reasons why they felt so fulfilled in comparison to working on their daily tasks”. Another insight from the interviews is that the entrepreneurs are “happier with their employer now than they were before they started the entrepreneurship program”. This specific statement is touching upon Perceived Organizational Support studied (Rhoades & Eisenberger, 2002).

From the literature, it can be concluded that employees develop a general perception concerning the extent to which the organization values their contributions and cares about their well-being (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Shore & Shore, 1995). POS can lead to higher job satisfaction. Therefore, this can be explained based on the fact that the organization is allowing these entrepreneurs to participate in something that they “really want” or something that “they really enjoy”.

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In the second interview series, two innovation leaders from large German corporation were able to share their insights and experience from running an accelerator program or incubation program. What was discovered during the interviews is that innovative leaders face “the innovator dilemma”, as it was described by (Christensen, 1997) because management and companies often believe that their past success will continue to lead to future success without changing certain processes. Therefore, when they are trying to start these innovative initiatives, such as accelerator or incubator, the innovative leaders are not given enough resources or attention in order to be successful. Lastly, both innovation leaders mentioned that the focus on people is important because innovation is risky and take years to develop so providing the right resources for the entrepreneurs to succeed is most important.

Overall, the results of the interview supported both hypotheses that state the existence of positive relationships between job satisfaction and Perceived Organizational Support for those that have gone through entrepreneurship programs. Lastly, the entrepreneurs and innovation leaders confirmed the importance of this thesis, for example one participant said that he “would like to receive the results of the dissertation” as they can help him at his role as the innovation leader at his company.

Moreover, it was suggested by the interviewees that for future research it would be very insightful to look deeper at the entrepreneurs and on their motivations. The innovative leaders have also emphasized the importance of the people who are participating and executing the different innovative projects in corporations. These interviews are important for innovative leaders to get an insight about the people they are leading. In order to support the claims of the interviews, data has been collected by participants of surveys in Study 2 in order to compare the job satisfaction, Perceived Organizational Support, and affective commitment of entrepreneurs and non-entrepreneurs in corporations.

3.2 Study 2

Methodology

The sample for this research was selected from multiple corporations and a total of 105 responses were collected and only 80 were used to conduct a quantitative analysis. 25 of those who responded had incomplete or did not meet the control error question. The survey was conducted by way of convenience sampling using scaled questionnaire over a period of three months. The data collection was based on quantitative data, distributed through different managers at three different German corporate companies to distribute to their employees. The sample population was divided into two categories; those that participated in entrepreneurship programs and those that did not.

Originally, it was planned that the survey would only be conducted with entrepreneurs; however, this would have required that the entrepreneur's job satisfaction and POS be examined before and after joining the entrepreneurship program. Therefore, due to lack of time and resources, the sample was divided to compare entrepreneurs and non-entrepreneurs.

Additionally, there was also a link distributed through *Amazon Mechanical Turk*, which is a web-based service that allows individuals to complete survey posted by different academic or service. The survey was sent to different entrepreneurs to test whether their jobs satisfactions and their Perceived Organizational Support is higher than those who did not participate in entrepreneurship programs.

Participants

Participants include 80 employees of Telecommunication Industry and Software Industry, who were selected by simple random sampling method. For this sample 55% were male and 35% were female. The age range of the individuals was between 30-49 with 32% ranging between 30-39 and 27% ranging between 40-49.

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Measures

The examination of organizational support was carried out with a shorter version of the *Perceived Organizational Support Scale*, comprising 4 questions in line with the recommendation of Rhoades and Eisenberger (2002). POS was measured with an 8-item scale (1= strongly disagree to 7= strongly agree) developed by Eisenberger, Cummings, Armeli, & Lynch (1997). The questions used in this study were selected based on a factor analysis, with balance maintained between negative and positive statements.

The affective commitment of entrepreneurs was measured using an 8-items scale (1= strongly disagree to 7= strongly agree) developed by Allen & Meyer (1990) was used to measure affective commitment.

Job Satisfaction was at the focus of this study. For measuring job satisfaction, the *Michigan Organizational Assessment Questionnaire* was used for this thesis (Cammann, Fichman, Jenkins, & Klesh, 1979). Participants were asked to respond on a seven point scale ranging from “*I definitely disagree*” to “*I definitely agree*” and then summed up.

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Result and Discussion

Descriptive statistics

Correlations

		beforeparticipating	afterparticipating	noneentrepreneur	gender	age	affectivecomm	organizational support	growthsatisfaction	satisfiedwithjob	
beforeparticipating	Pearson Correlation	1	. ^a	. ^a	. ^a	,115	-,267 [*]	-,018	-,013	-,052	-,065
	Sig. (2-tailed)		,000	,000	,000	,305	,016	,873	,910	,645	,564
	N	86	43	40	41	81	81	82	81	81	81
afterparticipating	Pearson Correlation	. ^a	1	,495 ^{**}	. ^a	,136	-,392 [*]	-,659 ^{**}	-,479 ^{**}	-,500 ^{**}	-,638 ^{**}
	Sig. (2-tailed)			,001		,402	,012	,000	,002	,001	,000
	N	43	43	40	0	40	40	40	40	40	40
noneentrepreneur	Pearson Correlation	. ^a	,495 ^{**}	1	. ^a	,114	-,320 [*]	-,382 [*]	-,126	-,403 [*]	-,742 ^{**}
	Sig. (2-tailed)		,001			,483	,044	,015	,440	,010	,000
	N	40	40	40	0	40	40	40	40	40	40
gender	Pearson Correlation	. ^a	. ^a	. ^a	1	-,024	,071	-,725 ^{**}	-,648 ^{**}	-,615 ^{**}	-,838 ^{**}
	Sig. (2-tailed)					,884	,658	,000	,000	,000	,000
	N	41	0	0	41	41	41	41	41	41	41
age	Pearson Correlation	,115	,136	,114	-,024	1	-,121	,022	-,066	-,068	-,072
	Sig. (2-tailed)	,305	,402	,483	,884		,280	,846	,556	,547	,522
	N	81	40	40	41	81	81	81	81	81	81
affectivecomm	Pearson Correlation	-,267 [*]	-,392 [*]	-,320 [*]	,071	-,121	1	,079	,032	,049	,115
	Sig. (2-tailed)	,016	,012	,044	,658	,280	,483		,780	,666	,308
	N	81	40	40	41	81	81	81	81	81	81
organizational support	Pearson Correlation	-,018	-,659 ^{**}	-,382 [*]	-,725 ^{**}	,022	,079	1	,592 ^{**}	,713 ^{**}	,707 ^{**}
	Sig. (2-tailed)	,873	,000	,015	,000	,846	,483		,000	,000	,000
	N	82	40	40	41	81	81	82	81	81	81
growthsatisfaction	Pearson Correlation	-,013	-,479 ^{**}	-,126	-,648 ^{**}	-,066	,032	,592 ^{**}	1	,471 ^{**}	,498 ^{**}
	Sig. (2-tailed)	,910	,002	,440	,000	,556	,780	,000		,000	,000
	N	81	40	40	41	81	81	81	81	81	81
satisfiedwithjob	Pearson Correlation	-,052	-,500 ^{**}	-,403 [*]	-,615 ^{**}	-,068	,049	,713 ^{**}	,471 ^{**}	1	,722 ^{**}
	Sig. (2-tailed)	,645	,001	,010	,000	,547	,666	,000	,000		,000
	N	81	40	40	41	81	81	81	81	81	81
satisfiedwithjob	Pearson Correlation	-,065	-,638 ^{**}	-,742 ^{**}	-,838 ^{**}	-,072	,115	,707 ^{**}	,498 ^{**}	,722 ^{**}	1
	Sig. (2-tailed)	,564	,000	,000	,000	,522	,308	,000	,000	,000	
	N	81	40	40	41	81	81	81	81	81	81

*. Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

a. Cannot be computed because at least one of the variables is constant.

Descriptive Statistics

	Mean	Std. Deviation	N
beforeparticipating	1,50	,503	86
afterparticipating	2,65	1,343	43
noneentrepreneur	2,35	1,442	40
gender	2,78	1,739	41
age	1,41	,494	81
affectivecomm	3,20	,941	81
organizational support	48,1098	10,45508	82
growthsatisfaction	21,8765	3,77949	81
satisfiedwithjob	62,93	28,156	81
satisfiedwithjob	66,15	24,497	81

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Assuming an alpha of .05 a dependent sample test was used to test the before and after effect of joining entrepreneurship programs. Individuals were asked on a scale of 1-7 about their happiness with their employer before and after joining the entrepreneurship program. From the table above one can see that there is a decrease in terms of happiness after completing the entrepreneurship program but this did not reach statistical significance ($p = .156$). The conclusion is that it is not possible to conclude that a significant difference exists.

→ T-Test

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 beforeparticipating	2,68	40	1,385	,219
afterparticipating	2,35	40	1,442	,228

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 beforeparticipating & afterparticipating	40	,495	,001

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 beforeparticipating - afterparticipating	,325	1,421	,225	-,130	,780	1,446	39	,156

Hypothesis 1

There are positive relationships between job satisfaction and those that have gone through entrepreneurship programs.

ANOVA

satisfiedwithjob

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	202,771	1	202,771	,335	,564
Within Groups	47805,451	79	605,132		
Total	48008,222	80			

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In order to compare the job satisfaction correlation between those who participated in entrepreneurship programs and those who did not, a One-way ANOVA test was used to compare the means between the two groups. There was no significant effect of participation on job satisfaction as $P > .05$. However, I was able to find that those who have participated in entrepreneurship programs expressed slightly higher job satisfactions than those who did not.

Hypotheses 2 and 3

There is a positive relationship between perceived organizational support and those that have gone through entrepreneurship programs, which may lead to a greater affective commitment to the organization.

When testing whether those who have participated in entrepreneurship programs have a positive relationship between Perceived Organizational Support and affective commitment. The result also was non-significant. For Perceived Organizational support the p-value was greater than .05 with $P = .910$. In addition, when analyzing affective commitment, it was also found that there is no significant relationship between those that participated in entrepreneurship programs and affective commitment to the organization.

Hypothesis 4

Those who have participated in entrepreneurship programs are happier with their employer after participating than before participating

Findings suggest that those who have participated in entrepreneurship programs have a slight difference in happiness before and after the program. The mean before starting the entrepreneurship program is slightly higher than the mean after the entrepreneurship program. The mean before starting is equal to 2,68 and the mean after is equal to 2,35. Thus, Hypothesis 4 was not supported in this study, and the pattern of means was actually trending in the opposite direction.

4. Conclusion

By examining the job satisfactions, Perceived Organizational Support and commitment of entrepreneurs and comparing their answers to non-entrepreneurs in corporations, the findings demonstrated that there is **no meaningful relationship between job satisfaction, perceived organizational support and affective commitment of entrepreneurs in corporations**. However, I was able to find that those who did participate in an entrepreneurship program expressed a slide change of happiness with their employer after completing the entrepreneurship program.

Study 1

The conclusions from entrepreneurs and innovation leaders were that there is a need to emphasize on the people who are participating and executing the different innovative projects in corporations. Both groups acknowledged that financing is important for organizations but that it should not be the primary criteria to judge innovation. In addition, innovation leaders strongly believed that in order for innovation to flourish in the corporate environment there needs to be a clear separation between ongoing operation in the organizations and new innovative operation.

Study 2

Study 2 emphasized deeper into entrepreneurs in regard to their job satisfactions and Perceived Organizational Support by collecting surveys from different entrepreneurship programs. The study found out that there is no relationship between those that have participated in entrepreneurship programs and job satisfaction, Perceived Organizational Support or affective commitment. However, what the study was able to show is that there is a decrease in terms of happiness after individuals have participated in the entrepreneurship program.

5. Implications for Managers and Corporations

Job satisfaction has always remained a variable of key interest to all the managers in a global setting. Today, almost all managers have the view that job satisfaction should be given a greater attention, as it is an employee's satisfaction with their job that drives one to form an attitude, which is linked to the organizational outcomes (Saari & Judge, 2004). The managers believe that job performance is dependent upon how satisfied their employees are (Shore & Shore, 1995). Even though, during the initial interviews a few of the entrepreneurs mentioned that they intended to search for opportunities within their company before they joined the accelerator program. The study result shows that there was no lack of satisfaction in their job. Consequently, innovation leaders cannot argue that their innovation initiative is providing job satisfaction to their employees but instead should look into the motivation of the individuals who are joining their initiatives to understand more about the people and how they can become more successful during the program.

As previously mentioned, the literature showed that there are several barriers to corporate entrepreneurship and the need for top management supports it as most critical for its success. However, what the result of the 4th hypothesis has shown is that because these innovation initiatives are relative new, no one has yet to fully see the benefits that it brings to corporations. The first conclusion that can be drawn is that perhaps a reason for the difference in the means of happiness before and after participation is because the entrepreneurship programs are not meeting the expectations of the individuals who participated when they enter the program. According to Schaeffer (2015), employees who belong to the entrepreneurship groups are involved in innovative activities and entrepreneurship, which suggests that those individuals depart from the existing practices of the corporations. "During the entrepreneurship program, they have to acquire and use influence and power to obtain resources from a higher hierarchical level in order to pursue their projects" (Schaeffer, 2015)

Often times, the fight for resources and attention of management, which was mentioned earlier in this dissertation, may be affecting those that have participated in entrepreneurship programs. This is significant for management decisions because many

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other researchers have suggested that the best way for entrepreneurship to survive in corporations is for innovative leaders to run their innovation initiative with a “partnership” to have a clear separation between outgoing activities and new activities (Govindarajan & Trimble 13)

In addition, there may be a systematic bias toward underestimating the true benefits of entrepreneurial activities for the organization. From the perspective of top management, corporate entrepreneurship is not likely to be a regular concern, nor an end in itself. Rather, it is a kind of "insurance" against external disturbances or a "safety valve" for internal tensions resulting from pressures to create opportunities for growth. If this sort of insurance safety is the case, then it is likely that most accelerator programs or incubation programs will continue to face challenges in the corporate environment due to lack of top management support which make innovation leaders wish for support an unreachable objective (Burgelman, 1983).

Lastly, the focus of innovation leaders should be on their people and how they structure their programs. This goes along with the statement in the interviews for this dissertation, which came from an innovation leader that founded an entrepreneurship initiative at his company, said that “the focus on people for these initiative is at most critical”. A longstanding challenge in intervention research is how to ensure that the content of specific treatments are used by the correct people at the correct time (Hafenbrack, 2017). The best way for innovative leaders to manage these programs is to focus on results and be more results oriented about their programs instead of waiting for top management to make decision or support them with more resources. Researchers could identify the personality traits of employees who disproportionately benefit and appreciate training programs. Researchers could also perform longitudinal tests to track happiness and other variables of interest before, during, and after entrepreneurship programs. There could have been a selection effect in Study 2 such that entrepreneurship programs are used to try to make unhappy employees happier. This possibility could be best addressed in an experimental design in which workers are randomly assigned to participate in entrepreneurship programs or not.

6. Limitations and Future Research

The present master thesis has been written to the best of my knowledge and all attempts have been made to comply with high methodological standards. Nevertheless, this research has some limitations, which should be addressed.

The two biggest factors to this thesis have been the amount of time and lack of prior research on this topic. As stated previously in this dissertation, most of the researchers have spent a great in-depth amount of time on how finance affects entrepreneurship inside corporations but very little time in terms of research on other non-financial aspects of entrepreneurship. Most of the people who were contacted to take part in the survey were very interested in the findings as it is new and there is demand amongst entrepreneurship programs. Furthermore, the survey was conducted in a strict time frame that could have most likely affected the findings. It may have been preferable to have all participants be recruited in the same way, rather than having some of them be through personal contact and others through an online recruiting website.

Integrating additional or a longer time frame to study the before and after effect of participating in entrepreneurship programs could possibly increase the scope and depth of the analysis. Also, there may be a difference between incubation individuals and accelerator individuals so the data collection method of a focus group based on their specific entrepreneurship program could have been used to get a deeper understanding of the programs. Most of the study was conducted using two specific groups of people and the survey was not distributed to various corporations and therefore the findings may be limited and not apply to all corporations.

Some recommendations for future research include continuing to advance and improve performance measures as they relate to corporate entrepreneurship. As the study done by Harter (2002) concluded, the relationship between job satisfaction and performance is underestimated due to inaccuracy or lack of the performance measures applied. Therefore, measurements for corporate innovation could also be improved. Future research should also include a study between incubator and accelerators, as their program structure is different. Furthermore, the study should include various companies

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with entrepreneurship programs to eliminate standard statistical errors and biases that could have arose during the study. Also, further research should consider how findings such as those described here support an overall CE strategy. While the results of this study suggest that job satisfaction, perceived organizational support, and affective commitment cannot play a role in arguing that corporate innovation should be supported by top management. The study does show that the happiness of those who have participated in entrepreneurship program is affected. Therefore, the strategy and the structure of these programs must be researched. To conclude, many organizations are choosing to embrace corporate innovation initiatives as part of their corporate strategies. However, how such strategies bring about effective innovation or benefits to their employees remains an open question.

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Appendices

Appendix A: Survey Questions

1. How and what made you joined the accelerator or incubator program? Was it a personal decision in terms of wanting to challenge yourself? Or was there something else?
2. Did you intent to search for other opportunities inside the company before you joined the accelerator or incubator?
3. Was there any job dissatisfaction that cause you to join the accelerator program?
4. After the accelerator did you think about leaving your current job?
5. How happy were you with your employer before joining the accelerator program?
6. Are you happier with your employer now comparing to before?
7. Do you view your employer more favorably after the accelerator or incubator program?

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Appendix B: Corporate-Startup engagement spectrum

ENGAGEMENT METHOD	DESCRIPTION	DISTINGUISHING CHARACTERISTICS OF CORPORATE ACCELERATORS
Corporate Hackathons	Intense collaboration of diverse teams within a restricted time limit to solve a corporate innovation challenge (see Newton, 2015)	Offer more substantial and longer –term engagement with participants.
Business Incubators	Company-supported flexible working space with additional value-added services such as centralized legal or marketing support (Bruneel, Ratinho, Clarysee, & Groen, 2012)	Selection of startups is competitive and cyclinal, cohort of startups with shorter time duration and limited or no equity stake.
Corporate Incubation	Provides path to market for corporate non-core innovations (Dee, Gill, Livesay & Minshall, 2011; Miller & Stacey, 2014)	Internal efforts fall short of the full capability of corporate accelerators to take into external innovators
Corporate Venturing	Permits corporations to participate in the success of external innovation and helps to gain insights into non-core markets and access to capabilities (Weiblen & Chesbrough, 2015)	Focus on innovation and business development rather than predominantly pursuing financial investments in external companies. Engagement with a larger number of startups is possible thanks to a more standardized approach than any single engagement.

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Mergers & Acquisitions	Quick and impactful way of buying complementary technology or capabilities that solve specific business problems and enter new markets (Lerner, 2013; Weiblen & Chesbrough, 2015)	Allow selection and pilot programs with larger number of startups to select potential targets for M&A.
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