



University of Fort Hare
Together in Excellence

**THE DETERMINANTS OF CORPORATE ENTREPRENEURSHIP FOR
FIRMS IN ADVENTURE TOURISM SECTOR IN THE EASTERN CAPE
PROVINCE: SOUTH AFRICA.**

**A DISSERTATION SUBMITTED IN FULFILMENT OF THE
REQUIREMENTS FOR THE MASTERS PROGRAMME IN**

BUSINESS MANAGEMENT

BY

CHIGAMBA CLEOPAS

**DEPARTMENT OF BUSINESS MANAGEMENT
FACULTY OF MANAGEMENT AND COMMERCE**

**UNIVERSITY OF FORT HARE
SOUTH AFRICA**

JANUARY 2013

SUPERVISOR: PROF. O. FATOKI

CO- SUPERVISOR: MS. E.C. RUNGANI

DECLARATION

I, the undersigned, Chigamba Cleopas, hereby declare that the dissertation is my own original work and that it has not been submitted, and will not be presented at any other University for a similar or any other degree award.

.....

Signature

.....

Date

ACKNOWLEDGMENTS

My sincere gratitude to:

- The Almighty God for His daily protection and guidance without which I would not have come this far.
- The respondents who took part in this study.
- My parents Walton Charama, Majury Masango and Tute W. Chigamba, family and friends, for their support, patience and encouragement.
- The patron of the Zimbabwean presidential scholarship without which i would not have come this far.
- Leonard. K. Zhakata for the music that stabilised my mind to stay focused.
- My supervisors, Prof. O. Fatoki and Ms. E.C. Rungani for their expert advice, guidance, support and motivation.

DEDICATION

I dedicate this project to my parents, Mr Walton Charama and Mrs Majury Masango for without their love, support, encouragement, inspiration, and investment in my life, I would not have reached this far. I also want to dedicate this project to my step father Tute Wincil Chigamba for his love, inspiration and the support he gave to me and my parents to come this far. Finally, I want to dedicate this to my family, my sisters and my brothers for encouragement and investing their trust in me. May the Lord bless you for your contributions to in my studies.

ABSTRACT

Tourism has been acknowledged for the past decade as one of the leading driving forces for economic development in post-apartheid South Africa (Nel & Binns, 2002:189). The objective of this study was to investigate the determinants of corporate entrepreneurship for firms in adventure tourism sector in the Eastern Cape Province; South Africa. The population for the study were firms registered with the Nelson Mandela Bay Tourism Portal (NMBT) and the Dirty Boot Adventure South Africa. Convenience sampling method was used. Data was collected through the use of a self-administered questionnaire.

For the purpose of data collection, one hundred and fourteen questions were identified through a thorough review of the literature. Principal component analysis was used to reduce the one hundred and fourteen questions to twelve factors namely: flat organisational structure, management support for intrapreneurship, vision and strategic intent, rewards / reinforcement and sponsorship, innovativeness and creativity, multi-disciplined teamwork and diversity, entrepreneurial leadership, resources and time, strong customer orientation, continuous cross-functional learning, tolerance of risk, mistakes and failure and work discretion and discretionary time. Data was analysed using descriptive statistics, Pearson's correlation, T-test and ANOVA. Cohen's (d-value) was used to measure the effect size of differences for t-statistics. The Cronbach's alpha was used to test the reliability of the scales. The results showed significant positive relationships between the twelve factors and corporate entrepreneurship. Recommendations included an integrated framework that could assist adventure tour operator to establish and sustain corporate entrepreneurship within this sector.

TABLE OF CONTENTS

DECLARATION.....	i
ACKNOWLEDGMENTS	ii
DEDICATION	iii
ABSTRACT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	xiv
LIST OF FIGURES.....	xvi
LIST OF APPENDICES.....	xvii
GLOSSARY OF TERMS AND ABBREVIATIONS.....	xviii
CHAPTER ONE	1
INTRODUCTION AND BACKGROUNG TO THE STUDY	1
1.1 INTRODUCTION AND BACKGROUND OF THE STUDY	1
1.2 Research Problem.....	3
1.3 Research Objectives	4
1.3.1 Primary Objectives.....	4
1.3.2 Secondary objectives	4
1.4 Hypotheses	5
1.5 Significance and Purpose of the Study.....	7
1.6 Literature Review	8
1.6.1 Theoretical review	8
1.6.2 Empirical review.....	9
1.6.2.1 Corporate entrepreneurship.....	9
1.6.2.2 Conceptual model of corporate entrepreneurship.....	9
1.6.2.3 Importance of corporate entrepreneurship.....	11
1.7 Research Methodology	11

1.7.1 Phase one: Theoretical construct.....	11
1.7.2 Phase two: Empirical review	12
1.7.3 Population and sample.....	13
1.7.4 Measurement and Data Analysis	13
1.7.4.1 Research instrument.....	13
1.7.4.2 Collection of data	16
1.7.4.3 Data Analysis	16
1.7.4.4 Referencing style	17
1.9 ETHICAL CONSIDERATIONS	17
1.10 LAYOUT OF THE STUDY.....	18
CHAPTER TWO.....	19
OVERVIEW OF THE SOUTH AFRICAN TOURISM SECTOR	19
2.1 INTRODUCTION.....	19
2.2 SIGNIFICANCE OF TOURISM IN THE ECONOMY	19
2.3 DEFINITION OF TOURISM	21
2.4 THE EVOLUTION OF SOUTH AFRICA`S TOURISM INDUSTRY.....	21
2.5 SOUTH AFRICA TOURISM NICHES.....	24
2.5.1 Culture Tourism	24
2.5.2 Eco-tourism.....	25
2.5.3 Paleo-tourism.....	25
2.5.4 Business tourism.....	25
2.5.5 Sports tourism.....	26
2.5.6 Adventure tourism	27
2.5.6.1 Soft Adventure Tourism	30
2.5.6.2 Hard Adventure Tourism.....	31
2.6 IMPORTANCE OF TOURISM	31

2.6.1 Employment creation	32
2.6.2 Increased income and equal distribution of income	32
2.6.3 Increased supply of foreign exchange.....	33
2.6.4 Increased infrastructure development.....	34
2.6.5 Promotion of cultural preservation	34
2.6.6 Promotion of nature conservation	35
2.6.7 Investment stimulation	35
2.6.8 Increased tax revenue.....	36
2.7 THE NEGATIVE IMPACT OF TOURISM	36
2.7.1 Marginal employment.....	36
2.7.2 Cultural destruction	37
2.7.3 Environmental destruction.....	37
2.7.4 Over-dependency on tourism.....	38
2.7.5 Foreign domination	38
2.7.6 Increase in inflation	38
2.8 CONCEPTUALISING TOURISM.....	39
2.8.1 Impact of tourism on trade	40
2.8.2 Tourism and the society	41
2.8.3 Tourism development and growth	41
2.8.4 Tourism in South Africa.....	44
2.9 TOURISM ENTREPRENEURSHIP	46
2.10 SUMMARY	48
CHAPTER THREE	49
THE DETERMINANTS OF CORPORATE ENTREPRENEURSHIP	49
3.1 INTRODUCTION.....	49
3.2 BACKGROUND OF ENTREPRENEURSHIP	49

3.3 DEFINITION OF TERMS	51
3.3.1 Defining the Entrepreneur	51
3.3.2 Defining Entrepreneurship	53
3.3.3 Defining corporate entrepreneurship.....	54
3.4 THE CONCEPT OF CORPORATE ENTREPRENEURSHIP	55
3.4.1 Entrepreneurial Orientation	55
3.4.2 Dimensions of corporate entrepreneurship	56
3.4.2.1 Autonomy.....	57
3.4.2.2 Innovativeness.....	58
3.4.2.3 Proactiveness	58
3.4.3.4 Competitive aggressiveness	59
3.4.2.5 Risk-taking	60
3.4.3 Forms of Corporate Entrepreneurship.....	62
3.4.3.1 Intrapreneuring	62
3.4.3.2 Organisational Transformation.....	63
3.4.3.3 Industry Rule Bending.....	63
3.4.3.4 Corporate Venturing	63
3.4.4 Models of Corporate Entrepreneurship	64
3.4.4.1 Social Cognitive Theory	64
3.4.4.2 An integrative model of corporate entrepreneurial behaviour	66
3.4.4.3 An Interactive Model of Corporate Entrepreneurship.....	67
3.5 Determinants of Corporate Entrepreneurship	69
3.5.4.1 Management Support for Intrapreneurship	70
3.5.4.2 Entrepreneurial leadership (Visionary leadership)	71
3.5.4.3 Resource availability	71
3.5.4.4 Encouragement of new ideas	72

3.5.4.5 Championship / Sponsors for projects	72
3.5.4.6 Tolerance for risks	73
3.5.4.8 Vision and strategic intent.....	74
3.5.4.9 Resource accessibility	74
3.5.4.10 Work Discretion and Discretionary Time.....	75
3.5.4.11 Innovativeness and Creativity	75
3.5.4.12 Appropriate rewards and reinforcement.....	76
3.5.4.13 Strong customer orientation.....	77
3.5.4.14 Continuous learning and cross-functional learning	78
3.5.4.15 Workplace autonomy and freedom	78
3.5.4.16 Supportive organisational structure	79
3.5.4.17 Flat organisational structure.....	79
3.5.4.18 Multi-disciplined teamwork and diversity.....	79
3.5.5 Barriers to Corporate Entrepreneurship	80
3.5.5.1 Unbalanced Information.....	80
3.5.5.2 Resistance to change	80
3.5.5.3 The inherent nature of large organisations	81
3.5.5.4 Leadership, Strategic orientation and lack of entrepreneurial latent	82
3.5.5.5 Inappropriate compensation methods.....	82
3.6 SUMMARY	83
CHAPTER FOUR.....	86
RESEARCH METHODOLOGY	86
4.1 INTRODUCTION.....	86
4.2 RESEARCH DEFINED.....	87
4.3 THE BUSINESS RESEARCH PROCESS.....	87
4.3.1 Stage 1: Problem Discovery and Definition.....	89

4.3.1.1 Problem statement.....	89
4.3.1.2 Research objectives	89
4.3.2 Stage 2: Planning the Research Design	90
4.3.2.1 Types of research design.....	90
4.3.2.2 Methods of conducting survey research	92
4.3.3 Questionnaire design	93
4.3.3.1 What should be asked?	95
4.3.3.2 How should questions be phrased?	96
4.3.3.3 In what sequence should questions be arranged?.....	97
4.3.3.4 What questionnaire layout best serve the research objectives?	98
4.3.3.5 Pre-testing (pilot study)	100
4.3.4 Stage 3: Sampling Design.....	101
4.3.4.1 Description of the Population	102
4.3.4.2 The sampling frame	103
4.3.4.3 The sampling method	104
4.3.5 Stage 4: Data Gathering	106
4.3.5.1 Secondary Data	106
4.3.5.2 Data processing and analysis	107
4.3.5.3 Reliability	108
4.3.5.4 Validity	109
4.3.5.5 Errors	110
4.3.6 Stage 5: Data Processing and Analysis.....	111
4.3.6.1 Descriptive statistics	111
4.3.6.2 Factor analysis.....	113
4.3.6.3 T-test and Analysis of Variance (ANOVA)	115
4.3.6.4 Pearson correlation.....	115

4.3.7 Stage 6: Drawing Conclusions and Preparing Report.....	116
4.4 SUMMARY	116
CHAPTER FIVE	117
RESEARCH RESULTS	117
5.1 INTRODUCTION.....	117
5.2 EMPIRICAL FINDINGS	118
5.2.1 Response rate.....	118
5.2.2 The normality of the data	119
5.2.3 Demographic profile of respondents	119
5.2.3.1 The gender of respondents	119
5.2.3.2 Age group classification of respondent	120
5.2.3.3 Classification of respondent by race	121
5.2.3.4 Respondent classification by Highest Qualification.....	122
5.2.3.5 Department in which the respondent works	122
5.2.3.6 Respondent classification by management Level	123
5.2.4 Entrepreneurial orientation attributes	124
5.2.4.1 Respondent self-assessment.....	124
5.2.4.2 Respondent assessment of Superior / Subordinate.....	126
5.2.4.3 Comparisons between Self and Superior / Subordinate	128
5.2.5 Entrepreneurial environment determinants	130
5.2.5.1 Reliability test for the questionnaire	130
5.2.5.2 Principal component analysis	131
5.2.5.3 Total variance explained	131
5.2.5.4 Rotated Component (Factor) Matrix	132
5.2.5.5 Interpretation of results Descriptive statistics.....	135
5.2.5.6 Relationship between extracted factors and demographical variables	136

5.2.5.6.1 T-test for gender	136
5.2.5.6.2 Analysis of Variance (ANOVA)	137
5.2.5.7 Correlation results for corporate entrepreneurship	141
5.2.5.8 Hypothesis testing	142
5.2.5.9 Interpreting the Statistical Analysis	150
5.3 SUMMARY	150
CHAPTER SIX	149
CONCLUSIONS AND RECOMMENDATIONS	149
6.1 INTRODUCTION	149
6.2 SUMMARY	149
6.2.1 Introduction to the study (Chapter One)	149
6.2.2 Service quality and customer satisfaction (Chapter Two)	149
6.2.3 The determinants of corporate entrepreneurship (Chapter Three).....	150
6.2.4 Research methodology (Chapter Four).....	150
6.2.5 Research findings (Chapter five).....	150
6.3 CONCLUSIONS AND RECOMMENDATIONS ON CORPORATE ENTREPRENEURSHIP	151
6.3.1 Conclusion based on demographic profile of respondents.....	151
6.3.2 Conclusions on entrepreneurial characteristics.....	152
6.3.3 Conclusions on the determinants of corporate entrepreneurship.....	153
6.3.4 Recommendations	156
6.4 ACHIEVEMENT OF OBJECTIVES	156
6.5 LIMITATIONS OF THE STUDY.....	157
6.6 AREAS FOR FURTHER STUDY	157
6.7 SUMMARY	157
BIBLIOGRAPHY	159

APPENDICES	182
------------------	-----

LIST OF TABLES

Table 1.1: Entrepreneurship Environmental Factors	11
Table 1.2: Entrepreneurial Characteristics	15
Table 2.1: Adventure Tourism Activities	28
Table 3.1: The Integrative Model of Corporate Entrepreneurship	66
Table 4.1: Assessment Of corporate entrepreneurial environment	99
Table 4.2: Assessment of Entrepreneurial Characteristics / Core Attribute	100
Table 4.3: Value of correlation and strength of relationship	113
Table 5.1: Response Rate.....	119
Table 5.2: Age group classification of respondent.....	120
Table 5.3: Respondents classification by highest qualification.....	122
Table 5.4: Respondents self-assessment	125
Table 5.5: Respondents assessment of superior / subordinate.....	127
Table 5.6: Cohen`s effect size definition	128
Table 5.7: Comparisons between self and superior / subordinate.....	129
Table 5.8: Reliability test of the questionnaire.....	130
Table 5.9: KMO and BTS	131
Table 5.10: Rotated factor loading and cronbach`s alpha	133
Table 5.11: Descriptive statistics.....	136
Table 5.12: T-test for gender.....	137
Table 5.13: Analysis of variance (ANOVA) for age	138
Table 5.14: Analysis of variance (ANOVA) race.....	139
Table 5.15: Analysis of variance (ANOVA) For academic level.....	139
Table 5.16: Analysis of variance (ANOVA) for management level	140
Table 5.17: Variance (ANOVA) for functional department.....	141
Table 5.18: Correlation results for corporate entrepreneurship	142

Table 6.1: Null hypotheses and results	150
--	-----

LIST OF FIGURES

Figure 1.1: Practicability and behavioural stimulating effect of CE	10
Figure 2.1: Drivers of engagement into adventure tourism.....	29
Figure 3.1: Correlation between innovativeness and risk	61
Figure 3.2: Model of Social Cognitive Theory	65
Figure 3.3: An Interactive Model of Corporate Entrepreneurship	68
Figure 4.1: Flowchart of Business Research Process	88
Figure 5.1: Classification of respondents by gender	119
Figure 5.2: Classification of respondents by race.....	121
Figure 5.3: classification of respondents by department	123
Figure 5.4: Classification of respondents by department.....	124

LIST OF APPENDICES

Appendix 1: Questionnaire	182
Appendix 2: Results of Descriptive Statistics	190
Appendix 3: Rotated factor loading and Cronbach's alpha.....	193
Appendix 4: Proofread Letter	1936

GLOSSARY OF TERMS AND ABBREVIATIONS

ANOVA:	Analysis of Variance
BTS:	Barlett Test of Sphericity
CE:	Corporate entrepreneurship
CEAI:	Corporate Entrepreneurship Assessment Instrument
CEEAQ:	Corporate Entrepreneurial Environment Assessment Questionnaire
CEO:	Chief Executive Officer
DTI:	Department of Trade and Industry
EFA:	Exploratory factor analysis
EO:	Entrepreneurial Orientation
GDP:	Gross Domestic Product
ILO:	International Labour Organisation
ISPAT:	Investment Support and Promotion Agency
ITF:	International Tourism Forum
KMO:	Kaiser-Meyer-Olkin (test)
MSA:	Measure of Sampling Adequacy
NMBT:	Nelson Mandela Bay Tourism Portal
OECD:	Organisation for Economic Co-Operation and Development
SAA:	South African Airways
SMME:	Small Macro and Medium enterprise
SMP:	Strategy Making Process
SPSS:	Statistical Package for Social Sciences
UNWTO:	United Nations World Tourism Organisation
SCT:	Social Cognitive Theory
WTTC:	World Travel and tourism council

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION AND BACKGROUND OF THE STUDY

The role of entrepreneurship and innovation is increasingly viewed as imperative for businesses to sustain and improve their competitiveness (Informal Competitiveness Council, 2012:1). This is also evident in tourism businesses. Tourism has been acknowledged for the past decade as one of the leading driving forces for economic development in post-apartheid South Africa (Nel & Binns, 2002:189). The tourism industry plays a significant role in the economic profile of all the nine provinces within South Africa (Vivier, 2005:9) and is one of the top foreign exchange earners. At present tourism is seen as the fastest growing industry globally, with economies benefiting from its positive impact on employment creation, equitable distribution of wealth and the balance of payment (Viljoen & Tlabela, 2006:6).

In a global perspective, Vivier (2005:9) argues that tourism is often promoted enormously in developing countries given its positive impact on the balance of payments and much-needed foreign exchange earnings. In each and every province in South Africa, infrastructural development (roads, hotels, clinics and schools and hospitals) are all attributed to the tourism industry. In the context of South Africa's economic and political transformation, Nel and Binns (2002:187) suggest that both the public and private sectors have acknowledged that tourism has been accepted by the government, business, and labour as one of the key drivers for job growth, wealth creation, and economic empowerment.

According to the World Travel and Tourism Council (2011) figures, tourism directly and indirectly constitutes approximately 7% of the Gross Domestic Products (GDP) and employment in South Africa as compared to a global estimate of between 8% and 9%; these approximations indicate the potential for significant growth in international tourism and its immense contribution to GDP. South Africa's tourism industry provided jobs to more than 1.2 million people in 2011. It was estimated that the number increased to 1.25 million by the year 2012 (South African embassy in Netherlands, 2011). According to Williams and Soutar (2005:248), adventure tourism demand grew at around 15% in 2005 and it is expected to double the growth rate by

2015. Due to pressure on resources, the increase in demand for new adventure activities and the risks associated with adventure tourism, firms are forced to venture into entrepreneurial activities.

Among the core reasons given for South Africa's slow economic growth by Benitez-Amado, Perez-Arostegui and Llorens-Montes (2010:559) is shortage of entrepreneurs. Corporate entrepreneurship (CE) is vital to firm survival and growth in the twenty first century. According to Franz and Kimberly (2006:809) corporate entrepreneurship is designed to revitalise a company's business by changing its competitive profile or by emphasising innovation through research and development, and the pursuit of new markets. Indeed, research has shown that intrapreneurship improves profitability, empowers employees, increases revenue streams and overall firm performance (Benitez-Amado *et al.*, 2010:559). CE has long been recognised as a potentially viable means for promoting and sustaining corporate competitiveness while CE activities serve as a catalyst in the fortification of a competitive advantage for enterprise gain (Adonisi & van Wyk, 2011:3048). Entrepreneurial Orientation improves performance through risk taking, innovativeness, autonomy, competitive aggressiveness and proactiveness.

Most established businesses are a result of entrepreneurial ideas and they seem to discontinue intrapreneurship due to scale, strategic orientation and the human capital that is innovation oriented. Corporate entrepreneurship fails to take off in most firms due to risk aversion (Hill, 2003:25). Most factors discouraging CE includes; entrepreneurial strategy, organisational culture, organisational structure, resource availability, reward systems, management support, and risk taking (Salarzahi & Forouharfar 2011:491-492). Moreover, CE has two primary aims: the pursuit of new venture opportunities and strategic renewal (Dess, Lumpkin, & Eisner, 2008:422). Intrapreneurship uses the fruits of the innovation process to help firms build new sources of competitive advantage and renew their value propositions. Corporate new venture creation was labelled "intrapreneuring" by Gifford Pinchot (1985) because it refers to building entrepreneurial businesses within existing firms. Entrepreneurial orientation (EO) refers to the strategy-making practices that businesses use in identifying and launching corporate ventures.

Given the background of the contribution of the tourism industry to South African economy, it was therefore important to investigate factors that promote CE and the barriers to CE in the adventure tourism sector. The study firstly investigated the level of CE activity for adventure tourism firms in the Eastern Cape Province. Firms with higher level of entrepreneurial activity are involved in CE; therefore the study investigated the driving force towards CE. Those with lower or nil CE activities are negative to CE; therefore factors that discourage them were investigated. However, to engage in intrapreneurship that yields above-average returns and contributes to sustainable competitive advantages, the factors that determine favourable environment were identified and policy recommendations were made (Dess *et al.*, 2008:432).

1.2 Research Problem

When it comes to firms in the adventure tourism sector, little is known about the relevant drivers and barriers to entrepreneurial orientation. Consequently, firms in the adventure sports keep on doing business despite the risks associated with it. With the growth of international competition and the need for customer safety, it had become a necessity for firms to develop new practices that will safeguard the safety of tourists in the sector. Although sustainable competitive advantage is sought for the best, most firms strive to create a series of temporary competitive advantages (Alsos, Madsen, Borch, Ljunggren & Brastad, 2007). According to Kroeger (2007:61) higher levels of change create higher levels of uncertainty causing the entire firm to involve employees from all hierarchical levels within the firm in the planning process to facilitate opportunity recognition, the firm's ability to respond to change and find new avenues. Innovation is greatly affected by both driving forces and barriers. Salavou (2005:309) agrees that Innovation is often well thought-out to be a critical basis of strategic change especially within the business setting. Therefore, the research questions of the present study are:

- What are the determinants of corporate entrepreneurship of Adventure Tourism Firms in the Eastern Cape Province?
- What are the drivers of the adoption of corporate entrepreneurship by Adventure Tourism Firms in the Eastern Cape Province?

- What are the barriers to the adoption of corporate entrepreneurship by Adventure Tourism Firms in the Eastern Cape Province?

Providing answers to these research questions assists in gaining a better understanding of the factors that influence intrapreneurship, and assist with an understanding of how to improve entrepreneurship in the adventure tourism sector.

1.3 Research Objectives

The study was initiated to empirically investigate the determinants of corporate entrepreneurship for adventure tourism firms in South Africa. This study was designed to explore the prospective drivers and barriers of the desirability of entrepreneurial orientation. The research further critically examined the state of the adventure tourism enterprises in the Eastern Cape Province and highlights the important factors that promote CE and possible barriers to CE in the Eastern Cape Province. Therefore the objectives of the research study were:

1.3.1 Primary Objectives

- To investigate the factors that promotes the adoption of corporate entrepreneurship by adventure tourism firms in the Eastern Cape Province; and
- To investigate empirically the barriers to the adoption of corporate entrepreneurship by adventure tourism firms in the Eastern Cape Province.

1.3.2 Secondary objectives

In order to achieve the primary objectives, the following secondary objectives were formulated:

- To thoroughly investigate the elements that make up the definition of corporate entrepreneurship and entrepreneurial environment;
- To examine the role of middle management towards creating a conducive environment for corporate entrepreneurship;
- To establish the relationship between the demographic variables and the constructs that measure entrepreneurial environment in the adventure tourism firms; and

- To draw conclusions from the empirical study and make practical policy recommendations to promote an entrepreneurial environment within adventure tourism sector.

1.4 Hypotheses

The research hypotheses were tested as follows

- **Flat organisational structure**

H₀: There is no significant relationship between flat organisational structure and corporate entrepreneurship in the adventure tourism firms.

H₁: There is a significant positive relationship between flat organisational structure and corporate entrepreneurship in the adventure tourism firms.

- **Management Support for Intrapreneurship**

H₀: There is no significant relationship between Management Support for Intrapreneurship in adventure tourism firms and corporate entrepreneurship.

H₂: There is a significant positive relationship between Management Support for Intrapreneurship in adventure tourism firms and corporate entrepreneurship.

- **Vision and Strategic intent**

H₀: There is no significant relationship between vision and strategic intent and corporate entrepreneurship.

H₃: There is a significant positive relationship between vision and strategic intent and corporate entrepreneurship.

- **Rewards/Reinforcement and Sponsorship**

H₀: There is no significant relationship between Rewards / Reinforcement and Sponsorship for entrepreneurial activities within adventure tourism firms and corporate entrepreneurship.

H₄: There is a significant positive relationship between Rewards / Reinforcement and Sponsorship for entrepreneurial activities within adventure tourism firms and corporate entrepreneurship.

- **Innovativeness and creativity**

H₀: There is no significant relationship between innovativeness and creativity by employees and corporate entrepreneurship.

H₅: There is a significant positive relationship between innovativeness and creativity by employees and corporate entrepreneurship.

- **Multi-disciplined teamwork and diversity**

H₀: There is no significant relationship between multi-disciplined teamwork and diversity within adventure tourism firms and corporate entrepreneurship.

H₂: There is a significant positive relationship between multi-disciplined teamwork and diversity within adventure tourism firms and corporate entrepreneurship.

- **Entrepreneurial leadership**

H₀: There is no significant relationship between the Entrepreneurial leadership of managers and corporate entrepreneurship.

H₈: There is a significant positive relationship between the Entrepreneurial leadership of managers and corporate entrepreneurship.

- **Resources and time**

H₀: There is no significant relationship between resources accessibility and time availability and corporate entrepreneurship within adventure tourism firms.

H₅: There is a significant positive relationship between resources accessibility and time availability and corporate entrepreneurship within adventure tourism firms.

- **Strong customer orientation**

H₀: There is no significant relationship between strong customer orientation by employees and managers and corporate entrepreneurship.

H₇: There is a significant positive relationship between strong customer orientation by employees and managers and corporate entrepreneurship.

- **Continuous cross-functional learning**

H₀: There is no significant relationship between continuous cross-functional learning and corporate entrepreneurship within adventure tourism firms.

H₆: There is a significant positive relationship between continuous cross-functional learning and corporate entrepreneurship within adventure tourism firms.

- **Tolerance of risk, mistakes and failure**

H₀: There is no significant relationship between tolerance of risk, mistakes and failure by commercial managers and corporate entrepreneurship

H₃: There is a significant positive relationship between tolerance of risk, mistakes and failure by commercial managers and corporate entrepreneurship

- **Work discretion and discretionary time**

H₀: There is no significant relationship between Work discretion and discretionary time for entrepreneurial activities and corporate entrepreneurship.

H₂: There is a significant positive relationship between Work discretion and discretionary time for entrepreneurial activities and corporate entrepreneurship.

1.5 Significance and Purpose of the Study

The motivation for this study emanated from the fact that one of the factors inhibiting the sustainability, and competitiveness of adventure tourism firms in South Africa is the lack of pursuit for intrapreneurship (Nayeger & Van Vuuren, 2005:30). The study makes the following contributions to the extant literature in the following ways. First, it broadens our understanding of how a firm's strategic orientation (in this case the entrepreneurial orientation) influences the entrepreneurial activity within the enterprise and hence the competitive positioning of the firm. A better understanding of some underlying entrepreneurial orientation dimensions that determine or enhance productivity is significant. Second, by considering the potential influences of entrepreneurial orientation as a set of behaviours exhibited by the entrepreneurs on firm productivity, a better understanding of how entrepreneurial orientation drives and is being implemented across the many functional activities within the firm is attained. The central argument lies in the fact that corporate entrepreneurship exist

as a result of the driving forces in the internal and external environment of the business. Identifying and scaling the driving forces assist firms and employees to master the relevant aspects that spear head entrepreneurial activities for the pursuit of new venture opportunities and strategic renewal (Dess & Lumpkin, 2005:149).

1.6 Literature Review

1.6.1 Theoretical review

The focal point of this study was to explore the supporting factors as well as the barriers for corporate entrepreneurship as perceived by employees. Research on intrapreneurship had focused on the processes involved in aligning the firm's processes towards an innovative culture (Entrepreneurial orientation) and in particular how the behaviours of independent entrepreneurs within the enterprise can be adapted to the corporate environment. Kroeger (2007:68) defines entrepreneurial orientation as the propensity of firms to be innovative, proactive, and be willing to take risks. Kroeger (2007:68) further argues that strategic planning processes are the firm-level activities that decide the firm's mission and goals, explores the competitive environment, identifies and analyses strategic alternatives, and coordinates execution activities across the entire firm.

The study adopted the social cognitive theory to analyse the impact of the environment on human development while also placing responsibility on the individual to grow from within. A social cognitive view of corporate entrepreneurship provides that each person can transform and act entrepreneurially given the resources and support to develop his or her abilities (Goldsby, Kuratko, Hornsby, Houghton, & Neck, 2006:21). Furthermore, the study employed an Interactive Model of the Corporate Entrepreneurship Process to ascertain the interactive nature of the process rather than the entrepreneur. Antoncic and Hisrich (2004:530) argue that intrapreneurship is multidimensional and relies on the successful interaction of several activities rather than events occurring in isolation.

1.6.2 Empirical review

1.6.2.1 Corporate entrepreneurship

Present-day entrepreneurship research originated from the work of economist Joseph Schumpeter (1883–1950). As cited in Barringer and Bluedorn (2002:422) Schumpeter argued that the main agents of economic growth are the entrepreneurs who introduce new products, new methods of production, and other innovations that stimulate economic activity. Corporate entrepreneurship (CE) has been defined inconsistently, its conceptualisation emanates from different facets. CE can be referred to as; intrapreneurship and entrepreneurial orientation. Its purpose is to generate a stream of continuous innovation, strategic renewal, and corporate venturing activities to stimulate growth, profitability and competitive position (Morris, Covin & Kuratko, 2008:149).

According to Kemelgor (2002:68) intrapreneurship is a firm-level phenomenon in which the firm has a serious commitment to both incremental and radical innovations. The author views incremental and radical innovations as strategically important to the competitiveness of the firm and tactically important to its operations and processes. Successful entrepreneurial firms are able to produce a stream of innovations, systematically and consistently (Herbert & Brazeal, 2002:4). A firm's ability to increase its entrepreneurial behaviour is largely determined by the compatibility of its management practices with its entrepreneurial ambitions.

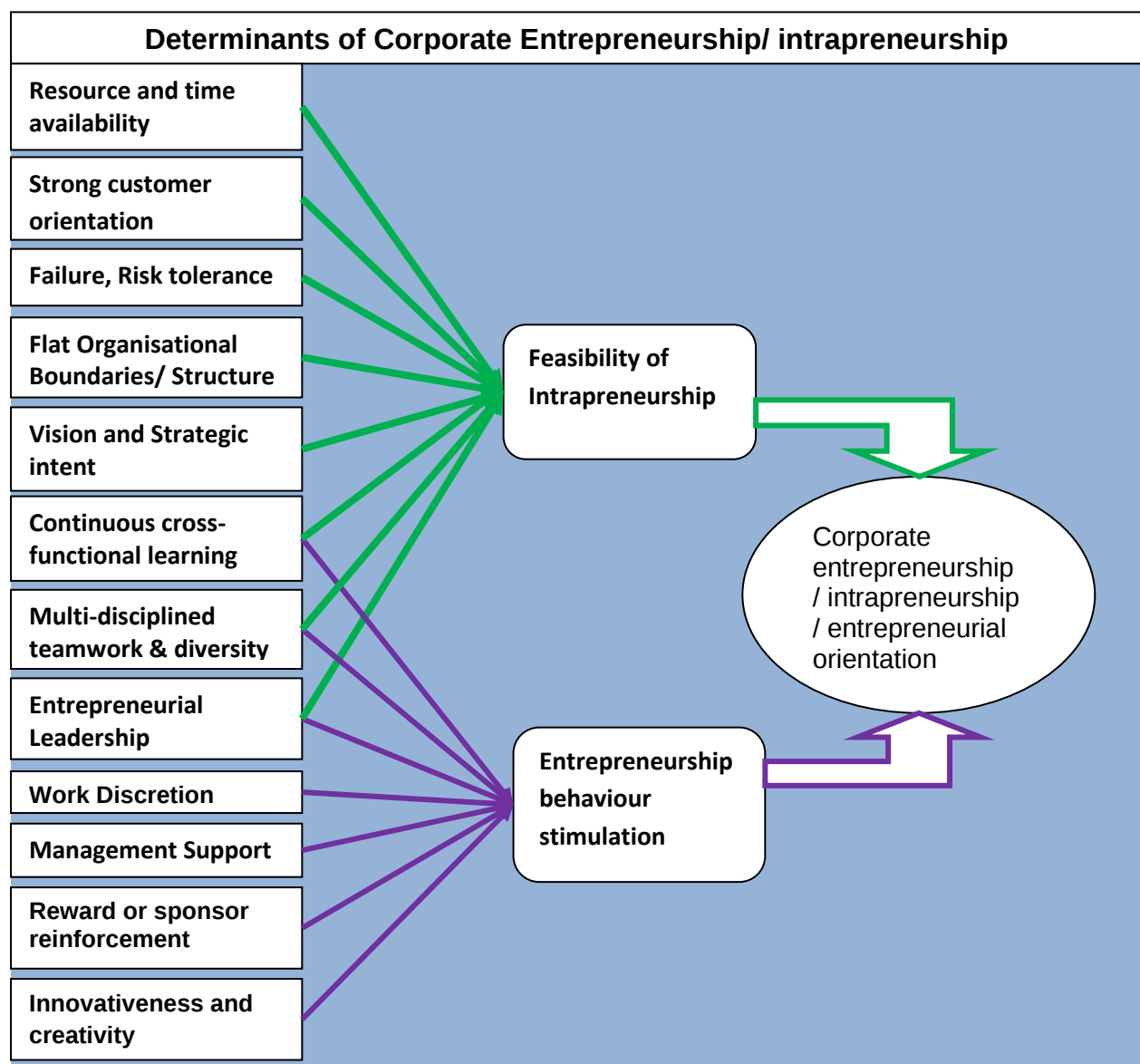
1.6.2.2 Conceptual model of corporate entrepreneurship

Figure 1.1 present the conceptual model of corporate entrepreneurship designed to show the link between factors that make corporate entrepreneurship possible and factors that stimulate corporate entrepreneurship behaviour.

Figure 1.1 on the next page further explains the determinants of CE. Tolerance of risk, mistakes and failure involves the readiness to make resources available to exploit opportunities and launch projects with uncertain outcomes and tentative projected. The feasibility of intrapreneurship is evident on the availability of resources, which seems to be best portrayed by time availability. Rewards and reinforcement develop the motivation of individuals to engage in innovative, proactive and moderate risk-taking behaviour. Organisational boundaries capture the

encouragement and willingness of managers to facilitate CE activities within an enterprise. Encouraging CE activities is the degree to which employees are empowered and function autonomously in their jobs. A strong customer orientation paves the way to find alternative innovative avenues. Finally management support gives a supportive organisational structure that provides the administrative means by which ideas are appraised, selected and executed. Constraints to these factors are the barriers to Intrapreneurship. Conducive environment that allow expression of ideas and proper interaction leads to autonomous creativity.

Figure 1.1: Practicability and behavioural stimulating effect of CE



Source: Developed by author

1.6.2.3 Importance of corporate entrepreneurship

Corporate entrepreneurship is a fundamental activity practised by enterprises in order to survive in the long term; it leads to superior performance and it can be seen as a means of promoting and sustaining enterprise's series of short term competitiveness which might result in sustainable competitive advantage. The dimensions of intrapreneurship encompasses; Autonomy, Innovativeness, Pro-activeness, Competitive aggressiveness, and Risk-taking. According to (Salarzehi & Forouharfar, 2011:490) for firms to become prosperous and successful, they must firstly identify general and idiosyncratic barriers to the enterprises. The main way for understanding these barriers is to first know those important factors that fosters intrapreneurship and then to study the obstacles in the way of these factors that fosters intrapreneurship.

1.7 Research Methodology

This section provides an introductory discussion on the research methodology and design strategy used in the study. It focuses on the research instrument, research technique, secondary data, survey area, population of the study and sample size, sampling technique and data analysis procedures. Quantitative research design was used.

1.7.1 Phase one: Theoretical construct

The review of literature cross-examined various aspects of the nature of corporate entrepreneurship, the condition and the supporting environment that encourages employees of different firms to take on corporate entrepreneurship activities in their firms. The review of literature also investigated the impact of corporate entrepreneurship on the firm's sustainable competitive advantage. The linkage between tourism growth and its significance to the national development was examined. The impact of tourism sector to poverty reduction, income and wealth redistribution and employment creation was examined. In addition, the factors which impede corporate entrepreneurship and its adoption in many adventure tourism firms were observed. A clear definition for corporate entrepreneurship and its dimensions was also examined. A thorough review of literature helped us to determine whether corporate entrepreneurship is a concept or process. Moreover key dimensions of

corporate entrepreneurship were discussed. Finally, the literature review concentrated on the industry within which the study was conducted namely adventure tourism industry and more specifically on the changes and challenges faced in the adventure tourism.

The review of literature principally consisted of an analysis of secondary sources; consulted sources included the local and international peer-reviewed journals, Books on entrepreneurship, corporate entrepreneurship, tourism, books on research methodology, Unpublished Master's and Doctorate dissertations as well as Internet sources. The review of literature greatly contributed to acquiring a detailed understanding of the current problem under investigation, assisted in developing an appropriate empirical research methodology and finally formed the basis for constructing and structuring of the research instrument (questionnaire).

1.7.2 Phase two: Empirical review

According to Riley, Wood, Clark, Wilkie and Szivas (2007:18) empirical research mainly deals with the ways of data collection and the use of data. The research problem at hand required a more exploratory and descriptive type of research. Descriptive research requires a cross-sectional analysis of quantitative data collected by means of a questionnaire as a research instrument after a sample survey within the parameters of the study population. Zikmund (2003:57) suggests that exploratory descriptive research attempts to determine the extent of differences in needs, perceptions, attitudes and characteristics of respondents.

The study used the quantitative research design which Ghauri and Gronhaug (2005:204) describe as studies whose findings are mainly the product of statistical summary and analysis. Empirical investigation consisted of the research design, sample design, method of data collection, the research instrument, and the procedures for data analysis. For the purpose of this study, the nature of CE was gauged in terms of business environment which is defined as employees' perceptions of the events, practices and procedures and the kind of behaviours that are rewarded, supported and expected in a business (Wei & Morgan, 2004:378). The study employed the survey method with a standardized self-administered questionnaire targeting managers of adventure tourism firms. The study attempted to determine the extent to which managers in adventure tourism

business perceived their business climate as conducive to corporate entrepreneurship, their perceptions on the preparedness of employees to act entrepreneurial. Furthermore, the study further attempted to determine the degree to which demographic groups differ from their perception regarding the conduciveness of their business environment for corporate entrepreneurship. Finally, the study determined the extent to which managers differ as they rate themselves on a number of entrepreneurial characteristics and how they rated their superiors and subordinates in terms of these entrepreneurial characteristics.

1.7.3 Population and sample

Firms included in the survey were identified as those that are defined by the department of tourism as involved in outdoor adventures and adventure sports. The population and the sample frame of adventure tourism enterprises were therefore obtained from The Nelson Mandela Bay Tourism Portal (NMBT) and the Dirty Boot Adventure South Africa. The Nelson Mandela Bay Tourism portal has about 216 members with approximately 40% falling into adventure category (Nelson Mandela Bay Tourism Portal, 2012). Dirty Boot Adventure South Africa has 45 adventure tour operators in the Eastern Cape & Wild Coast Adventures region. The population size from the selected region total is 135. The study used the entire population.

The study population consisted of Adventure tour operators in the Eastern Cape Province in South Africa. The study employed a non-probability (convenience) sampling method where a researcher selected the sample based on his or her personal judgement (Roberts-Lombard 2002:109). One hundred and thirty five (135) firms were contacted and 85 of them indicated their willingness to participate in this study and have been shortlisted for the survey. For the purpose of the study the contact person in each firm selected the respondent to represent the company in the research.

1.7.4 Measurement and Data Analysis

1.7.4.1 Research instrument

The questionnaire used in the study was named Corporate Entrepreneurial Environment Assessment Questionnaire, the questionnaire consisted of a front page and a covering letter which included the guidelines to be followed in

answering the questionnaire. The questionnaire had three sections namely: demographical information, corporate entrepreneurial environment assessment and entrepreneurial characteristics. The questionnaire was based on the initial questionnaire developed by Gifford Pinchot (1985), and modified by Oosthuizen (2006).

Section A: Corporate entrepreneurial environment: this section established the corporate entrepreneurial environment within adventure tourism businesses. The review of literature led to identifying eighteen constructs. For the purpose of this study the constructs were analysed to suit the original Corporate Entrepreneurship Assessment Instrument (CEAI) developed by Honsby *et al.* (2002) and reviewed by Van Wyk and Adonis (2011). The constructs were comprehensible to pursue the dimensions of corporate entrepreneurship namely; risk-taking, innovativeness, proactiveness, competitive aggressiveness and autonomy. These constructs and the number of items per construct are indicated in Table 1. Repeating factors were deleted.

Table 1.1: Entrepreneurship Environmental Factors

Item	Description of the Item	No.	Item	Description of the Item	No.
1	Management Support for Intrapreneurship	20	10	Visionary/Entrepreneurial leadership	4
2	Encouragement of new ideas	7	11	Innovativeness and Creativity	7
3	Acceptance of mistakes and failure	11	12	Multi-disciplined teamwork and diversity	6
4	Vision and strategic intent	6	13	Resource availability	8
5	Acceptance of mistakes and failure	7	14	Rewards/Reinforcement Sponsors (Champion)	2
6	Work Discretion and Discretionary Time	7	15	Continuous- and cross-functional learning	3
7	Resource accessibility	5	16	Strong customer orientation	2
8	Time Availability	6	17	Flat organisational structure	5
9	Organizational Boundaries	4	18	Tolerance for risks	2

Section B: Entrepreneurial characteristics / Core attributes: in this section the questionnaire was aimed at establishing the extent to which managers are inclined towards an entrepreneurial orientation. It consisted of 33 entrepreneurial attribute / characteristics as developed by Oosthuizen (2006) and adapted by Jordaan (2008).

In the same section; section (BA) seek to determine respondent`s self-evaluation on a five point Likert scale with regard to these attributes. Section (BB) required respondents to evaluate their superiors and subordinates in the same regard.

Table 1.2: Entrepreneurial Characteristics

No.	Core Attribute	No.	Core Attribute
1	Highly inspirational	17	Ability to adapt to change
2	Low support needs	18	Need for achievement and growth
3	Internal locus of control	19	Good people judgment
4	Ability to bring Novel ideas	20	High Patience levels
5	Opportunity driven	21	Business knowledge
6	High energy level	22	Market awareness
7	Generosity	23	Thriving on ambiguity and uncertainty
8	Tolerance for failure	24	Balanced self-esteem & development
9	Ability to take Responsibility	25	Belief in value for money
10	Problem solving skills	26	Quick learner
11	Calculated risk taking	27	Limited need for status and power
12	Self- confidence	28	Undertake personal sacrifice
13	Self- discipline	29	Highly creative and innovative
14	Vision/ Open minded	30	Higher levels of Commitment
15	Team builder	31	Highly Determined
16	Integrity and steadfastness	32	High level of Perseverance

Source: Oosthuizen (2012)

Section C: Demographical information: this section was used to obtain respondent`s age group, gender and race classification as well as their managerial level, department in which the respondents work and the highest academic qualification for the purpose of finding relationships between demographic variables.

1.7.4.2 Collection of data

Data collection went along with the following procedure:

- i. Emails were sent to the Chief Executive Officers (CEO) of the selected participants (Adventure tourism firms) following the formal channels of each firm. The emails described the researcher and the position the researcher holds, explained the purpose of the study and requested permission to include their firm in the survey.
- ii. A follow up email was sent to confirm a convenient date when questionnaire could be administered by the researcher through representatives appointed by the CEO within the research period. The mail also requested the Chief Executive officer (CEO) to select the representative of the firm in the survey.
- iii. After permission was granted the questionnaires were sent to the persons appointed by the CEO to act on behalf of the firm preferably managers.

Upon completion of the questionnaire, respondents emailed back the completed and non-completed questionnaires to the researcher as agreed on the initial email.

1.7.4.3 Data Analysis

Data analysis was done with the assistance of the Department of Statistics at the University of Fort Hare. Data analysis was done using the Statistical Package for Social Sciences (SPSS) version 19.0 for Windows. The corporate entrepreneurship index was used to measure corporate entrepreneurship activity of adventure tourism firms through their scaling of the intensity of the adoption of CE dimensions (Johl & Johl, 2008:953) and an exploratory factor analysis was conducted to uncover key dimensions in the Corporate Entrepreneurship Assessment Instrument CEAI (Hornsby *et al.*, 2002). In addition, exploratory factor analysis was also used to measure the construct validity of the measuring instrument.

The Cronbach's alpha coefficient was used to measure reliability (Babbie & Mouton, 2002:81). Pearson correlation coefficients used to ascertain the relationship and the extent of the relationships between extracted construct. An independent T-test (p-values) and their effect size Correlation (r) and Cohen's (d-values) were used to measure the differences between demographic variables and entrepreneurial

environment variables, perceptions of managers on their inclination to entrepreneurial orientation against the perception of their superiors and subordinates. The results of the survey were explained in form of arithmetic means and standard deviation of each construct. To assess the face validity and reliability of the measuring instruments, a pre-test or pilot study was conducted. Frequencies and percentages were calculated for the demographic variables - age, gender, race and highest educational qualifications.

1.7.4.4 Referencing style

The referencing style used for the study is the Harvard method.

1.8 Limitations of the Study

This study used the perceptions of managers and senior executives as the data source. With the belief that senior managers are in a superior position to observe the culture of the firm, bias might exist due to the fact that management might not dispose all the information in order to protect their integrity. The fact that the questionnaire items focused on a single respondent per company could have shrunk the quality of the data. The study did not include data from adventure tourism firms not registered under the NMBT and the Dirty Boots South Africa. Therefore the research could have excluded important data from non-registered adventure tourism firms.

1.9 ETHICAL CONSIDERATIONS

Ethical issues are present in any kind of research. The research process creates tension between the aims of research to make generalizations for the good of others, and the rights of participants to maintain privacy (Orb, Eisenhauer, & Wynaden, 2001:93). Respondents were fully informed about the research purposes before they were asked to contribute to the data collection. The researcher maintained that respondents be treated well. The research report reflected the true research outcomes.

1.10 LAYOUT OF THE STUDY

- Chapter one examined the introduction, the research problem, the research questions, the research hypotheses, research objectives, significance of the study, research methodology and limitations of the study.
- Chapter two (literature review) provided an overview of the link between tourism existence and development. The role of tourism in poverty reduction, equal distribution of wealth and creation of employment were discussed.
- Chapter three (literature review) provided an overview of corporate entrepreneurship, and examined the theories and models of CE that explains CE.
- Chapter Four concentrated on the methodology used in conducting the empirical research. The chapter also examined the research design, the type of research to be used, the population, the sample design as well as the data collection and analysis methods.
- Chapter Five focused on the analysis and interpretation of research results. The chapter tabulated the results from the analysis and exploration of the data and discussed the findings.
- Chapter Six revisited the research question, the research problems and the objectives of the research. The chapter also discussed the conclusions and recommendations of the research. In addition, the limitations of the research were highlighted and the areas for further research were suggested.

CHAPTER TWO

OVERVIEW OF THE SOUTH AFRICAN TOURISM SECTOR

2.1 INTRODUCTION

This chapter provides a background of the overall understanding of the South African tourism market, the importance of tourism on trade, society and economy in general from both local and global perspectives. The opportunity gaps available were discussed. The role of entrepreneurs and small businesses and their challenges in the tourism market were also observed. This chapter also investigated the problems, barriers and constraints to tourism firms. These problems, barriers and constraints were discussed and analysed under various headings as appropriate.

Over the past several decades, international tourism has been gaining substance in many economies of the world. According to the World Tourism Organization (2002), expenditures by 693 million international tourists travelling in 2001 totalled US\$ 462 billion, roughly US\$ 1.3 billion per day worldwide. Tourism has become one of the world's largest and fastest growing industries. It has become a significant source of foreign exchange revenues for many countries of the region, including some least developed countries and in developing economies. Fuelled by sustained growth, the tourism industry has managed to become a significant provider of employment in many countries and regions, thereby improving the economic situation of the people of those countries (World Tourism Organization, 2002). In addition, revenue generated from tourism has enabled governments to allocate financial resources for improving education and health conditions.

2.2 SIGNIFICANCE OF TOURISM IN THE ECONOMY

The tourism sector stimulates economic growth both at the national and local levels and promotes the growth of the agricultural, industrial and service sectors (World Tourism Organization, 2002). In addition, tourism provides a wide range of employment opportunities easily accessible by the poor. Tourism businesses and tourists purchase goods and services directly from the poor or enterprises thereby employing the poor. This creates opportunities for micro, small and medium-sized enterprises in which the poor can participate.

International and domestic tourism facilitated the spread of development to poor regions and remote rural areas of a country that may not have benefited from other types of economic development (Economic and Social Commission for Asia and the Pacific, 2007). Furthermore, the development of tourism infrastructure can benefit the livelihood of the poor through improvement in tourism-linked service sectors, including transport and communications, water supply, energy and health services.

Considering the benefits that tourism brings to different economies, government should step up to elevate the development of tourism infrastructure. To extend further, government intervention may be essential to enhance the contribution of tourism to socio-economic development and poverty reduction. According to (Economic and Social Commission for Asia and the Pacific, 2007:11) one of the principal roles of governments is to set policy and legislative frameworks for tourism. Several areas of legislation have an impact on the capacity of small-scale producers to develop tourism-related enterprises. These include access to credit, business licensing, employment legislation, environmental health, and health and safety regulations as well as the regulation of micro, small and medium-sized enterprises.

Government does not operate in a vacuum; the private sector and the non-profit sector also have significant contributions to the success of the tourism industry and the rest of other supporting sectors. Apart from the government, various role-players are also involved in tourism where each role-player looks forward to make a positive impact to the tourism industry (Department of Environmental Affairs and Tourism, 1996). South Africa may possibly strive to follow these initiatives in order to ensure a brighter future for sustainable tourism in the country. Furthermore, it is also imperative that the quality and standards of tourism in South Africa to compete with global standards.

Tourism entrepreneurs are faced with various economic, social and environmental impacts that require consciousness in preserving and utilising them. They should therefore be aware of these impacts so that they can contribute to a sustainable and economically viable tourism industry in South Africa.

2.3 DEFINITION OF TOURISM

Principally the definition of tourism is greatly dependant on the actual definition of the tourist. Goeldner and Ritchie (2006:8) agree to the fact that the meaning of the term tourist is perceived differently by people in different settings. According to the oxford online dictionary (2011), a tourist is a person who is travelling or visiting a place for pleasure. Whereas in business terms a tourist can be a business opportunity seeker, a student, a teacher just to name a few. A tourist is a person who plans and goes for a vacation with adequate financial resources to finance the whole vacation either for business or pleasure (Weaver & Lawton, 2006:4).

Articulating from Weaver and Lawton (2006:4) we can now define tourism as the process that encompasses planning for the trip, travelling to the place, the stay itself, returning from the trip and tell a fascinating story about it afterwards. In addition, tourism can include activities the traveller undertakes as part of the trip, such as purchases made and the interactions that transpire between the host and the guest. In summary we can conclude that tourism is a temporal relocation for a specified purpose and time while enjoying all of the activities and impacts thereof that occur during the travel period.

For firms to get a clear understanding of the importance of creativity, it is also imperative to understand the foundation of tourism. Investigating the history of tourism present a critical tool to evaluate and understand the current consumption of tourism and possible opportunities that might emanate from it. According to Page and Connell (2006:22) throughout history people have travelled for many different reasons, and have initiated so much change in the world. Tourism was first understood as travel for pleasure, but in recent years people started to acknowledge it as a necessity through global interaction and economic growth.

2.4 THE EVOLUTION OF SOUTH AFRICA`S TOURISM INDUSTRY

The history of tourism is described from a national perspective as well as against the background of the political governmental environment in South Africa. The South Africa`s tourism industry was kept in a vacuum until the development of the first booking agent by John Thompson Rennie which was established in 1845 and commenced business in 1849. According to the Ship List (2011) John Thompson

Rennie was the first entrepreneur who brought tourism in South Africa into light by linking travellers from Madagascar through Port Natal, Algoa Bay and East London of which the business started in Cape Town. In addition, the Ship List (2012) updated database reveals that the shipping line (Aberdeen Direct Line of Clippers) then shifted to Durban (the now celebrated cargo Seaport). The database also discloses that the business tycoon was mainly involved in passenger and cargo shipping, which was the only form of transport available to passengers travelling overseas at that time. Moreover, the growth of passenger travel in South Africa is directly linked to the growth of transport network in the region (Gascoyne, 2003).

In the late 18th century shipping service became concentrated with the growth of new shipping liners as well as the development of the railway networks within the region in the nineteenth century. The Ocean Liner Virtual Museum (2005) points out that the two well-known shipping lines were Union Line and the Castle Line which also carried passengers. Union Castle Line extended their line of business to a rail section which linked passengers travelling by rail from Johannesburg to Cape Town (Gascoyne, 2003). Due to the increase in the flow of international tourist and local travellers the South African Railways was therefore established in 1927 under a Publicity and Travel Department that specialised principally in advertising and bookings of services of the South African Railways. In addition, the Kruger national park partnered with the South African Railway and agreed to the building of roads, rest huts and other facilities, accompanied by provision of guides and protection services and to refrain from promoting independent traffic (The Kruger National Park, 2004:2).

Furthermore the growth of air travel consequently increased mass travel. Union Airways disposed of its business assets and liabilities as well as air travel licences of scheduled flights between Cape Town, Durban and Johannesburg. This led to the emergence of South African Airways (SAA): the birth of the first national airline in 1934 (South African Museum Association, 2009). The 1960's can almost certainly be regarded as the era that transformed the face of the tourism and travel industry, through intense growth of air travel with travel agencies diversifying into general travel and tours, both on a mass scale as well as smaller group travel. In the early 1960's international investors increased in form of business travellers which caused the inception of Block Booking initiated by Max Wilson in order to

comprehend with "mass travel" (Potgieter, 2008:35). In addition, Car rental became an opportunity which Noel de Villiers grabbed by starting his own car rental enterprise in 1967 by the name Zeda Car Rental, which subsequently traded under the name Avis in 1969 (TOPCO Media Publications, 2009).

South Africa's tourism industry grew significantly in the nineteenth century despite of the political unrest at that time. In the late 19th century the South African tourism sector suffered a great setback as a result international outcry against the introduction of apartheid rule. During that time South Africa and its neighbouring countries have been through a period of enormous political change, which had serious implications for tourism enterprises (Soko, 2005:3). During the apartheid era, South Africa was isolated from the rest of the world and economic and other form of sanctions were imposed, including measures to discourage citizens of foreign countries from visiting South Africa and vice-versa.

Soko (2005:3) points out that tourism in South Africa has also suffered a lot in during apartheid regime due to legislation not directed specifically at the tourism industry. This included legislation prohibiting Africans from staying in hotels or other accommodation reserved for whites, reservation of beaches and other public facilities for exclusive use by whites and pass-laws restrictions on the movement of Africans. Furthermore, Byrnes (2005) reveals that this legislation was the result of the apartheid policy, which was implemented in 1948. This policy was a great cause of humiliation for countries in the rest of the world which triggered the international isolation during the 1970's and 1980's (Byrnes, 2005). New opportunities opened up for south Africa's tourism industry after the first democratic election in 1994. This was accompanied by the increased number of airlines flying South African routes, the increased positive reporting on South Africa as an attractive destination and the increased cooperation and coordination between the countries in Southern Africa. Some travellers avoided the country during the time of elections. The positive word of mouth from journalist about the social and political improvements in the country seeded confidence in international travellers.

At present, changes are taking place at an increasingly rapid pace while it forces the industry to focus heavily on the environment; the government is pushing forward for the growth of the tourism industry. The work of the department of trade and industry

had contributed greatly to the transformation of the tourism sector. The run up to the world cup 2010 sees the significant growth in the infrastructure. Due to the increasing importance of the tourism sector in economic growth, employment creation, and the social wellbeing of the citizens and the environment, the parliament established the Department of Tourism from Department of Environmental Affairs and Tourism to take charge of the tourism industry in 2009 (Pocket Guide to South Africa 2009).

2.5 SOUTH AFRICA TOURISM NICHES

South Africa is highly diverse in terms of its climate, culture, tourist activities, infrastructure and catering in every tourism niche (Frances Baard District Municipality, 2009:33). The south Africa`s tourism niches are:

- Cultural tourism,
- Eco-tourism,
- Paleo-tourism,
- Business tourism,
- Sports tourism and
- Adventure tourism

2.5.1 Culture Tourism

Cultural tourism is one of the largest and fastest-growing global tourism markets (Organisation for Economic Co-Operation and Development (OECD) (2009:10). Culture and creative industries are increasingly being used to promote destinations attractiveness and enhance their competitiveness. The report of OECD (2009:10) indicates that the importance of culture on tourism triggered the relationship between tourism and culture; hence many locations are now actively conserving and developing their tangible and intangible cultural assets as a means of sustaining their comparative advantages, as well as competitiveness in the face of globalisation.

The Department of Arts and Culture (2011) identified handicrafts, language, traditions, art and music, paintings and sculpture, history, work and technology, architecture, religion, educational system, dress and leisure activities as elements of cultural tourism. Cultural tourism is also directly involved in the education of visitors

and promotes sensitivity towards cultural environment, provides both direct and indirect benefits to host communities and helps in perpetuation of culture. Therefore culture tourism is also closely related to ecotourism.

2.5.2 Eco-tourism

According to the Department of Tourism (2010) South Africa has the fastest growing eco-tourism in the world with Thabazimbi district as one of the fastest-growing ecotourism areas in the country. The report further suggests that eco-tourism has the potential to alleviate poverty in South Africa through employment creation and equal distribution of wealth. According to the Department of Trade and Industry (2010:12) South Africa has diverse climates that range from tropical in the south-east to desert in the central region; the scenery runs the extent from spectacular mountain ranges to vast grass plains, from coastline to meandering rivers to desert dunes. Finally, the country's wildlife is far more varied than just the celebrated "Big Five", and is supported by an extraordinary biological diversity. Conclusively, the Department of Trade and Industry (2010:12) define eco-tourism as the environmentally responsible travel to natural areas, in order to enjoy and appreciate nature and provides for beneficially-active socio-economic involvement of local peoples.

2.5.3 Paleo-tourism

Paleo-tourism is also known as heritage tourism. Pennsylvania Historical and Museum Commission (2003:14) define paleo-tourism as a leisure excursion with the principal purpose of visiting historic, cultural, natural, recreational and scenic attractions to learn more about the past in an enjoyable way. Paleo-tourism significance lies in Heritage Site with its great archaeological significance. South Africa holds interest for visitors due to a number of heritage sites and caves.

2.5.4 Business tourism

Internationally and within South Africa, business tourism is viewed as being an industry that can be influenced through dedicated activities such as transactions, meetings and events (Trade and Industry Chamber, 2006:3). The author suggests that, business trade transitioning refers to activities undertaken to shop for goods that can be resold, bidding, investment evaluation, and opportunity seeking tours. Business tourism meetings can be conferences, incentives and exhibitions. Finally,

business tourism events might be non-meeting events such as sporting events and concert. A report from South Africa Yearbook (2009) reveal that South Africa is also increasingly targeting business travellers, who spend on average three times more than their leisure counterparts while crossing over significantly into leisure travel themselves, through tours before or after their business activities and through return trips.

Business tourism is greatly being seen as an important contributor to economic growth and employment creation. Moreover, business tourism is experiencing growth in recent years. According to the South Africa Yearbook (2009) an estimated 7% of South Africa's foreign visitors in 2007 were business tourists, translating to about 550 000 business tourists compared to 470 000 in 2006. Total foreign direct spending by business tourists in the country amounted to R2.4-billion in 2006, up from approximately R2.1-billion in 2005.

2.5.5 Sports tourism

Sports tourism refers to international trips specifically undertaken to watch sporting events (Spronk and Fourie, 2010:3). Common examples include international events such as world cups (soccer, rugby, cricket, etc.), the Olympics and Formula 1 Grand Prix, regional events (such as the soccer European Champions League), and individual (non-team) participant sports such as tennis, golf and horse racing. More than 10% of foreign tourists come to South Africa to watch or participate in sporting events, with spectators accounting for 60% to 80% of these arrivals and it is estimated that sports tourism contributes more than R6 billion to the South African tourism industry (South Africa Yearbook, 2011).

According to Spronk and Fourie (2010:3) the developed infrastructure in South Africa has contributed significantly to the growth of sport tourism. Consequently, South Africa has managed to win bids to host world`s most influential sporting activities in the recent past. These include:

- 1995 IRB Rugby World Cup,
- 1996 African Cup of Nations,
- 2003 ICC Cricket World Cup,
- 2007 World Twenty20 Championships,

- 2009 Indian Premier League (IPL),
- 2009 British and Irish Lions tour,
- 2009 Confederations Cup and 2009 ICC Champions trophy. And
- 2010 FIFA World cup

Furthermore, the success of hosting these sporting events has assisted in building tourism infrastructure as well as reputation as an international tourist destination.

2.5.6 Adventure tourism

Literature reveals that the contemporary adventure tourist outlook is under-researched and as a result it is under-represented in academic terms (Beedie & Hudson, 2003; Soutar & Williams, 2005 and Swarbrooke, Beard, Leckie, & Pomfre, 2003). The modern day adventure tourism brings together travel, sport, and outdoor recreation in the domain. Despite the fact that adventure tourism is still an emerging concept in academia, a significant number of research studies have investigated the dynamism in terms of growth in the adventure tourism domain (Hudson, 2002; Buckley, 2007 and Swarbrooke *et al.*, 2003). However, studies by Weber (2001), Buckley, (2007) and Cloutier, (2003) dwell much specifically on adventure tourism definitions. In addition, Buckley (2007), Hudson (2002), Beedie, (2003) and Swarbrooke *et al.* (2003) thoroughly investigated the structure of the adventure tourism industry. Furthermore, the impact of adventure tourism on the environment was examined in research studies conducted by (Ewert & Jamieson, 2003; Soutar & Williams, 2005).

There is no evidence of studies that investigated the level of entrepreneurship activities and the factors that initiate entrepreneurship in the adventure tourism niche. According to (Beedie & Hudson, 2003) adventure tourism niche involves travel to remote areas where the traveller should anticipate the unexpected. The present day adventure tourism is characterised by the pursuit of risk and the uncertainty of result of a leisure activity, moreover it requires precise abilities and familiarity, blended with amusement and entertainment (Kyriakaki, Maroudas, & Gouvis, 2004:11). The essence of tourism is also embedded in the search for new adventures which are not common to the home country. This means that the rapid

growth in adventure tourism is being spearheaded by the tourist's desire for an unusual adventure.

Table 2.1: Adventure Tourism Activities

Aviation-related	Marine	Land-based
Ballooning	Black-water rafting	Cross-country skiing
Hang gliding	Caving	Downhill skiing
Gliding	Charter sailing	Heli skiing
Bungee jumping	Diving/snorkelling	Ski-touring
Parachuting	Jet-biking	Trekking/tramping
Paragliding	Jet-boating	Vehicle safaris
Scenic aerial touring	Para-sailing	Flying-fox operations
	Rafting	Bungee jumping
	River kayaking/sea kayaking	Mountain biking/cycling
	Canoeing	Guided glacier trekking
	River surfing/river-sledging	Horse-trekking
	Water skiing	Hunting
	Wind surfing	Mountain-guiding
	Fishing	Rap-jumping/abseiling
		Rock climbing

Adapted from:Page, Bentley, & Walker (2005:383)

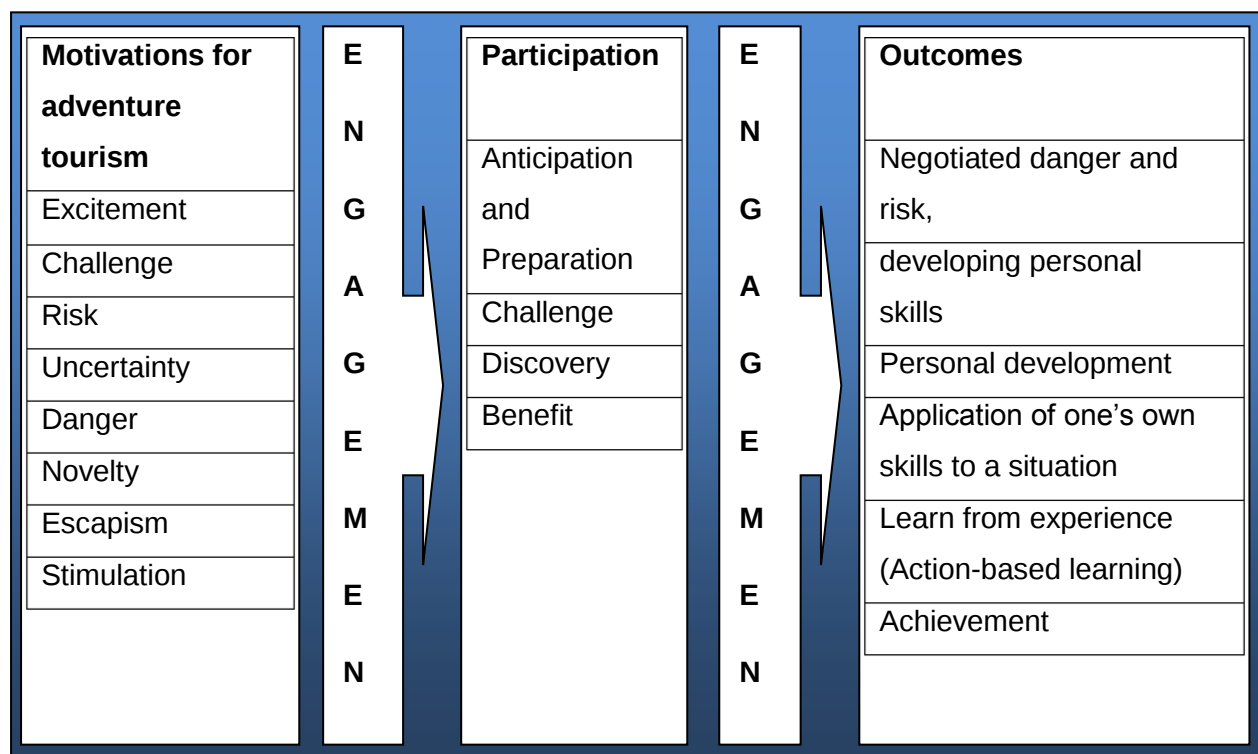
An adventure experience is perceived as a feeling; therefore, adventure tourism is to some extent determined by each individual's personal feeling (Eng-Chuan & Assenov, 2006:615). The author suggests that the desire to have adventure tourism experience is stimulated by self-learning, personal accomplishment and personal responsibility. Furthermore, Kyriakaki *et al.* (2004) conclude that mental and physical preparation is imperative in adventure tourism due to the fact that participation in adventure tourism involves nature and body.

According to South Africa Yearbook (2010/11:479) adventure tourism is rapidly growing in popularity as tourists seek unusual holidays, different from the typical beach vacation. Viljoen and Tlabela (2006:16) identified some examples of adventure tourism which include: mountaineering expeditions, trekking, bungee jumping, rafting and rock climbing. South Africa has comparative advantage of being at the southern tip of a large continent, which offers 3000 kilometres of coastline along with overwhelming mountains often side by side (Department of Trade and

Industry, 2010). The country's diverse terrain, together with a climate suited to outdoor activities. In addition, South Africa offers world-class climbing, surfing, diving, hiking, horseback safaris, mountain biking, river rafting, all supported by dedicated operators (Viljoen & Tlabela, 2006:16). The two major classifications of Adventure Tourism are hard adventure and soft adventure tourism. Swarbrooke *et al.* (2003) believes that both categories of adventure tourism are highly physical and mentally demanding environmental destination.

The preparedness of an individual will determine whether the person will choose soft adventure or hard adventure. Due to the fact that adventure tourism is activity based, the choice of activity and the level of involvement are dependent on the key drivers which engage the tourist. Figure 2.1 illustrates the driving factors that influence a tourist to engage in different adventures, the predetermined factors that allow engagement and the expected outcomes of engaging in adventure tour.

Figure 2.1: Drivers of engagement into adventure tourism



Adapted from (Page *et al.*, 2005:382)

2.5.6.1 Soft Adventure Tourism

A sub sector of tourism that centres on the active pursuit of programmes that allow any individual to challenge the mind and body in exotic settings, where exploring a new environment creates the sense of uncertainty and what is known as Adventure (McKinson & McIntosh, 2005)

Soft adventure tourism can be defined as adventure tour activities that require little experience, which is less physically and mentally demanding. Moreover, little knowledge is enough to participate in the adventure activities on the part of the tourists (McKinson & McIntosh, 2005:15). Many activities in soft adventure are similar to those in the hard adventure category, yet they occur at a less physically demanding level and standards of safety and comfort are well above average. According to (Schott, 2007:259) a soft adventure refers to activities associated with a perceived level of risk but with low levels of real risk, which require minimal commitment and foundation skills. The author also stressed that most of these activities are led by experienced guides.

The distinction between soft and hard adventure tourism depends on the range and or variation. Soutar and Williams (2005:250) believes that the variation between soft and hard adventure is based on the confines to the amount of physical discomfort a tourist is willing to practice. Kyriakaki *et al.* (2004), Soutar and Williams (2005), Schott, (2007) and McKinson and McIntosh (2005) agree to the fact that physical discomfort is the primary factor to be considered when distinguishing between soft and adventure tourism among other factors such as level of risk, physical activity, training and skills.

Kyriakaki *et al.* (2004:11) articulate that the level of risk and or physical effort required is the source of distinction between hard and soft adventure tourism given the nature of the adventure activities. According to Soutar & Williams (2005:250) soft adventure experiences are generally passive and rarely involve physical discomfort. Moreover, Soutar & Williams went on to stress that soft adventure requires mild physical activity and involves little to no risk. Schott (2007:259) stresses that adventure tour operators are always prepared to take tourist to greater heights, in addition Schott (2007:259) points out that in soft adventure tourism, skill and

expertise is purchased along with the use of specialised equipment required for engaging in the preferred activity.

2.5.6.2 Hard Adventure Tourism

Hard adventures as the name suggests encompasses an element of risk, and tourists must be physically and mentally fit. One should be prepared for all weather conditions, sleeping arrangements and dietary restrictions. Schott (2007:258) described the adventure service offering as a product that usually takes place over multiple days in an unusual or exotic backwoods or wilderness destination. It tends to be associated with high levels of activity by the participants. Soutar and Williams (2005:250) unveils that the level of physical exertion defines the excitement embedded in hard adventure tourism. The author also ascertains that hard adventure demands exhausting physical effort and often requires that the participant practise and or train for the experience. The Canadian National Strategic framework added a dimension of skills in 1997 as a distinction factor between hard and soft adventure tourism (Beedie & Hudson, 2003:632). Their argument was that skills are a prerequisite for hard adventure tour; on the contrary, skill is not necessarily a prerequisite in the soft adventure tour.

At this stage Hard Adventure Tourism is seen as a minority tourism interest group. Kyriakaki *et al.* (2004:11) adds the fact that this group tends to be dominated by younger aged groups from their early twenties to their late thirties. This group seek adventure coupled with real danger and tend to concentrate in groups of like-minded individuals. Admirers of hard adventure tourism tend to require organised adventure tours with all the necessary back up facilities such as transport, accommodation, food and beverage, health and safety care as much of the adventure occurs off the beaten track (Page, Bentley, & Walker, 2005:383). Activities in the hard adventure tour encompass long distance trekking, mountaineering, white water rafting, canoeing, hang gliding and canyoning. Hard adventure tourism is an important segment of the world tourism industry.

2.6 IMPORTANCE OF TOURISM

Investment Support and Promotion Agency (ISPAT) (2010:3) reveals that Travel and Tourism is one of the leading industries in the world providing a strong motion to

global economic growth. In support of the motion, the World Travel and Tourism Council (WTTC) (2011) reports that in 2009, the Travel & Tourism Economy accounted for an estimate of 9.3% of global GDP and generate over 210 million jobs, 7.4% of global employment. The report further stresses that in 2008; 922 million international tourist arrivals were recorded, consequently contributing US\$944 billion in international tourism receipts.

2.6.1 Employment creation

Existing literature on tourism indicates that tourism industry, in industrialised as well as developing countries has contributed greatly to job creation due to various industries directly and indirectly linked to tourism such as hospitality, transport, accommodation, entertainment, and travel agencies as well as related services such as administration, finance and health (Investment Support and Promotion Agency of Turkey, 2010:4; MacLeod, 2004:105). In many developing countries and some other industrialised nations women were given little recognition in the labour market. MacLeod (2004:105) states that tourism has also augmented opportunities for women in the labour market. This could consequently assist in increasing gender equality in certain countries. In terms of creating employment opportunities for women, employment statistics from the International Labour Organisation (2008) show that the percentage of women employed in the tourism industry is usually more than 50%.The report further ascertains that the tourist accommodation sector is a major employer of women which employs on average, 60 % of the EU labour force in this sector, of which female workers make up only 45 % of the people employed in all EU economic activities.

2.6.2 Increased income and equal distribution of income

A lot of international tourist saves significantly for their holiday travel and tourism in general. As tourists visit a foreign country, they shift their expenditure patterns from their home country towards that of the foreign country (Suriya, 2010; Khan, 2006). This definitely means that the destination country will be the beneficiary as the tourists spend their money there. If everyone in the destination country has equal chance to be entrepreneurial, a higher level of income improves the quality of life as well as improves the standards of living.

Goeldner and Ritchie (2006:387) brought about the concept of the multiplier effect which can stimulate the local economy. According to Stynes (2010:7) the multiplier effect can be direct, indirect, and induced, tourist spending generates an economic effect that is a specific number of times what was initially spent. Goeldner and Ritchie (2006:387) state that this effect is an income multiplier because tourist expenditure becomes income, directly and indirectly, to local people. Direct impact is regarded as tourist spending and jobs created in businesses where tourists spend their money. Indirect impact results from consecutive rounds of local business transactions that affect tourist spending. Finally, induced impact is defined as incomes and jobs of the spending of income earned as a result of spending by tourist.

Mitchell and Ashley (2007) assert that the indirect effect of tourism is extremely important to a domestic economy. The authors predicted that the income multiplier can range from 2% to 10% and around 50% to 90% of the impact of tourism classified as having indirect effect. The more money each tourist directly and or indirectly spends in the destination country, and the more tourists who visit the region, the greater the increase in domestic incomes. Wattanakuljarus and Coxhead (2008) found that tourism growth benefited all household classes and helps to improve the distribution of income.

2.6.3 Increased supply of foreign exchange

Economic impacts from tourism typically report the amount of new income being received in a destination area, and then use a multiplier to account for the additional re-spending that result afterwards (Goeldner & Ritchie, 2006:32). The authors further stress that spending by tourists visiting another country leads to a much needed supply of foreign exchange. According to the United Nations Conference on Trade and Development (2010) tourism is a leading industry in the service sector at the global level as well as a significant generator of foreign exchange at the national level. Foreign tourists change their foreign currency into the local currency to pay for their tourism experience. As a result, the destination country will now have more foreign currency to spend on its own needs in different facets of the economy. Moreover, in balance of payments terms, tourism expenditure is seen as being comparable to export income for the host countries.

On the other hand, if leakage is not taken into consideration, foreign exchange earnings of tourism may be overstated. Stynes (2010:9) defines leakages as the amount of money that leaves an economy to import goods and services needed for tourism development. Jules (2005:24) states that where tourism is a main earner of foreign currency, it significantly adds supply to the foreign exchange market. Jules (2005:24) stresses that tourism increases the value of the domestic currency beyond what it would have been. At present, tourism ranks in the top five world export categories. Jules (2005:26) found that tourism is often the first source of foreign exchange, and is one of the five leading sources of export revenue for at least 69 developing countries.

2.6.4 Increased infrastructure development

According to United Nations Conference on Trade and Development (2010) the tourism industry drives development by pulling in other sectors such as construction, infrastructure, arts and crafts, agriculture, services, transportation and manufacturing. Tourism growth has an induced effect on industry growth as well as businesses growth which leads to the construction of more infrastructure and superstructure. To become an attractive destination for tourists, a location requires a wide range of services including infrastructure. According to International Labour Organization (2010:20) competitive destinations improve infrastructure such as power and water utilities, airports and roads to facilitate the provision of hotel, restaurant services and mega-events together with effective destination marketing infrastructure. Vanhove (2005:173) states that infrastructure development is triggered by the income derived from the tourist industry. The author also states that the infrastructure development also benefits other sectors of the economy as well as social community.

2.6.5 Promotion of cultural preservation

Tourism encourages a mutual acquisition of knowledge and appreciative belief of other cultures and it also creates a positive image of the host nation among tourists. Culture tourism is perceived as a new branch of tourism aimed at investigating ways in which culture can be used to create value in the travel and tourism sector (Viljoen & Tlabela 2007:14). The authors also highlighted that tourism encourages cultural relations and international cooperation. Honey and Gilpin (2009:2) suggest that

tourism enables communities that are poor in material wealth but rich in culture, history, and heritage to use their unique characteristics as an income-generating comparative advantage as well as a tool to leverage wealth among citizens of the host nation.

Rogerson and Visser (2011:256) conclude that some local citizens embrace on the commercialisation of their culture into a tourism product due to expected socio-economic benefits embedded in it. In many countries, deteriorating cultural interest in host cultures is rejuvenated by revival of cultural heritage as part of tourism development, which increases demand for historical and cultural exhibits. This will therefore encourage the local communities to conserve its culture. Rogerson and Visser (2011:256) suggest clothing, leisure, beliefs, architecture, art and music, religion, history and language as elements of cultural heritage:

2.6.6 Promotion of nature conservation

World Tourism Organisation (2011) encourages countries to develop principles and policies for environmental and cultural impact assessments in order to make informed tourism-related decisions to promote nature conservation. In addition, the International Labour Organisation stated that tourism is the principal service sector that fosters cultural preservation as well as nature conservation. This means that nature conservation is thus of high priority where tourism is concerned. Rogerson and Visser (2011:256) also states that natural environment assets are important in attracting tourists, but stresses that these assets must not be made profitable at the expense of conservation. The United Nations Millennium Development Goals have also put enough pressure on countries with regard to nature conservation as a prerequisite in order to encourage sustainable tourism (World Tourism Organisation, 2011). Furthermore, the income expected from tourists visiting a country to see their natural environment assets could encourage the country to protect their environment, these includes conservation of nature and wildlife.

2.6.7 Investment stimulation

According to World Tourism organisation (2011) tourism industry is experiencing successive growth from the previous decade especially in developing countries. Most developing countries are more into infrastructural development to provide

conducive environment and to lure tourists, consequently causing an increase in investment initiatives. Ashe (2005:3) suggests that tourism has a great potential to stimulate demand in other economic sectors, thereby constituting induced investment. Its integration into national development plans stimulates intersectional linkages that encourage growth in other major economic sectors, including agriculture, fishing, industry, services and transportation. According to Rogerson and Visser (2004:201) the discovery of tourism's potential as an economic driver was based on the comparative advantages of South Africa's natural and cultural resources to attract substantial private sector investment, as well as to accommodate small enterprise (SMME) development. The authors recognise that the tourism industry in fact comprises a large number of very small units which covers different service sectors such as small restaurants, motels, guest houses, laundries, arts and craft shops and so forth. They state that investment in infrastructure and superstructure by government stimulates investment in small businesses. Moreover, Ashe (2005:7) argues that initial investment in tourism draws attention of larger investors in supporting tertiary industries such as major hotels, restaurants, shopping complexes, marinas, airports and to name just a few.

2.6.8 Increased tax revenue

Stynes (2010:6) points out that tourists do pay taxes either directly and or indirectly. These taxes are in the form of sales tax, airport tax, exit fees, customs duty and charges for granting temporary residence permits or travelling permits. As a result the government will be in a better position to develop the tourism infrastructure to lure more tourists. Moreover the government will be able to spend on social projects, education, housing, and in general a better living for its people. As a move to cater for the impact of leakages, the taxes can be used to import resources that can be used to rejuvenate the tourism experience.

2.7 THE NEGATIVE IMPACT OF TOURISM

2.7.1 Marginal employment

Employment is one of the positive effects of tourism if measured in terms of the percentage employment. The most discouraging part is the fact that a large number of employment opportunities that exist in the tourism sector are mostly for semi-

skilled and unskilled workers as a result the employees will be entitled to low wages. In addition most jobs in the tourism industry are part-time and some are seasonal which gives people a temporal benefit which ultimately makes employment in tourism less attractive (Vanhove, 2005:203). The Vanhoye further argue that the seasonality of employment in the tourism industry differs from country to country. MacLeod (2004:105) argues that although tourism has increased the opportunities for women in the labour market, the tourism industry also contribute to moral decay because it sometimes causes alcoholism, as well as creating risky jobs such as prostitution and drug dealing, which resulted in social problems for the community.

2.7.2 Cultural destruction

Goeldner and McIntosh (1990:151) call attention to the fact that tourism promotes cultural relations and international cooperation which, in turn, encourages the nation to safeguard its culture. However, Brohman (1996) recognises that contact with the indigenous culture tends to be packaged rather than spontaneous with mass-produced artefacts. This may lead to resentment by the local people who feel that the visitors view their culture as entertainment (Goeldner & Ritchie, 2006:300). The following is a statement by a native Hawaiian at a church-sponsored conference on Third World Tourism Organisation as cited in Brohman (1996): "We don't want tourism. We don't want you. We don't want to be degraded as servants and dancers. This is cultural prostitution. I don't want to see a single one of you in Hawaii. There are no innocent tourists".

2.7.3 Environmental destruction

Despite the fact that tourism brings substantial economic benefits for many communities, the tremendous growth of the sector can also be responsible for undesirable environmental and socio-cultural impacts. Some of these negative impacts in tourism-rich regions include; natural resource depletion and environmental degradation linked with tourism activities (Neto, 2002:5). The main environmental impacts of tourism are pressure on natural resources, pollution and waste generation and damage to ecosystems. Viljoen and Tlabela (2007:19) state that tourism may damage the natural environment due to the urbanisation of natural sites, the development of access infrastructures and the pollution of rivers and

beaches. Moreover, the author stressed that infrastructure is not sufficient to control the damage caused by tourism and that tourism is a threat to wildlife and vegetation.

2.7.4 Over-dependency on tourism

There is growing concern that over-dependence on tourism might possess substantial economic, socio-cultural and environmental costs linked with its continued expansion (Ayres, 2002:116). This means that a fall in the tourism industry will constitute a massive fall in the economy of the country. From the study conducted in La Gomera, Macleod (2004:106) points out that if tourists were to disappear completely, at least half of the businesses would instantly collapse, while the 77 remaining businesses would struggle to flourish. According to Ayres (2002:121) the tourism industry is greatly dependant on the state of the world, If world events create a negative outlook for travelling, tourism levels will suddenly decrease, and economic conditions will worsen in that country.

2.7.5 Foreign domination

According to Mbaiwa (2002:497) local resident may also suffer a loss of sense of place, as local environments are transformed to suit the requirements of a foreign dominated tourism industry. United Nations Conference on Trade and Development (2010:8) points out that tourism market in many developing countries is dominated by Transnational Corporations. As a result financial benefits that should go to the host country from tourism initiatives will never reach the local citizens of that country. For efficient running of the companies, many multinational companies in the tourism industry employ foreigners on highly paying jobs.

2.7.6 Increase in inflation

A negative economic impact of tourism is inflation. Price increase of local goods and land causes unrest in the surrounding community (DeVeau & Marshall, 2008:4). This form of inflation is caused by sudden increase in the demand for goods in the market. Vanhove (2005:175) reveals that when the inflow of tourists increases radically during a particular season, it could automatically lead to an increase in the prices of goods and services within the tourist region. In addition, Vanhove (2005:175) postulates that retailers increase the prices of goods because tourists have enough money to buy goods at higher prices. Finally, an increase in tourism

raises the demand for land which makes land prices higher at the expense of local residents.

2.8 CONCEPTUALISING TOURISM

Tourism is a service industry and also a creative industry where entrepreneurs and small businesses grab endless business opportunities (United Nations Industrial Development Organization, 2006:97). Creativity in tourism industry is all about creating impressive experiences for the visitor, consequently making their vacation dreams come true. Tourism is complementary to people who get pleasure from meeting new people, sharing their experiences, and ensuring that visitors obtain the desired treatment you equally expect when travelling (Ingram, 2002:2). Networking is the key competency that is expected from tourism entrepreneurs, the industry greatly depends on synergy, partnership and collectivism. Ingram (2002:8) suggests different types of successful tourism business in tourism businesses in the industry, these are: accommodation, transportation or travel agencies, attractions, sightseeing tour operators, adventure and nature-based tour operations, corporate planners, among other forms of businesses. Khan (2006) argues that a sustainable and prosperous tourism industry is composed of operators who often combine their products and services to provide guests with a well-blended one-stop-shopping package experience.

Travel and tourism generate jobs throughout the economy of many countries, both in companies directly involved in the business and in related supplier industries such as retail, construction, manufacturing and telecommunications. Report by International Labour Organisation (ILO) (2011) reveals that the travel and tourism industry is one of the largest and most dynamic industries in today's global economy. The report further reflects that tourism industry is expected to generate about 9% need to be consistent of total GDP and provide more than 235 million jobs in 2010, representing 8% of global employment.

According to an ILO (2011) report prepared for International Tourism Forum (ITF) 2011, international tourism was affected by the global economic and social crisis but is projected to grow considerably over the coming decade. The research conducted by United Nations World Tourism Organization (UNWTO) 2010 reveals that it is expecting the sector's global economy to provide 296 million jobs by 2019 as

compared to the 235million 2010 figures. However, Queensland Tourism Industry Council (2012:7) argued that small tourism businesses struggle to effectively penetrate the market.

2.8.1 Impact of tourism on trade

Tourism industry has a significant impact and serves as an important driver of trade. A study conducted by Fry (2008:10) concludes that there is a positive relationship between tourism and trade; tourism and trade are growing at an extraordinary rate. A significant number of studies have been conducted worldwide on the relationship between tourism and trade. Consequently, empirical evidence from these researches supports the fact that, in many cases, a relationship does indeed exist between tourism and trade (Fry, Saayman & Saayman, 2010; Shan & Wilson, 2001 & Khan; Toh & Chua, 2005). Fry *et al.* (2010:289) stated that tourism might encourage international trade through tourists purchase food, souvenirs, transportation and so on in the foreign country, many of which have to be imported. Thus, tourism may possibly encourage trade. Travel may also lead to increased international trade through business visitors starting up new ventures or government agents negotiating trade agreements. On the other hand, Khan (2006) argues that international trade might promote tourism as a result of the existence of trade between two countries, more business travel will occur between these countries.

The United Nations World Tourism Organisation (UNWTO) barometer (2011) finds that International tourist arrivals in Middle East and North Africa grew by 4.4% in 2011 to a total of 980 million, up from 939 million in 2010. Tourist arrival kept growing despite challenges that stalled global economic position which are characterised by, major political changes in the Middle East and North Africa and natural disasters in Japan. Predictions by UNWTO forecasts international tourism to continue growing in 2012 although at a slower rate. Their numerical estimates reveal that arrivals are expected to increase by 3% to 4%, reaching a notable one billion mark by the end of the year 2012. Moreover, the sector is directly responsible for 5% of the world's GDP, 6% of total exports and employing one out of every 12 people. Furthermore, the World Trade Organization (2011) finds that merchandise trade grew by 8% worldwide and they are expecting it to further grow by 7.5 % by the end of the year 2012.

2.8.2 Tourism and the society

Tourism can be both a force for the preservation of or, conversely, a threat to a community's natural and cultural heritage (World Travel and Tourism Council (WTTC) (2010). Tourism brings in more benefits than costs to the society. Moreover, the mutual reliance that exists between tourism and cultural heritage is becoming more evident in many parts of the world. World Travel and Tourism Council (2010) postulates that culture heritage creates a foundation for tourism's growth, consequently tourism has the power to generate funds that make maintenance possible. As a result of the growing interest in culture and community, tourism is ultimately being accepted as an industry that can boost rural economies, create entrepreneurs and jobs and help preserve indigenous cultures. Shinde and

Dubey (2003:26) points out that tourism offer a better life not just for those who make money, but for those who pay money to enjoy it. Amyan, Jawabreh, Alsarayreh and Malkawi (2011:31) believe that cultural heritage loses much of its meaning if there is no audience, and a society participating in sustaining it and benefiting from it. The author went on to stress that without sustainable management, tourism loses its potential for growth. According to Pretorius and Blaauw (2005:2) community driven initiatives linked to community hospitality and eco-tourism are ways in which local communities convey their aspiration to conserve local customs and traditions concurrently earning a living from it.

2.8.3 Tourism development and growth

Tourism development requires quality infrastructure (Department for International Development, 2001). Underdeveloped infrastructure of mother country areas deters tourism growth potential. Ricardo (2004) defines tourism development as a process whereby communities, regions and nations improves their economic position by aggregating the quantity and quality of goods and services. These goods and services may directly and or indirectly impact on travellers and the destination community. Tourism development augments sustainable tourism. Choi and Sirakaya (2006:1277) posit that sustainable tourism is an emerging concept that seems to improve the existing theoretical frameworks on tourism planning and development by making the residents its focal point. Developing a sustainable tourism industry can only be ensured through participation of all local residents, local firms and the

government of the destination countries. The aim of sustainable tourism development is for local communities to achieve a more equitable share of benefits accruing from tourism development (Ricardo, 2004).

The concept is greatly concerned with uplifting the quality of life of the local people and visitor`s travel experience. Moreover, sustainable tourist development takes into consideration specific areas such as economic sustainability, environmental sustainability, social sustainability and cultural sustainability. The World Tourism Organisation (2011) explain sustainable tourism as tourism which meets the needs of present visitors and host regions while protecting and enhancing opportunity for the future based on the Triple Bottom Line 3Ps (economic (profit), social (people) and environmental (planet)). South Australian Tourism Commission (2008) devised a tourism strategy based on the twelve principles highlighted below:

1. Being different
2. Achieving authenticity
3. Reflecting community values
4. Understanding and targeting the market
5. Enhancing the experience
6. Adding value
7. Respecting natural and cultural values
8. Achieving conservation outcomes
9. Having good 'content' ('telling the story')
10. Achieving excellence and innovation in design
11. Providing mutual benefits to visitors and hosts
12. Building local capacity

Achieving a clear sense of difference from other competing destinations is crucial to successful and sustainable tourism, which can be achieved by capitalising on the attributes and strengths of the destination. Motivation for travel is embedded in

bundling of unique attributes that enhances the appeal of a place, and the likelihood of visitation. Tourism development is all about adding value to existing attributes as a way of achieving a richer tourism experience and helps to diversify the local economy. These attributes include accommodation, sales outlets, conference facilities and dining facilities. In order to develop of specific products based on the inherent attributes of an area, it is of utmost importance to understanding the broad market trends and the needs of specific segments.

Attractions with greatest enduring appeal are deemed to be successful; practically those which are genuinely relevant to the history, industry, culture lifestyle and natural resources of the district are the closest examples. Attractions should be developed to represent community values that represent the past, present and future aspirations of the local community. The community should live in a dynamic way rather than dwelling in the past. Sustainable tourism development is evident when there is a mutually beneficial alliance achieved between tourism and conservation. Greater appreciation, empathy, advocacy and protection for the resource are a result of understanding and enjoyment (South Australian Tourism commission, 2008)

With the aim to adhere to the United Nation`s triple bottom line; 3Ps (people, profit and planet) tourism development should focus on maintaining tourism business that considers the wellbeing of the society, environmental consciousness and profitable initiatives that are sustainable. Sustainable tourism seems to be one of the best alternative developmental frameworks that have the potential to remodel the negative impacts of conservative mass tourism. The report from United Nations Economic Commission for Africa (2011) highlighted the key factors that limit the effectiveness of the tourism industry to play a more meaningful role. These key constraints are as follows:

- Inadequate infrastructure and related services
- Narrow choice of tourism products;
- Market marginalization;
- foreign-based tourism;
- Weak ICT penetration;

- A weak local private sector;
- Disenfranchised local communities;
- Limited integration of local communities and previously neglected groups in tourism;
- Inadequate tourism education, training and awareness; and
- a lack of inclusive, effective national, provincial and local structures for the development, management and promotion of the tourism sector.

Tourism development that is based on local entrepreneurship is much more likely to rely on local sources of supplies and labour. It is also much less likely to produce negative socio-cultural effects associated with foreign ownership. Businesses are asked to share resources while simultaneously competing. Though the community based approach may be an effective way to develop and support tourism, creating the perfect inter-community co-operation and collaboration is a complex and difficult process.

2.8.4 Tourism in South Africa

The tourism industry plays a significant role in the economic position of all nine provinces within South Africa (Vivier, 2005:9) and is one of the top earners of foreign exchange. At present tourism is seen as the fastest growing industry globally, with economies benefiting from its positive impact on employment creation, equitable distribution of wealth and the balance of payment. In a global perspective, Vivier (2005:9) argues that tourism is often promoted enormously in developing countries given its positive impact on the balance of payments and much-needed foreign exchange earnings. In each and every province in South Africa, infrastructural development (roads, hotels, clinics and schools and hospitals) are all attributed to the tourism industry.

As an essential part of economic expansion policies, the tourism sector is viewed as one of the key drivers of economic expansion and employment creation in South Africa Encyclopaedia of the Nations; Republic of South Africa (2011). In the context of South Africa's economic and political transformation, the public and the private

sector has acknowledged the vital importance of tourism as one of the key drivers for job growth, wealth creation, and economic empowerment. According to the World Travel and Tourism Council (2011) figures, tourism directly and indirectly constitutes approximately 7% of GDP and employment in South Africa as compared to a global estimate of between 8 and 9%; these approximations indicate the potential for significant growth in international tourism and its immense contribution to GDP. South Africa's tourism industry provided jobs to more than 1.2 million people in 2011. It was estimated that the number could increase to 1.25 million by the year 2012 (South African embassy in the Netherlands, 2011).

Viessser (2004) argue that South Africa has suffered from isolation for a long period of time. The author believes that apartheid was the main cause of a stagnant tourism industry. Rogerson (2006) also revealed that South Africa has emerged as a highly attractive tourist destination after a significant number of years in isolation. Rogerson believes that the isolation of the old apartheid system delayed South Africa's entry into the global stage of tourism which was revealed by the post-apartheid boom in tourism in 1995 and 1996.

South Africa has non disputable economic potential in tourism, as a key driver of growth and development, which is based on the comparative advantages that the nation has in its natural and diversified cultural resources. World Travel and Tourism Council (2011) supports the fact that South Africa's fast growing tourism industry also complements a worldwide trend towards alternative tourism. This type of tourism indicates a breakaway from the insight of sun, sea and sand representing the ideal holiday (Viljoen & Tlabela, 2006:18).

South Africa has some major strength in favour of facilities that can facilitate further growth in tourism. Victoria and Alfred Waterfront in Cape Town, Cape Point, Table Mountain, the wine region in the Western Cape, and numerous other attractions are among the top tourist attractions in South Africa. According to the Department of Environmental Affairs and Tourism (2010) tourism is the fourth largest earner of foreign exchange in South Africa. Moreover, it is the fourth biggest industry in the country, sustaining some 1,200 hotels, 2,000 guesthouses, and 8,000 restaurants. Report from Encyclopaedia of the Nations, the Republic of South Africa (2011) reveals that South Africa attracts more tourists than any other country in Africa. The

country's scenic attractiveness and wildlife remain the major attractions for international tourists.

South Africa has two segments of tourism that pose different customer attraction potential. Of the two, the fastest growing segment of tourism is ecological tourism (eco-tourism), which encompasses nature photography, bird-watching, botanical studies, snorkelling, hiking, and mountain climbing. The new and promising segment is village tourism, which is becoming increasingly popular, with tourists wanting to experience South Africa in the many rural villages across the country. Unpopular tourism segments include, among others, adventure tourism, eco, and cultural. Many of these tourism types are indeed ideally suited for developing tourism in rural localities with the necessary environmental qualities.

Most SMEs are localised and usually operated at a local scale. Therefore, it means that these rural settings are the core focus for their tourism related business, and it is the ideal locations to grab the opportunity to develop a diversified mix of enterprise before large firms do. The tourism industry and tourism attractions are not located in city centers but in the rural areas. The rural location of these attractions provides rural people with the opportunity to partake in enterprise development and share in the benefits of tourism development.

Although large companies drive and economically dominate the South African tourism industry, the vast majority of South African tourism enterprises would fall under the categorization of small firm or SMEs (Rogerson, 2006). Accurate data on the number of SMEs in the South African tourism economy is currently unavailable, particularly in respect of the emerging black-owned tourism enterprises, many of which are unregistered informal or micro-enterprises (Rogerson & Viesser, 2004). Nevertheless, the report by the Department of Trade and Industry (DTI) (2005:28) presented an estimate that there are more than 50 000 tourism businesses in the economy.

2.9 TOURISM ENTREPRENEURSHIP

Tourism Entrepreneurship is discussed from an international and national point of view. Initiatives and support that are available to local tourism entrepreneurs are also referred to. Entrepreneurs are the decision-makers who have the vibe and the

motion to shape the free-market economic system of the 21st century by taking opportunities, discovering new market needs and the initiation of new firms to meet those opportunities and market demands. Self-employment and small business ownership are key contributors to the wealth creation and economic growth for many countries in the world. South Africa is among developing countries where tourism is fundamental to poverty alleviation, creating income and employment. In the current post-apartheid era, tourism is one of the fast growing industries. South Africa's tourism industry had experienced growth with the direct influence of foreign tourists and the extent of tourist expenditure. Despite of international competition from foreign investors and multinational companies, opportunities for entrepreneurs has always and will always exist in different sectors of the tourism industry.

South African government has done a lot to improve tourism environment in the whole country through infrastructure development. South African tourism industry is experiencing a boom in new idea-generation accompanied by the creation of successful enterprises. Untapped opportunities do exist in the tourism business environment, if they can be entrepreneurially oriented (intrapreneurial), small scale and local people can use tourism as a platform to attract additional income to their present business through creation of new ventures. Tourism entrepreneurs have an added advantage in their business environment, they have unlimited choice to operate wherever the opportunities arise, even in a rural or urban area. Tourism contributes to other businesses and functions very well with existing enterprises in an area.

Innovativeness and risk taking can be one of the factors that will sustain the tourism industry which is of a dynamic nature and continuously undergoes change as time passes, the attractiveness of tourist attractions and destinations change over time. Entrepreneurial opportunities arise in this window; in an entrepreneurial perspective both an economic constrain or economic boom is considered a window of opportunity. This means that changes create both constructive and unconstructive effects and entrepreneurs will need to survive these impacts.

2.10 SUMMARY

Tourists are attracted by the uniqueness of our attractions, if we are to create an impression on international guests, we should give precedence to adventure tourism. Regardless of the obvious benefits associated with developing the tourism sector, little progress has been made so far and the government is working hard to encourage entrepreneurs to take the lead. On a global scale, adventure tourism in developing countries has been given much credit, the potential for profitability and growth is large but relatively unexploited. However, adventure tourism development tends to be of benefit to foreign investors at the expense of disadvantaged communities. The landscape and environmental degradation are greatly being seen as increasing at an alarming rate in most developing countries.

The global and nature tourism markets (especially due to uneven and at times exploitative circumstances) are an obstacle to other local destination stakeholders from receiving a fair share of tourism revenues and other benefits. Indeed, it is a very worrying fact that despite all the local community efforts, a high percentage of tourism fees returns to the country of origin in the form of commissions, realised profits and savings. As a result, local communities are far from being enriched by increased tourism traffic. As evident in the Eastern Cape and Western Cape provinces (South Africa) many local communities are impoverished. Sustainable tourism development focuses on maintaining cultural values, access to clean water, clean air and prevention of air pollution and protection of land. Tourism entrepreneurs should strive hard to maintain attention and appeal to their tourism products and services. The next chapter will discuss the concept of Intrapreneurship (corporate entrepreneurship) and the determinants of corporate entrepreneurship (drivers, barriers and constraints to CE).

CHAPTER THREE

THE DETERMINANTS OF CORPORATE ENTREPRENEURSHIP

3.1 INTRODUCTION

The previous chapter described the background of the South African tourism market, the importance of tourism on trade, society and economy. It also examined the role of entrepreneurs and small businesses and their challenges in the tourism market, the role of the government in fostering tourism entrepreneurship and the drivers and barriers to tourism entrepreneurship. This current chapter explains the concept of corporate entrepreneurship, the history of CE, the importance, dimensions, barriers and drivers to corporate entrepreneurship. The chapter presents the applicability of the concept of CE in the small and medium scale enterprises.

In good economic times, dynamic customer need and the edge to remain competitive in a turbulent global market drives innovation. On the other hand, bad economic times are associated with frequent challenges with which innovation can be an answer to alternative solutions. Innovation is essential for a firm seeking to maintain competitiveness in the long term. The traditional belief that the wellbeing of the company is obligatory to the owner and top management has become history, due to competition in the global market and high failure rate of established businesses and employees to feel responsible and become passionate like the owners.

3.2 BACKGROUND OF ENTREPRENEURSHIP

Since the emergence of venture creation, entrepreneurs were seen as owners of small businesses and new venture creators (McFadzean, O'Loughlin and Shaw, 2005:351). As a result of continuous developments in the business environment, entrepreneurs changed from only being owners of a small business to include those individuals within established enterprises and large companies who possesses entrepreneurial skills which they apply to benefit the company. Thornberry (2002:329) states that many firms are increasingly adopting corporate entrepreneurship as a way of eliminating sluggishness and bureaucracy that often is associated with growth of firms.

McFadzean *et al.* (2005:351) suggest that corporate entrepreneurship encourages entrepreneurial behaviour within a business. According to Barringer and Bluedorn 1999 (as cited in McFadzean *et al.*, 2005:351) corporate entrepreneurship uses the fundamentals of management, but adopts a behavioural style that challenges bureaucracy and encourages innovation through the examination of potential new opportunities, implementation, exploitation and commercialisation of new products and services.

Global competition resulting from ever faster growing global economic activity has forced many firms to become lean and agile to survive the market dynamics as suggested by Jack Welch model at General Electric (Thornberry, (2003:330). The model suggests a “lead more and manage less” management principle, whereby leaders inspire with clear vision of how things can be done better and managing is for managers to tell of what to do. The model suggests fewer management layers, increased interdependence on lateral relations and the use of team structures.

Corporate entrepreneurship is rapidly gaining recognition as a weapon of choice for many small, medium and large enterprises. According to Farouk (2011:3), Thornberry (2003:330) corporate entrepreneurship is an attempt to take both mind-set and skill set demonstrated by successful start-up entrepreneurs and inculcate these characteristics into the culture and activities of already established enterprises. The author further states that CE is perceived as a powerful remedy to stimulate established firms in a state of lethargy from their slumber.

Thornberry (2003:330) ascertain that not all firms need to embrace a concept of corporate entrepreneurship. The author suggests that some firms are performing fairly well in a planned, effective and efficient manner. Even though, some firms need a tweak, a concoction of creativity, in particular if they are operating in a dynamic and unstable environment. In order to encourage entrepreneurial activities within an enterprise, a climate and culture that is supportive to these activities must be present. According to (Farouk, 2011:3) the presence of dimensions such as innovativeness, pro-activeness, risk-taking, competitive aggressiveness and autonomy in an enterprise is an indication of an entrepreneurial orientation within a firm. Entrepreneurial behaviour among middle level managers is imperative to drive and effectively implement corporate entrepreneurship within a firm.

3.3 DEFINITION OF TERMS

In order to draw a clear demarcation between entrepreneurship and corporate entrepreneurship and indicate the nature of corporate entrepreneurship, the definitions of an independent entrepreneur are discussed. Furthermore, the constructs that make up CE (entrepreneurship, intrapreneurship and entrepreneurial orientation) are also discussed. In addition, similarities and differences between start-up entrepreneurship and corporate entrepreneurship are examined. Corporate entrepreneurship is broadly defined as entrepreneurship within an existing organisation regardless of its size (Antoncic & Hisrich, 2001, 2003, 2004; Heinonen & Toivonen, 2007:185).

Antoncic and Hisrich (2004:520) believe that corporate entrepreneurship processes refer not only to creation of new business ventures, but also to other innovative activities such as development of new products, services, technologies, administrative techniques, strategies and competitive postures. Furthermore Heinonen and Toivonen (2007:185) support the view that CE is for existing businesses referring to emergent intensions and behaviours that deviate from the customary way of doing business.

3.3.1 Defining the Entrepreneur

Before defining entrepreneurship it is greatly important to ascertain who the entrepreneur is. According to oxford online dictionary an entrepreneur is a person who sets up a business or businesses, taking on financial risks in the hope of profit: many entrepreneurs see potential in this market and capitalise on them. Zimmerer, Scarborough and Wilson (2008); Southiseng and Walsh (2010, 2011) also found that an entrepreneur is one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to capitalize on them.

According to Duygulu (2008) innovators who recognizes and seizes opportunities, converts those opportunities into workable or marketable ideas, adds value through time, effort, money and skills. Innovators also assume the position of entrepreneurs; they take risks associated with competitive marketplace to implement novel ideas and realizes the rewards from these efforts. Southiseng and Walsh (2010:58);

Barringer and Ireland (2008) describe common traits of successful entrepreneurs as follows:

- desire for responsibility, meaning that they prefer to be in control and use their resources to achieve self-determined goals,
- have a passion for the business and belief that the products/services selling in the market could make the world a better place to live in,
- repeatedly focus on inventing products to meet the unfilled needs of customers,
- persist despite failure; meaning that the entrepreneur typically tries to create something new to sustain loyalty and convince potential customers of the firm's future prospects,
- Have execution intelligence by constructing a solid idea into a viable business by developing the business model, putting together a new venture team, raising money, establishing partnerships, managing finances, leading and motivating employees and related tasks,
- have preference for moderate risk - meaning that they are able to calculate and evaluate risks before deciding on realistic and attainable risk levels,
- have confidence in their ability to succeed,
- desire for immediate feedback-meaning that entrepreneurs like to know how they are performing,
- have high levels of energy to launch a start-up company, spending long hours working and sacrificing other interests,
- have future orientation in searching for opportunities and looking ahead;
- have skills at organizing and allocating the right people into the right jobs; and
- Value achievement over money.

Morris *et al.* (2008:147) believes that in reality, entrepreneurs differ notably in terms of their characteristics. The authors went on to acknowledge that entrepreneurs are not only born, but also made; given the room and the resources to peruse their ideas; entrepreneurs can possibly emerge from any business setting. Moreover, entrepreneurs can also be born of the environment which surrounds them which are a result of family, educational, social and work experience developed over time.

3.3.2 Defining Entrepreneurship

To elaborate on the concept and to derive the definition of corporate entrepreneurship, it is imperative to first ascertain the meaning of the term entrepreneurship. For over 200 years now the literature has failed to come up with a precise definition which can fully describes entrepreneurship. A number of scholars have tried to ascertain the definition in line with the attributes and behaviour surrounding novelty which consequently results in a variety of definitions emerging to try and explain entrepreneurship. Mutezo (2005:17) argue that there is no a definite definition that can wholly and precisely define entrepreneurship as it involves a lot of aspects.

Despite of the challenges in defining the concept, Kuratko and Hodgetts (2007:56) derive the definition of entrepreneurship from Muzyka (1995) which argued that entrepreneurship is a process that takes place in diverse business environments, causing changes in the economic system through novel ideas brought about by individuals who respond to economic opportunities that create value for both those individuals and society

In South Africa the term entrepreneurship is closely linked to small and medium enterprises (SMEs) and with small medium and micro enterprises (SMMEs). Even though the definitions of these three aspects differ, they are the basis for the establishment of South Africa`s entrepreneurship activity (Rolfe, Woodward, Ligthelm & Guimaraes, 2011:66). Early entrepreneurship has been traced to Richard Cantillon's work (1734) which was acknowledged as the first to associate entrepreneurship with risk bearing (Murphy *et al.*, 2006).

Furthermore the present-day entrepreneurship research originated from the work of economist Joseph Schumpeter (1883–1950). Schumpeter`s definition of entrepreneurship derives from the 13th century French verb “entreprendre” and the German word “unternehmen”, both means to “undertake” (Santhi & Kumar, 2011: 14). Furthermore, the author went on to reveal that Schumpeter brought about the impact of entrepreneurs as agents of economic growth through creative destruction. Johnson (2001:138) summarised the definition of entrepreneurship in terms of the outcomes of the process whereby the outcome;

- Is a creative act whereby something is built/created that never existed previously,
- Is based upon perceiving and capturing an opportunity that may be buried in the “noise” of the environment,
- Is an opportunity driven outcome rather than resource driven,
- Invariably involves risk taking because of the novelty and differentness that makes it complex to calculate value,
- Results in the creation of value for the individuals, and the society and
- Repeatedly involves creative destruction.

Therefore, in simple terms, entrepreneurship involves analysing the general environment, identifying economic opportunities, generating unique ideas, transforming them into products, and or services and then establishes an enterprise to take the product or service to the market.

3.3.3 Defining corporate entrepreneurship

McGuinness (2008:8) defines entrepreneurial orientation (EO) as the process, practices, and decision making activities that lead to new entry. The author also highlights that EO can be viewed in the context of intrapreneurship, and the end product of the process are strategic renewal and corporate ventures. According to Lumpkin and Dess (1996, 2001, 2003, 2004) there is a distinction between entrepreneurship (defined as new entry) and entrepreneurial orientation (EO) (the processes, practices, and decision-making activities that lead to new entry), and corporate entrepreneurship (refers to where the entire business acts towards creating a new entry) with regard to the content and procedures in the management context. McGuinness (2008:8) posits that the distinction between the three concepts (entrepreneurship, EO and CE) corresponds to the variation between content and process in the strategic management literature. Furthermore, Dess and Lumpkin (2005:147) consider the fact that there is an elementary set of strategy making process (SMP) dimensions that underlies almost all entrepreneurial processes. In simple terms, the SMP dimensions reflects the business processes, methods and styles that the business use to act entrepreneurially.

According to McGuinness (2008:8) the dimensions of entrepreneurial orientation; autonomy, innovativeness, calculated risk taking, proactiveness, and competitive

aggressiveness were developed from the capability framework and were regarded as contextual variables in the capabilities framework. McGuinness believes that these dimensions are shared organisational values and norms that draw attention to behaviours observed in entrepreneurial processes. Miller (1983:770) suggested the first three dimensions of Entrepreneurial Orientation as innovativeness, risk taking and proactiveness. Furthermore, the author defines EO as a firm's strategic orientation of capturing specific entrepreneurial aspects of proactiveness, risk-taking, and innovativeness.

With regard to the dimensions of EO, Morris *et al.* (2008:54), Zampetakis, Vekini and Moustakis (2011:899) support the three dimensions and further define entrepreneurially oriented firm as an enterprise that engages in product marketing innovation, which undertakes risky ventures by taking a certain level of calculated risk and is the first to come up with proactive innovations. Furthermore, the dimension rose to five through the works of (Dess & Lumpkin 2005:146). Dess & Lumpkin further added competitive aggressiveness and autonomy to the EO literature which the author believes saturate the strategy-making practices that businesses use to identify and launch business ventures.

3.4 THE CONCEPT OF CORPORATE ENTREPRENEURSHIP

3.4.1 Entrepreneurial Orientation

McGuinness (2008:8) defines entrepreneurial orientation as the process, practices, and decision making activities that lead to new entry. The author also highlights that EO can be viewed in the context of intrapreneurship, and the end product of the process are; strategic renewal and corporate ventures. According to Lumpkin and Dess (1996, 2001, 2003, 2004) there is a distinction between entrepreneurship (defined as new entry) and entrepreneurial orientation (EO) (the processes, practices, and decision-making activities that lead to new entry), and corporate entrepreneurship (refers to where the entire business acts towards creating a new entry) with regard to the content and procedures in the management context. In support McGuinness (2008:8) sought out that the distinction between the three concepts (entrepreneurship, EO and CE) state that the distinction corresponds to the variation between content and process in the strategic management literature. Furthermore Dess and Lumpkin (2005:147) consider the fact that there is an

elementary set of strategy making process (SMP) dimensions that underlies almost all entrepreneurial processes. In simple terms the SMP dimensions reflects the business processes, methods and styles that the business use to act entrepreneurially.

According to McGuinness (2008: 8) the dimensions of entrepreneurial orientation; autonomy, innovativeness, calculated risk taking, proactiveness, and competitive aggressiveness were developed from the capability framework and were regarded as contextual variables in the capabilities framework. The author believes that these dimensions are shared organisational values and norms that draw attention to behaviours observed in entrepreneurial processes. Miller (1983:770) suggested the first three dimensions of Entrepreneurial orientation as innovativeness, risk taking and proactiveness. Furthermore the author went on to define defines EO as a firm's strategic orientation of capturing specific entrepreneurial aspects of proactiveness, risk-taking, and innovativeness.

With regard to the dimensions of EO, Morris *et al.* (2008:54) and Zampetakis, Vekini and Moustakis (2011:899) support the three dimensions and further define entrepreneurially oriented firm as an enterprise that engages in product marketing innovation, which undertakes risky ventures by taking a certain level of calculated risk and is the first to come up with proactive innovations. Furthermore the dimension rose to five through the works of (Dess & Lumpkin 2005:146). The author added competitive aggressiveness and autonomy to the EO literature which the author believes they saturate the strategy-making practices that businesses use to identify and launch business ventures.

3.4.2 Dimensions of corporate entrepreneurship

Previous research identifies five Dimensions of Corporate Entrepreneurship as pioneered by Miller 1983 and later modified by Lumpkin and Dess (1996). The five dimensions are: Innovativeness, Risk-taking, Proactiveness, Competitive Aggressiveness, and Autonomy. Collectively, these dimensions blend with the decision-making styles and practices of an enterprise and its employees to work together to improve entrepreneurial performance.

3.4.2.1 Autonomy

Autonomy has for long been seen as a fundamental aspect of entrepreneurship, and is traditionally seen in the course of the formation of new and independent business ventures. Nevertheless, in an organizational context, Lassen, Gertsen and Riis (2006:361) establish that autonomy can be understood as the independent actions of an individual or a team in bringing forth an idea and pushing it through to completion. Furthermore, Dess and Lumpkin (2005:432) suggest that autonomy refers to a willingness to act independently in order to carry forward an entrepreneurial vision or opportunity. Lassen *et al.* (2006:361) summarised autonomy as an independent action by an individual or team aimed at bringing forth a business concept or vision and carrying it through to completion.

Moreover, autonomy is an essential dimension of corporate entrepreneurship; it determines the entrepreneurial activity of firms through autonomous entrepreneurial actions. According to worthy (as cited in Van Geenhuizen, Middel and Lassen, 2008:833) the degree of autonomy is in most cases higher in smaller firms. This indicates that the adoption of corporate entrepreneurship in smaller firms is positively influenced and stirred by higher level of autonomy. Lassen *et al.* (2006: 362) suggest that autonomy in every enterprise is encouraged by the management. The author went on to suggest that to encourage autonomy, enterprises should use both “top-down” and “bottom-up” approaches.

According to Lumpkin, Cogliser and Schineider (2009: 49) the top-down approach includes aspects such as management support, creating conducive entrepreneurial environments, giving incentives that foster an entrepreneurship climate and welcoming autonomous decision making by employees. In addition, Lumpkin *et al.* (2009:49) point out that autonomy from the bottom up require special incentives and structural arrangements designed to extend and build support for entrepreneurial initiatives.

Entrepreneurially oriented firms take the lead in creating new ways of operations accompanied by great products because autonomy and independence from management is encouraged. In addition, Van Geenhuizen *et al.* (2008:834) suggest that there is a limit to the level of autonomy for the firm to stay within the confines of the long term strategic plan.

3.4.2.2 Innovativeness

Stopford and Baden-Fuller (1994) observed that the concept of entrepreneurship and the forms of novelty are based on innovations (Van Geenhuizen *et al.*, 2008:832). Consequently, innovativeness becomes the central dimension of corporate entrepreneurship that influences entrepreneurial activity. The dimension of innovativeness can be understood as a willingness to introduce newness and novelty through experimentation and creative processes aimed at developing new products and services, as well as new processes (Dess and Lumpkin, 2005:148).

McFadzean *et al.* (2005: 353) postulate that Innovativeness of an enterprise reflects its propensity to engage in and support new ideas, experimentation, novelty, and creative processes that may result in new products, services, or processes. The importance of dimension of innovativeness was pioneered by Dess and Lumpkin (2005:148) stressed the significance of innovation to entrepreneurship proposing that innovation is the single dimension that amalgamates entrepreneurial activities within firms and it should be employed by all entrepreneurial businesses. Furthermore, Gurbuz and Aykol (2009: 323) argue that, even in the presence of the other dimensions, if innovation is not employed there is no business level entrepreneurship.

Innovativeness becomes the key dimension as it also enhances the company's devotion to process and firms entrepreneurial innovations. As a measure of every firm's products, services and process dynamism, the innovativeness of firms can be seen from the measure of innovative performance. According to Meeus and Oerlemans (2000:46) innovative performance of firms is defined as the contribution of product and process innovations to a firm's economic performance. In simple terms, innovative performance refers to results for companies in terms of the extent to which enterprises actually establish inventions into the market, with regard to the rate at which they introduce of new products, new process systems or new devices.

3.4.2.3 Proactiveness

Stopford and Baden-Fuller (1994) observed that the concept of entrepreneurship and the forms of novelty are based on innovations (Van Geenhuizen *et al.*, 2008:832). Consequently, innovativeness becomes the central dimension of corporate

entrepreneurship that influences entrepreneurial activity. The dimension of innovativeness can be understood as a willingness to introduce newness and novelty through experimentation and creative processes aimed at developing new products and services, as well as new processes (Dess and Lumpkin, 2005:148).

McFadzean *et al.* (2005: 353) postulate that Innovativeness of an enterprise reflects its propensity to engage in and support new ideas, experimentation, novelty, and creative processes that may result in new products, services, or processes. The importance of dimension of innovativeness was pioneered by Dess and Lumpkin (2005:148) stressed the significance of innovation to entrepreneurship proposing that innovation is the single dimension that amalgamates entrepreneurial activities within firms and it should be employed by all entrepreneurial businesses. Furthermore, Gurbuz and Aykol (2009: 323) argue that, even in the presence of the other dimensions, if innovation is not employed there is no business level entrepreneurship.

Innovativeness becomes the key dimension as it also enhances the company's devotion to process and firms entrepreneurial innovations. As a measure of every firm's products, services and process dynamism, the innovativeness of firms will be seen from the measure of innovative performance. According to Meeus and Oerlemans (2000:46) innovative performance of firms is defined as the contribution of product and process innovations to a firm's economic performance. In simple terms, innovative performance refers to results for companies in terms of the extent to which enterprises actually establish inventions into the market, with regard to the rate at which they introduce of new products, new process systems or new devices.

3.4.3.4 Competitive aggressiveness

According to Van Geenhuizen *et al.* (2008:827) the competitive aggressiveness dimension is found to be only indirectly influential dimension that pave way for firms to stay ahead of other firms. The concept stresses the efforts that a firm make to understand what developments are made on shared technologies or part components and utilise them efficiently than competitors. Furthermore, competitive aggressiveness can be conceptualised as a firm's intense effort to out-perform industry rivals (Dess & Lumpkin, 2005:148). Van Geenhuizen *et al.* (2008:827)

further states that it is characterized by a combative posture or an aggressive response aimed at improving position or overcoming a threat in a competitive marketplace.

Aggressiveness will also determine the firm's propensity to enter into new markets and change the current state of the existing markets. Most entrepreneurs who become first movers in the market create conditions that make the market difficult to enter. Consequently, Van Geenhuizen *et al.* (2008:833) suggest that a competitively aggressive firm have a predisposition to directly and strongly challenge its competitors to achieve entry into new markets or improve the present position in an existing market.

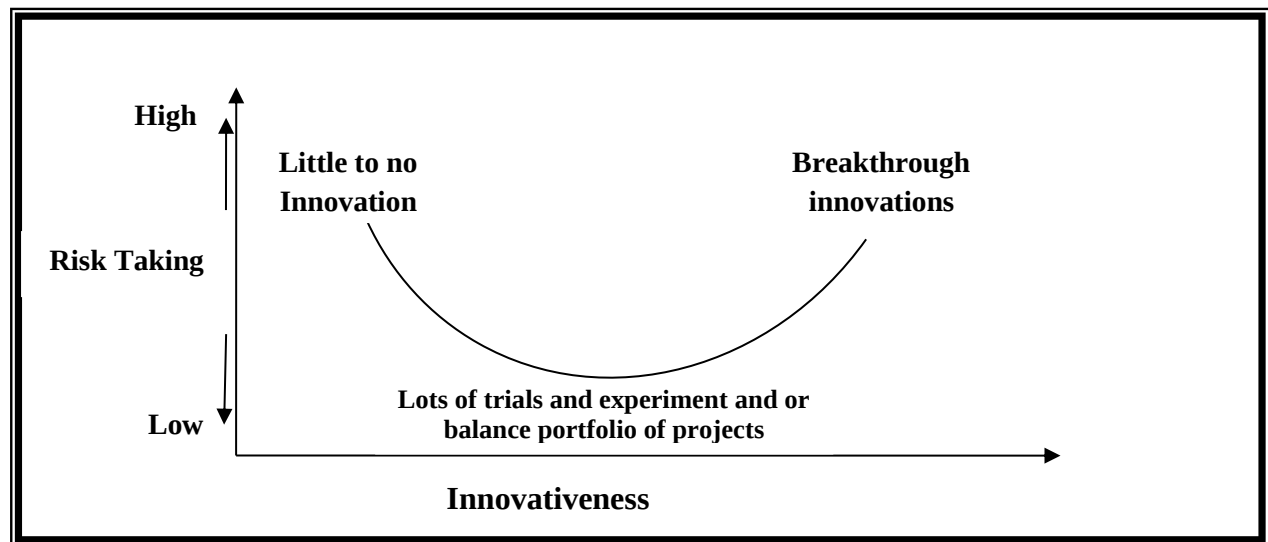
With regard to competitive aggressiveness, Lassen *et al.* (2006: 362) argue that the concept take the form of a strong focus on outperforming existing competitors in the existing markets. Moreover, Lassen *et al.* (2006: 362) also believes that the competitive aggressive dimension is not directly linked to stimulating discontinuous innovation, but rather acts as a driver of discontinuous innovation. This is so because when firms seek to outperform competitors, they seek new ways of doing business by modifying existing business processes, adopting newer technologies and even developing new technologies to boost their competitive positions. In addition to that, Lassen *et al.* (2006:369) highlighted that competitive aggressiveness does not seek to outperform competitors, but the goal is to engage in the creation of new markets, where there are no competitors yet.

3.4.2.5 Risk-taking

Dess and Lumpkin (2005:148) described risk taking as making decisions and taking action without certain knowledge of probable outcomes; some undertakings may also involve making substantial resource commitments in the process of venturing forward. Moreover, the existing literature suggest that corporate entrepreneurs are not necessarily high risk-takers, instead they take calculated risk by trying to define the risk they have to take, make every effort to minimise and manage it as much as possible (Lambing & Kuehl, 2007:19; Timmons & Spinelli, 2009:52 and McBeth & Rimac, 2004:18). As a result they are rather being viewed as risk averse and more opportunity focussed.

With regard to corporate entrepreneurs` risk taking propensity, Morris *et al.* (2008:62) argue that firms that are entrepreneurially oriented cannot do away with risk taking as long as they are greatly inclined to innovation. Morris *et al.* (2008:144) illustrated the complex relationship between risk-taking and innovation as shown in Figure 2.2.

Figure 3.1: Correlation between innovativeness and risk



Adapted from Morris *et al.* (2008:63)

According to Figure 3.1 the relationship between risk and innovativeness is viewed as curvilinear, this denote that if there is little to no innovation, firms risk losing out to competitors because the firm will be sitting on opportunities, outdated processes, products and services as well as higher risk of not perceiving market and technology shifts that are capitalised on by competitors. In this regard, Burns (2008:291) reveals that even though little to no innovation presents a minimal risk in the short term, it does create a high risk in the long term as it tries to cover up on unattended processes of the short-term.

Dess and Lumpkin (2005:147) argue that the five dimensions mentioned above collectively enrich the decision-making process of a business and often work harmoniously together to improve a business's entrepreneurial performance.

The next section elaborates the process of corporate entrepreneurship and its proclivity to seize profits, expand the existing resources leading to new combination

of resources and new ways of doing business. In simple terms, the section defines the forms of corporate entrepreneurship.

3.4.3 Forms of Corporate Entrepreneurship

Corporate entrepreneurship is being embraced in order to promote organisational rejuvenation, economic growth, employment and wealth creation. Oosthuizen (2012:12) believes that a complete corporate entrepreneurial process is as a result of organisational transformation through strategic renewal or the birth of new businesses and ventures within existing organisation. The author further ascertains that the process could result in any one of the types of corporate entrepreneurship, namely:

- **Intrapreneuring:** An attempt to instil the mind-set and behaviours that external entrepreneurs have with employees within organisations.
- **Organisational Transformation:** Involves innovation, a new arrangement or combination of resources that result in the creation of sustainable economic value.
- **Industry Rule-Bending:** A focus on changing the rules of competitive engagement.
- **Corporate Venturing:** Involves starting a business within a business, usually emanating from a core competency or process.

3.4.3.1 Intrapreneuring

According to Oosthuizen (2012:12) Intrapreneuring can be conceptualised as the creation of entrepreneurial new ventures both within and surrounding the firm. The concept entails an enterprise employing the entrepreneurial mind-sets as inherited from external entrepreneurs and instilling such characteristics into the firm's employees. (Burns, 2004:12) postulates that Intrapreneurship is therefore concerned with individual employees and how they might be encouraged to act in an entrepreneurial way within the larger firm. Dell Corporation is the closest insight of the concept, with which its critical core competence is its aptitude to capture an idea, build it into a product and get it to the market quickly in at a low cost (Burns, 2008).

3.4.3.2 Organisational Transformation

This type of entrepreneurship only fits the original Schumpeterian definition (Thornberry, 2001: 528). Thornberry further ascertains that if the transformation involves innovation; the system requires new arrangement or combination of resources, to create a sustainable economic value. Burns (2004:12) proposes that large firms are at a virtue of collapse if in the ever-changing environment and globally competitive market they do not adapt to encourage entrepreneurial activity in individual employees.

3.4.3.3 Industry Rule Bending

According to Oosthuizen (2012:12), Thornberry (2001:529) industry rule-bending is another type of transformation that focuses on changing the rules of competitive engagement. In addition, it takes the form of creating structures and a culture across the firm to support entrepreneurship and innovation and to stimulate employees to take charge of the success of the business.

Oosthuizen (2006:91) believes that corporate entrepreneurship flourishes best where formal channels is altered to encourage employee independence and freedom to make suggestions. Moreover, the author also states that firms which are able to establish common linkage between aspirations of the individual and the firm`s strategic vision have the greatest chance of both surviving and prospering. In support of that name of author states that corporate entrepreneurship is not about business as usual, but rather unusual businesses or unusual approaches to business.

3.4.3.4 Corporate Venturing

According to Thornberry (2001:527) and Oosthuizen (2012:12) corporate venturing is described as building innovation capacity by developing close relationship with small ventures in related sectors. Furthermore, the author extends the definition by saying that corporate venturing involves starting a business within a business, usually emanating from a core competency or process that the business capitalises on. This is critical in the current globally competitive environment where large firms need to focus on core competency whilst at the same time maintaining access to development; which if they do not exploit competitors will take the lead.

In summary, by defining the various forms or types of corporate entrepreneurship, Johnson (2001:139) suggests that it becomes possible to begin to consider the application of entrepreneurship as being applicable and adding value to public and social sectors as well as the commercial world. In order to make the concept of entrepreneurial orientation more feasible, we need to understand the motivating factors or the determinants of corporate entrepreneurship. The following section discusses the Determinants of CE.

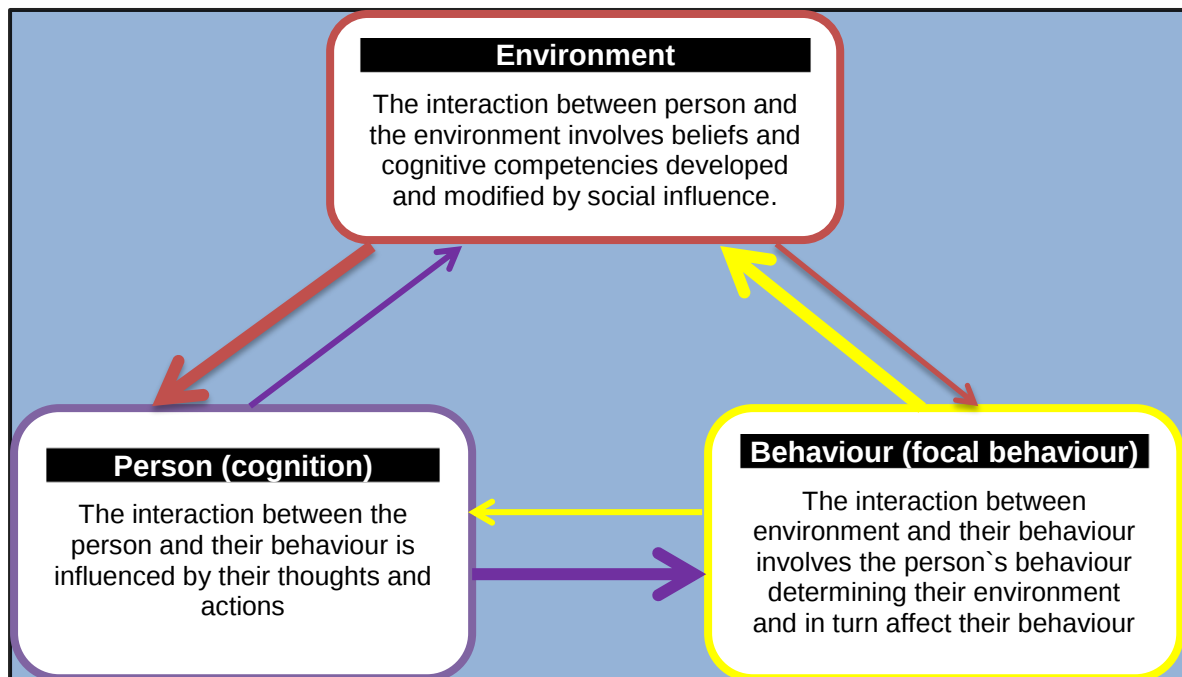
3.4.4 Models of Corporate Entrepreneurship

3.4.4.1 Social Cognitive Theory

Social cognitive theory was pioneered by Bandura (1963) as a social learning theory. The early stages of the social cognitive theory focused on the boundaries of traditional social learning with the ideologies of social modelling, observational learning, and vicarious reinforcement. In 1973 the theory was labelled as social learning analysis (Bandura, 1973:37). The social learning theory was termed social cognitive theory in 1986 as an advanced model of human functioning that accorded cognitive, vicarious, self-regulatory, and self-reflective processes as central roles in the process of human adaptation and change (Bandura, 1986:448).

Bandura (1986:448) argue that social cognitive theory is based on the assumption that information provision alone is not adequate to change behaviour. The author postulates that, an individual's behaviour can only change if the skills to engage in the behaviour are inculcated. Moreover, individuals should be trained to be able to use these skills consistently and under difficult circumstances. Bandura (1989:72) argues that the adoption of values, standards and attributes is governed by a much broader and more dynamic social reality rather than competencies alone. Figure 3.2 illustrate the Social Cognitive Theory.

Figure 3.2: Model of Social Cognitive Theory



Adapted from Bandura (1977; 1986)

The theory postulates that behaviour change is influenced by the interaction between the environment, the person (cognitive capability) and focal behaviour. The interaction between these three aspects requires the interplay of the five components namely; Observational (vicarious) learning, Reproduction, Self-efficacy, Emotional coping and Self-regulatory capability (Wood & Bandura 1989:364).

- **Observational (vicarious) learning:** Bandura suggests that learning is expedited when individuals are active enough to be able to observe behaviours of other members in the environment who possess same qualities as them.
- **Reproduction:** individuals are able to reproduce from their acquired knowledge and skills into practice if they are provided the support and available means.
- **Self-efficacy:** individual capacity and competencies govern the extent to which they reflect upon their own accomplishments and failures. Self-efficacy can be achieved once the learner recognises his or her ability to perform accordingly.
- **Emotional coping:** can be achieved when an individual applies strategies or tactics that correspond to emotional inducements. Emotional coping include, for example the use of training as a problem solving technique and or stress

management technique. Coping mechanisms are more often adopted in a tempting environment that is favourable to self-efficacy and observational learning.

- **Self-regulatory capability:** the person's ability to manage (control) his or her behaviour, actions and responses when confronted with tempting internal and external environments is referred to as self-regulation.

Goldsby *et al.* (2006) instituted the theory in the corporate entrepreneurial setting postulating that entrepreneurial behaviour stimulation is a process governed by the business environment. The social cognitive theory analyses the impact of the environment on human development while also placing responsibility on the individual to grow from within. Goldsby *et al.* (2006) support the view that a social cognitive view of corporate entrepreneurship provides that each person can transform and act entrepreneurially given the resources and support to develop his or her abilities.

3.4.4.2 An integrative model of corporate entrepreneurial behaviour

An integrative model of corporate entrepreneurship is built on the factors surrounding the process of entrepreneurial behaviour development. Belousova, Gailly, and Basso (2009:3) define entrepreneurial behaviour generally as the discovery, evaluation, and exploitation of entrepreneurial opportunities. The model specifies that the four-category integrative model might be used for a systematic analysis of corporate entrepreneurial practices. The definitions of the four categories of the integrative model are presented in Table 3.1.

Table 3.1: The Integrative Model of Corporate Entrepreneurship

Category	Definition
Discovery	Recognition of an opportunity based on accumulation of previous knowledge and ability of an entrepreneur to see the new mean-ends relationships or new value in existing combinations of elements
Evaluation	Assessment of feasibility of the idea and its development into a valuable project. Might include assessing strategic, market, and financial variables such as risk, expected demand, industry profits,

	technology cycles, competition density, and the availability of population learning to conclude about the profitability of the future business
Enrolment / legitimization	The process of gathering evidence and support, communicating of the idea and its potential, translating it for organizational members, enrolling them to commit for the project, providing legitimization of the project and helping novel ideas be accepted as valuable innovations
Exploitation	Different action modes directed towards resource accumulation, orchestrating organizational arrangements, marketing communication and product development

Adapted from Belousova *et al.* (2009:12)

In addition, Kanter (2004:152) articulates that the art of discovery can be influenced by the supporting factors in the business environment. In support, Zott and Huy (2007) define discovery as creating, articulating vision and engage in innovation-related activities, involved with other departments to scan the environment and use knowledge to generate novel ideas.

The art of evaluation is determined by the extent to which employees are entrepreneurially oriented (Howell & Boies, 2004). Moreover, it focuses on structuring ideas and turning a new idea into a project. Finally, Shane and Venkataraman (2000) submit that exploitation of entrepreneurial opportunities can be triggered by a supportive environment, time and resources. Belousova *et al.* (2009:13) summerised explotation as gathering and controlling resources, orchestrating organizational arrangements, product development and market making.

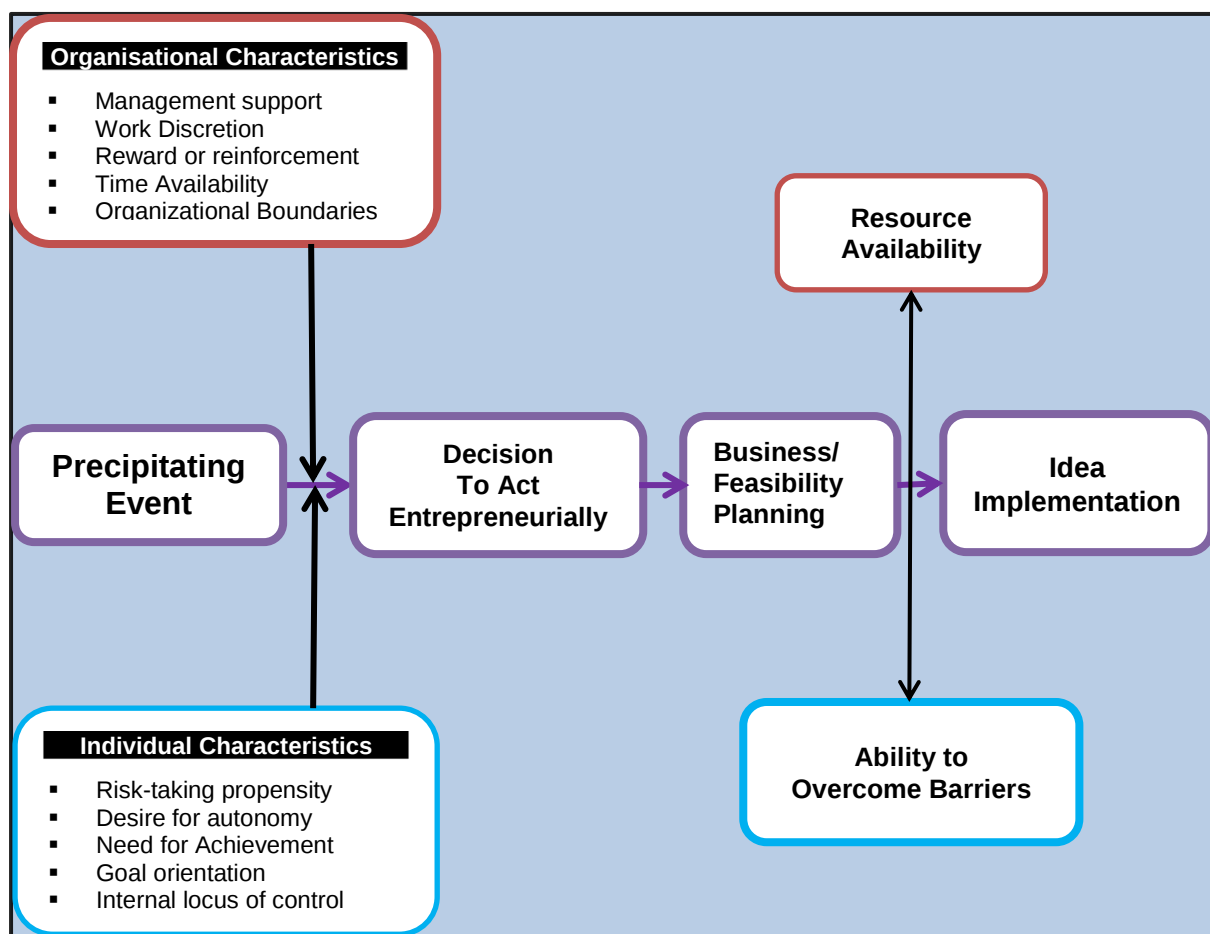
3.4.4.3 An Interactive Model of Corporate Entrepreneurship

An Interactive Model of the Corporate Entrepreneurship Process ascertains the interactive nature of the process rather than the entrepreneur. Hornsby, Kuratko, Naffziger and Montagno (1993:36) argue that Intrapreneurship is multidimensional and relies on the successful interaction of several activities rather than events occurring in isolation.

The model is based on the process of intrapreneurship; it focuses on the interaction between individual entrepreneurship capabilities and organizational environmental factors that foster entrepreneurship (Hornsby *et al.* (1993:31). The model further suggest that investment in assessment of individual`s entrepreneurial characteristics assist the decision makers about decision to improve employee`s entrepreneurial drive.

Hornsby *et al.* (1993:33) state that the interaction between organisational and individual characteristics are triggered by an individual's decision to act entrepreneurially, an objective feasibility check of the decision, availability of resources and the ability to overcome barriers to intrapreneurship. Figure 3.3 presents the conceptual model of an Interactive Model of Corporate Entrepreneurship.

Figure 3.3: An Interactive Model of Corporate Entrepreneurship



Adapted from Hornsby *et al.* (1993:31)

The model suggests that individual entrepreneurship characteristics are an important driver of intrapreneurship. Knowing individual's entrepreneurial characteristics allows decision makers to use individuals who are more entrepreneurially oriented to train others or to be targets for intrapreneurial opportunities. Finally, the assessment of entrepreneurial characteristics enables the decision makers to make a distinction between entrepreneurs, managers and general population. The model identified five entrepreneurship characteristics namely; risk-taking propensity, desire for autonomy, need for achievement, goal orientation and internal locus of control.

According to Hornsby *et al.* (1993:30) organisational environmental factors motivate employees to act entrepreneurially. The author further stress that reward system and reinforcement have the greatest impact on intrapreneurship behaviour stimulation. The model further state that work discretion and availability of time speeds up the entrepreneurial process. Hisrich and Peters (1986) (cited in Hornsby *et al.*, 1993:31) point out that management support relates to the willingness of managers to facilitate entrepreneurial projects. Finally, flat structure or organisational boundaries facilitate corporate entrepreneurship.

The model further suggests that the implementation of an intrapreneurial idea is greatly influenced by resources availability. Precipitating events supports the entrepreneurial process, these are: decision to act entrepreneurial, business feasibility analysis and planning, the ability to overcome barriers and finally resulting in idea implementation.

3.5 Determinants of Corporate Entrepreneurship

Almost all entrepreneurially oriented firms have processes and practices that merge with their organisational culture to champion intrapreneurship. In order to identify and exploit opportunities, management focus much on climate-setting practices that set the right spirit for innovation. Due to the practicality of corporate entrepreneurship process, management should orchestrate the processes of seeking and realising opportunities to grow the business and it should get top management involved directly and or indirectly. Ramachandran, Devaranjan and Ray (2006:91), (McGrath & MacMillan, 2000) stress that there should always be a process of managing failures in order to set the standard for future commitment to such initiatives. Therefore the following determinants of entrepreneurial climate were identified.

3.5.4.1 Management Support for Intrapreneurship

Management support is a measure of passion commitment and effort to create conducive environment that facilitate and promote entrepreneurial activity in an established enterprise. In support, Bhardwaj, Agrawal and Momaya (2007:134) ascertain that this support can take on many forms, including championing innovative ideas, providing necessary resources or expertise, and institutionalising the entrepreneurial activity within the organisation's system and processes. Previous research reveal that managers of all established firms regardless of the size should understand their influence towards intrapreneurship and regard it as a priority to create a suitable climate for intrapreneurship (Bulut & Alpkan, 2006:64-65; Zahra, 2005:8).

According to Antoncic and Hisrich (2003:526) management support in corporate entrepreneurship can be enhanced by the following:

- Management involvement as well as top management encouragement and rewarding of venture activities.
- Firm level support in terms of training and trusting individuals within the organisation to detect opportunities to positively influence an enterprise's entrepreneurial behaviour.
- Firm level support in terms of funding brighter minds
- Training and rewarding of employees, and
- Establishing procedures for dealing with new ideas to foster creativity and innovation
- Management's proclivity for recognition and publicity to improve group efforts
- Management's propensity to provides direct access and guidance to executive management in terms of support for entrepreneurial behaviour
- Encouragement of the use of value proposition as a firm's common language or motto across all the departments and divisions.

Management's role is not only to direct employees to do their work as described on the job description, their competencies should be evaluated from the new things added to the business processes, the change they initiated and the long term sustainability they established. Hornsby, Kuratko and Zahra (2002: 259) suggest that it is the responsibility of the management to set the atmosphere for

entrepreneurship; by providing expertise and educating employees. Therefore, beside shaping of managerial processes and resource deployment, managers should provide the essential resources and expertise, championing novel ideas and institutionalising entrepreneurship within the firm's structures.

3.5.4.2 Entrepreneurial leadership (Visionary leadership)

Entrepreneurial leadership is the ability of the management to set the organisation's vision as well as creating space, systems, procedures and culture that gives employees at all levels freedom to take responsibility of initiatives. Dess and Lumpkin, (2005:153) believe that large firms fail to implement corporate entrepreneurship because of the presence of a hostile environment for creative ideas. The authors also state that stringent financial control systems and a complex web of formalities frequently defeat innovative proposals, and hence, suppress entrepreneurial leadership. Entrepreneurial leadership is a strong influential factor on the resourceful search for ideas for discontinuous innovation (Van Geenhuizen *et al.* 2008:836).

This factor creates a frame of innovation and creativity in the firm. Dess & Lumpkin (2005:153) view entrepreneurial leadership as expressed through self-management by the individuals, the top-management, and the dynamics of self-organization at group-level. Entrepreneurial management is more prominent in the founder-driven firms, but it had gained much recognition in non-entrepreneurial establishment as it is also being used to foster the entrepreneurial posture within a larger firms. Consequently the existence of entrepreneurship in large firms calls for entrepreneurial leaders to possess individual characteristics such as vision, risk taking, decision making, problem solving and strategic initiatives (Van Geenhuizen *et al.* 2008:836).

3.5.4.3 Resource availability

According to Hornsby *et al.* (2002:260) suggests that employees must believe that they have the resources for entrepreneurial activities. Resource constraints are a major setback to corporate entrepreneurial activities. Teng (2007:122) reveals that a resource gap reduces the employee's proclivity to innovate as innovative projects depend much on resources and time. Furthermore, Teng (2007) suggests that firms must not be limited by resource constraint. Firms which are competitively aggressive

and risk taking usually pursue innovation precisely because its action is not limited by its current resources but the edge for novelty.

Resource availability is an important driver of innovation (Antoncic & Hisrich, 2004:526). The authors ascertain that entrepreneurial activities of established firms are determined by resource commitment for the purpose of innovative results and most managers agree that the term entrepreneur refers to entrepreneurial activities that receive organisational sanction and resource commitments.

3.5.4.4 Encouragement of new ideas

An increase in demand is heightened by changes in the turbulent economic environments. Successful firms are the ones that keep pace with those changes and they continually have to innovate to remain competitive and maintain the organisation's wellbeing. According to Van Wyk & Adonisi (2008:392) corporate level entrepreneurship is closely linked to the market orientation and flexibility of an enterprise. Customers away perceive high value and their perceptions always keep on changing, this means that business processes must be continuously altered to provide up to date goods and or services.

Christensen (2006:1161) define an organisation's market orientation as the firm's implementation of the marketing concept through its intelligence generation, dissemination and responsiveness with up to date technologies. Similarly, Van Wyk and Adonis (2008:392) state that effective creation of superior value for buyers and continuous superior performance of the business is its ability to generate new ideas, championing them to become implementable innovative solutions.

3.5.4.5 Championship / Sponsors for projects

Championship take different forms, sponsorship may be in form of staff in the existing firm who can be either line staff or executives. They are referred to as corporate sponsors, who bring credibility and influence to new ventures (Garvin & Levesque, 2006:109). Corporate sponsorship is specifically the granting of authority and independence to employees to build on their novel ideas. It can be the help the management give to employees in different sections to interact so that they can help each other to build their innovations (Van Wyk & Adonis, 2008:392).

Garvin and Levesque (2006:109) described operating sponsors as aides drawn from particular businesses, divisions, or groups to contribute organisational knowledge and strengthen confidence to foster acceptance of the innovative solutions. Such sponsorship helps overcome the problem of long periods before the idea becomes ready for commercialisation. For the purpose of this study, sponsorship is likened to availability of supportive staff to pursue new projects. Thus the firm has set aside a fund for research and development. A research fund is a powerful tool to encourage entrepreneurial employees to be engulfed in new projects.

3.5.4.6 Tolerance for risks

In most cases, management take stern measure when employees fail in their initiatives. Intrapreneurial spirit can only be sustained if the internal business environment allows for new mistakes to be made. According to Timmons and Spinelli (2009:122) management of firms should make it known that mistakes will be tolerated within the organisation in the quest for creativity and improved service delivery. In an entrepreneurially oriented firm, there's no faster way to stop employee initiative due to mistakes because they repeatedly run into unforeseeable barriers and to punish employees who makes honest mistakes when they try something new in not objective.

Tian and Wang (2010: 647) suggest that there should be no penalties for failure, unless they are out of ignorance or are unnecessarily repeated. As long as they do their homework, use sound business reasoning and try to benefit the organisation, employees shouldn't be penalised for taking risks on new things, they should be supported and highly commended (Cohen, 2004:3).

Mistakes are to be expected and therefore should be beneficially exploited (Dawes, 2007:20). The author further stipulates that turning mistakes into positives is a reactive process and would involve analysing the mistakes for commonalities and then designing an appropriate future response or behaviour. A study conducted by Tian and Wang (2010: 641) found that firms with a more mistake and failure-tolerant culture are considerably more innovative. In addition, Tian and Wang believes that the failure tolerance effect is constant and vigorous to controlling for other firm characteristics. Consequently the failure tolerance effect on firm innovation is stronger in industries in which innovation is more difficult to achieve (Tian and

Wang, 2010:642). For the purpose of this study, the variable tolerance of mistakes and failure includes whether the management of the firm value the administration of projects that are unpredictable.

3.5.4.8 Vision and strategic intent

The 21st century is characterised by radical changes in technology, globalization, and industry boundaries (Teng, 2007:119). Consequently, successful enterprises have been more flexible in adjusting their capacity to innovate faster than their close competitors. Cohen (2004:2) states that vision and strategic intent is an important variable that can initiate strategic renewal by creation of new wealth through new combinations of resources. Similarly, Ginsberg's view of strategic renewal (cited in Teng, 2007:119) postulate that firms should fully utilise their capacity; essentially, this capacity is about identifying new ways of doing business, developing new technologies and products, and entering new markets in a totally new form.

Cohen (2004:2) maintains that vision and strategic intent is determined by the strategic competencies of the management. Consequently, the author provide that creating an organisation of entrepreneurial leaders at every level takes a focused, concerted, and long-term effort to shape the organisation's structures and processes necessary to integrate entrepreneurship and the firm's vision. In order to maintain vision and strategic intent with the pursuit for intrapreneurship, employees must be fully informed of new vision that stresses the importance of innovation to the success of the company (Gaw & Liu, 2004:5).

3.5.4.9 Resource accessibility

Many large firms possess the resources necessary to spearhead corporate entrepreneurship, but corporate entrepreneurship in these institutions fail due to the fact that management is more conservative. Hornsby *et al.* (2002:253) stress that resource accessibility should not only be about empowering managers, but also making sure that funds are used in a responsible manner to establish innovative solutions.

The variable resource accessibility supports the variable resource availability. If resources are in abundance but not accessible, corporate entrepreneurship will not take off. Furthermore, Santora (2007:83) links the accessibility of adequate

resources to the loyalty of employees. The author states that entrepreneurial employees who are more open to new experiences expect resources to be readily available, otherwise their commitment and support will decline.

3.5.4.10 Work Discretion and Discretionary Time

According to Hornsby *et al.* (2002:51) decision making, judgment, abilities and autonomy in work method are the measures of work discretion. Bhardwaj *et al.* (2007:136) submit that discretionary work and time refers to whether the internal environment of the firm allow innovative employees an extra time to work on innovative and creative ideas and work discretion can be seen as the degree of autonomy that is given to pursuing entrepreneurial efforts at work. Hornsby *et al.* (2002:51) propose that employees should receive enough support and guidance from management. It is not wise to always allow employees to pursue their agendas before evaluating the value attached. This is because discretionary time might not always be effective as excessive freedom might result in the duplication of effort and waste of resources on projects with questionable feasibility.

3.5.4.11 Innovativeness and Creativity

Innovation can be defined as finding new and better ways of doing things (Van Aardt Van Aardt, Bezuidenhout & Mumba, 2008:13). Innovation in the business setting can take form of improvements in technology, production methodology (product and process changes), approaches to marketing, concepts of scope and forms of distribution. The most common types of innovation that result in an increase in competitiveness as suggested by Van Aardt *et al.* (2008:13) are as follows:

- Developing new products for existing markets: this is characterised by product development through large scale research and development expenditure.
- Market development: developing new markets for existing products or new products and exploiting new geographical markets with existing and new products.
- Product Development: Developing new products for new markets, the products could either be related to present products or a totally different range.

- Developing existing products for existing markets: this refers to changes effected to existing products without changing the product itself such as changes in the packaging or distribution of a product.

According to Jordaan (2008:52) innovation and creativity requires managers to “think-out-of-the-box”, meaning that they be quick to institutionalise initiatives made by employees to motivate them. In terms of implementation, management must always ascertain that there are a considerable number of employees that are involved in generating and implementing innovative ideas. Jordaan (2008:52) suggest that employees must be encouraged by ensuring that they receive effective training with regard to the implementation of innovative ideas. McFadzean (2005:353) highlighted that a number of process models have been developed in the literature suggesting that innovation consists of a variety of different phases. These include; idea generation, research design and development, prototype production, manufacturing, marketing and sales.

3.5.4.12 Appropriate rewards and reinforcement

Inappropriate rewarding system will cause employee to become disloyal and dormant (McBeth & Rimal, 2004:21). The authors argue that one cannot expect creativity and innovation while measuring and rewarding the opposite. This means that motivation is the key to entrepreneurial behaviour. According to Hellriegel, Jackson and Slocum (2005:380) employee commitment and loyalty is explained in the reinforcement theory which states that behaviour is a function of its consequences. The reinforcement theory also state that positive consequences are referred to as reward, and negative consequences are referred to as punishment.

The basic principle of reinforcement state that behaviour followed by pleasant consequences is more likely to be repeated and that the behaviour followed by unpleasant consequences is less likely to be repeated (Hellriegel *et al.*, 2005:380). Kuratko and Hodgetts (2001:63) state that rewards and reinforcement can include more than just money - wages, salaries, and bonuses. It also includes intrinsic or psychic compensation, such as status, independence and power. Cummings and Worley (2008:394-395) suggest the following factors as the basis for appropriate rewarding and reinforcement as suggested by the expectancy theory:

- Availability: For rewards to reinforce a desired performance, they must be not desired but also available.
- Timeliness: Like effective performance feedback, rewards should be in a timely manner.
- Performance contingency: Rewards should be closely linked with particular performances. If the goal is met, the reward is given; if the target is missed, the reward is reduced or not given.
- Durability: Some rewards lasts longer than other. Intrinsic rewards, such as increased autonomy and pride in workmanship, tend to last than extrinsic rewards.
- Equity: Satisfaction and motivation can be improved when employees believe that the pay policies of the organisation are equitable or fair.
- Visibility: To leverage a reward system, it must be visible. Organisation members must be able to see who is getting the rewards so that they copy the behaviour.

According to Hellriegel *et al.* (2005:382) consequences of reinforcement include; working longer hours, meeting a deadline that seemed impossible, and helping a colleague when it wasn't required.

3.5.4.13 Strong customer orientation

According to Cohen (2004:3) employees who are exposed to different functional areas, geographies, products and lines of business are also exposed to a wide variety of perspectives and experiences, which makes them far more likely to be innovative compared to those who concentrate on their single careers on one spot. In addition, Cummings and Worley (2008: 538) explain that organisational learning can be described as the ways organisations build, supplement and organise knowledge and routines around their activities and within their cultures, and adapt and develop organisational efficiency by improving the use of broad skills of their workforce.

Cohen (2004:3) points out that broad assignments and education encouraging initiative and experimentation will improve performance. Cummings and Worley (2008:538) view the phenomenon of organisational learning as an organisational structure or social process that enables employees and teams to learn and to share knowledge among other organisational members. The nature of corporate

entrepreneurship requires individuals who constantly improve and develop themselves (Nicholson-Herbert, Mkhize & Schroder & 2004:44). Consequently, employees become committed, loyal and more innovative focused. Furthermore employee retention is higher where employees are loyal to the firm.

3.5.4.14 Continuous learning and cross-functional learning

According to Cohen (2004:3) employees who are exposed to different functional areas, geographies, products and lines of business are also exposed to a wide variety perspectives and experiences, which makes them far more likely to be innovative compared to those who concentrate on their single careers on one spot. In addition Cummings and Worley (2008: 538) provides that organisational learning can be described as the ways organisations build, supplement and organise knowledge and routines around their activities and within their cultures, and adapt and develop organisational efficiency by improving the use of broad skills of their workforce.

Cohen (2004:3) points out that broad assignments and education encouraging initiative and experimentation will improve performance. Moreover, Cummings and Worley (2008:538) view the phenomenon of organisational learning as an organisational structure or social process that enables employees and teams to learn and to share knowledge among other organisational members. The nature of corporate entrepreneurship requires individuals who constantly improve and develop themselves (Nicholson-Herbert, Mkhize & Schroder & 2004:44). Consequently employees become committed, loyal and more innovative focused. Furthermore employee retention is higher where employees are loyal to the firm.

3.5.4.15 Workplace autonomy and freedom

Workplace autonomy and freedom is another most important factor that motivates employees to effectively innovate. According to (Scheepers, Hough and Bloom, 2008:55) workplace autonomy and freedom is defined as the degree to which employees are empowered and function autonomously in their jobs. Goosen (2002:40) views workplace autonomy and freedom as a reward in form of intrapreneurial freedom, where employees are provided with access to resources and free time to develop new ideas. Scheepers *et al.* (2008:55) further suggest that allowance and encouragement of employee risk taking requires more than the

delegation of autonomy, mutual trust and commitment depend heavily on the emotional attachment of the entrepreneurs to their firm. Hornsby *et al.* (2002:30) postulates that in every entrepreneurial work environments, employees must be given enough space to make decisions about their work process and must not be condemned for failures during the innovation process.

3.5.4.16 Supportive organisational structure

Another important factor is supportive organisational structure. It is viewed as a way of providing formal channels by which ideas are submitted, evaluated, and implemented (Hornsby *et al.* 2002:29). The authors further suggest that the structure which includes decentralisation of decision-making authority, minimal hierarchical levels or structural layers, free-flowing communications channels, and closely integrated research and development, manufacturing, and marketing functions, among different functional areas is more supportive to entrepreneurial activities.

3.5.4.17 Flat organisational structure

Hierarchical control determines the speed at which decisions are made within an enterprise (Jordaan, 2008:60). This means that speed increase the level of confidence to employees, hence higher degree of innovation. In addition, Cohen (2004:3) suggests that if the firm reduces hierarchy, have flatter organisational structure, and reduce segmentation of units within its structure, increasing employee initiative can be heightened. Furthermore, Jordaan (2008:60) proposes that the corporate entrepreneurial activities partake where degree of hierarchical control is relatively low and ultimately employees determine their key performance areas in co-operation with their supervisors.

3.5.4.18 Multi-disciplined teamwork and diversity

According to Jordaan (2008:57) the construct of multi-disciplined teamwork and diversity teams is crucial to encourage idea sharing, constructive feedback and constructive criticism. Furthermore, Kreitner and Kinicki (2004:455) believe that effective teamwork can be achieved through cooperation, trust and cohesiveness among team members. Jordaan (2008: 57) submits that entrepreneurship involvement is best where cross functional teams is used effectively and

employees should have a choice in selecting team members and whether cross functional teams are characterised by diversity based on their skills.

3.5.5 Barriers to Corporate Entrepreneurship

For firms to be more entrepreneurial and become prosperous and successful, managers are encouraged to understand the general and idiosyncratic barriers to these entrepreneurially oriented firms (Salarzahi & Forouharfar, 2011:490). The main way for understanding these barriers is to know firstly those important factors that positively impact intrapreneurship and then understand the obstacles on the way of these driving factors of intrapreneurship. Faced with globalisation trends and dynamic consumer needs and wants, it is necessary that firms need to seek out new business ideas and opportunities and implement these in the most innovative and cost effective way to improve profitability (Hill, 2003: 23).

3.5.5.1 Unbalanced Information

Unbalance information is referred to as an enterprise's knowledge and awareness of new opportunities along the lines of that firm's current activity. Unbalanced information, high perceived costs of innovation, and scarce resources are the most significant factors that hinder corporate entrepreneurship (Becker & Knudsen 2004:9). Of these factors, the authors believe that an unbalanced field of information is the most important and elementary barrier to corporate entrepreneurship. Managers usually become more sceptical about innovation initiatives by employees because they will be less informed of the process, requirements and the benefits of the innovation. On the other hand, employees retaliate due to the fact that they might not be exposed to information relating to finance, and authority levels.

3.5.5.2 Resistance to change

Leaders who view change as a threat to their routine work, discourages innovation. Moreover, failure to accept innovation as a constructive aspect leads to non-risk taking behaviour. According to Hornsby *et al.* (2002) resistance to change significantly represents the largest threat to successful entrepreneurial orientation and organisational transformation. Hill (2003:25) reveals that change is resisted due to the fear of the uncertain future and the fear to degrade or risk personal status and

respect. This means that innovation could pressure existing power structures and relations with regard to the implementation of the newer innovations.

Arslan and Cevher (2009:79) presume that individuals frequently resist change due to the fact that they have already invested ample time and effort in mastering certain job, and fear that their asset will be wasted. In addition, Cummings and Worley (2008: 166) add by stating that change especially by the management can generate deep resistance to the extent of making it impossible to implement firm level improvements.

3.5.5.3 The inherent nature of large organisations

The nature of the firm starts from the firm size, organisational structure and strategic orientation. According to Morris and Kuratko (2002:174) the more hierarchical levels the firm's organisational structure has, the more top-down management is created as well as restrictive channels of communication. The authors further state that structures result in impersonal relationship between management and staff. This means that as long as the organisational structure have multiple layers of management, too many levels of approval will be required between the innovator and the person who authorises the use of resources. This delays innovation and ultimately discourages innovators. Cohen (2004:3) also provides that too many authority levels cause inflexibility, which negatively impact commitment to innovation and the implementation of change at all levels of the organisation. Therefore the authors concluded that corporate entrepreneurship is more effective in a flat organisational structure.

The size of the firm also constitutes management complexities, hence stringent policies. Consequently huge and bureaucratic firms have trouble being intrapreneurial due to the fact that managers are required to structure the organisation in order to make it controllable.

According to Hisrich and Peters (as cited in Smith, (2008:213) the guiding principles in a traditional corporate culture are to:

follow the instructions given; do not make any mistakes; do not fail; do not take the initiative but wait for instructions; stay within your turf; and protect your backside. This restrictive environment is of course not

conducive to creativity, flexibility, independence, and risk taking - the jargon of intrapreneurs.

In addition, Kirby (2003:302) proposes that large organisations often see enterprising individuals as loners (not team players), eccentrics, interested in pet projects, cynics, rebels, free spirits, responsible for sloppy work.

3.5.5.4 Leadership, Strategic orientation and lack of entrepreneurial latent

The innovative behaviour of firm employees is greatly affected by failure to recognise employees as capable of being innovative. Failure to leverage employee potential through proper motivation strategies may disregard innovativeness. Hill (2003:23) suggests four reasons that explain why large organisations have trouble becoming and staying intrapreneurial. Hill also explain the why large organisations fail to regain a level of intrapreneurship once it is lost. Of these factors, the Hill suggests that lack of entrepreneurial latent becomes the bedrock to breaking formal structures to relate to corporate entrepreneurial environments. Hill (2003:26) notes that large firms lack intrapreneurial drive as compare to small and medium firms; as a result, Hill provide that few entrepreneurs in large organisations, are not attracted to large organisations, but prefer the riskier life of small ventures. Creating conducive environment that will allow expression of ideas and proper interaction leads to autonomous creativity.

3.5.5.5 Inappropriate compensation methods

Inappropriate reward systems are viewed as a principal factor that discourages employees to innovate especially to entrepreneurially focused employees. Moreover, it destroys employee's willingness to assume the risks associated with corporate entrepreneurial activity. Fry (1993: 377) states that even though monetary rewards may not be especially important to entrepreneurial individuals, some mechanism of rewarding innovation must be evident if innovation is to continue. Krause (2004) assumes that the traditional method of rewarding performers is to promote them to managerial positions. Krause concluded by asserting that individual's innovation efforts are hindered by the absence of verbal support and recognition of innovative efforts.

3.6 SUMMARY

Firm level entrepreneurship within established firms has been researched for a few decades now, and the significance of entrepreneurial behaviour for sustainable development of every firm is dependent on the firm's management and employees. The concept of entrepreneurship in general has received much recognition to the extent of being adopted in non-entrepreneurial and entrepreneurial ventures as well. Moreover, the concept has triggered the growth of in-depth research among scholars and has helped much to transform the schools of thought.

Entrepreneurs have become leaders of the moment with every new initiative giving credit to them. Entrepreneurs see the possible in the mist of impossible. They develop state of the art initiatives from the opportunity where others see chaos. They take a calculated risk to make an idea work. Entrepreneurs are also viewed as non-limited individuals who act as analysers, developers, enablers and catalyst to makes things work during times when others wait for things to happen. A significant number of different definitions have been suggested for entrepreneurship and corporate entrepreneurship for over three decades now. Fortunately the definitions might be countless but the diamond hook that links these definitions together is doing thing in a different way to achieve diverse and a more thriving result.

There exist a variety of opinions regarding the particular mechanism through which entrepreneurship influence economic variables to measure its influence to economies worldwide. Even though there is no a definite measure of its importance, entrepreneurship has been unanimously accepted globally through its indirect influence towards the determinants of national economy. A comprehensive analysis of the definition and dimensions of corporate entrepreneurship will ultimately reveal the distinguishing elements of the concept thereby generate confidence from other initiatives such as product diversification, organisational learning or even simply effective management.

Furthermore, a significant number of researchers conducted and impact assessment of the concept of entrepreneurial orientation in order to assist in clarifying the tangible importance of the concept (Oosthuizen, 2012; Dess & Lumpkin, 2005; Van Geenhuizen *et al.*, 2008). The concept of entrepreneurship fits perfectly with other concepts of management if not sceptically viewed as a threat. Nevertheless, the

concept can also be separated from the key principles of management in order to stand alone as an independent and important concept. In this case the management will be able to give it a more focused attention to yield desired outcomes.

Finally, the concept of intrapreneurship has been found to be useful but it cannot stand alone without the supporting environment to make it successful. Despite the supporting factors, limiting factors are also evident in destroying practicability of the concept. For every firm to effectively become entrepreneurially oriented, an analysis of the environment is important to unveil the driving forces to entrepreneurship and work of improving them. Barriers to entrepreneurship must be identified and alternative action must be implemented in order to avoid the negative impacts of these barriers in the business environment.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 INTRODUCTION

Chapters two and three provided the review of literature on the determinants of corporate entrepreneurship and the tourism environment. The present chapter provides an insight into the methodology used to carry out the empirical study and the methods implemented in gathering of data for the empirical aspects of this study. These include the purpose of the research, scope of the study, sample selection method, data collection method and data analysis method. Subsequently, the method of data collection and questionnaire design is described in detail. The last part of the chapter looked at data processing, analysis and evaluation of the research results. The section also examined the different statistical tests used to analyse the gathered data, the reliability, and the validity of the results as well as the limitations in the collection of data.

Literally, research methodology is greatly concerned with how we come to know the reality and the actual trends in the research field (Tustin, Ighthelm, Martins & Van Wyk, 2005: 728). According to Cooper and Schindler (2006:654) research methodology refers to the methods and principles used in the research approach in which data is gathered for a research project. The term "methodology" is also closely related to the term "epistemology", which comes from the Greek word "episteme", which means knowledge and also constitutes the philosophy of how we come to source the knowledge (Bryman & Bell, 2007:66).

According to Zikmund and Babin (2010:694) the research methodology section is the part of the body of the research report that presents the sequence used to obtain the findings of the research project. On the same note, Cooper and Schindler (2006:654) argue that research methodology is the blueprint for the collection, measurement, and analysis of data in order to achieve the objectives of a research project. For the purpose of this study, the research methodology followed a research process, which Cooper and Schindler (2006:78) describe as various decision stages involved in a research project and the relationships between those stages. Zikmund and Babin (2010:58-59), Churchill and Iacobucci (2010:30) provide that the research process is

divided into six steps. The first step of this research process focused on discovering and defining the research problem; the focus was on the problem statement, the research questions, the research hypotheses and the research objectives. The second step presents the various types of research designs which includes qualitative, quantitative, exploratory, descriptive and causal. This section also explained the primary data collection methods such as observation, experiment and survey. In step three, the sampling method used for this study were presented. Step four presented the process of collecting or gathering data or information for the research study. Step five presents the data processing and analysis methods that was used. These include editing, coding and the actual analysis. Finally, step six gave an idea of how the research results can be presented by drawing conclusions from the research results and preparing a research report.

4.2 RESEARCH DEFINED

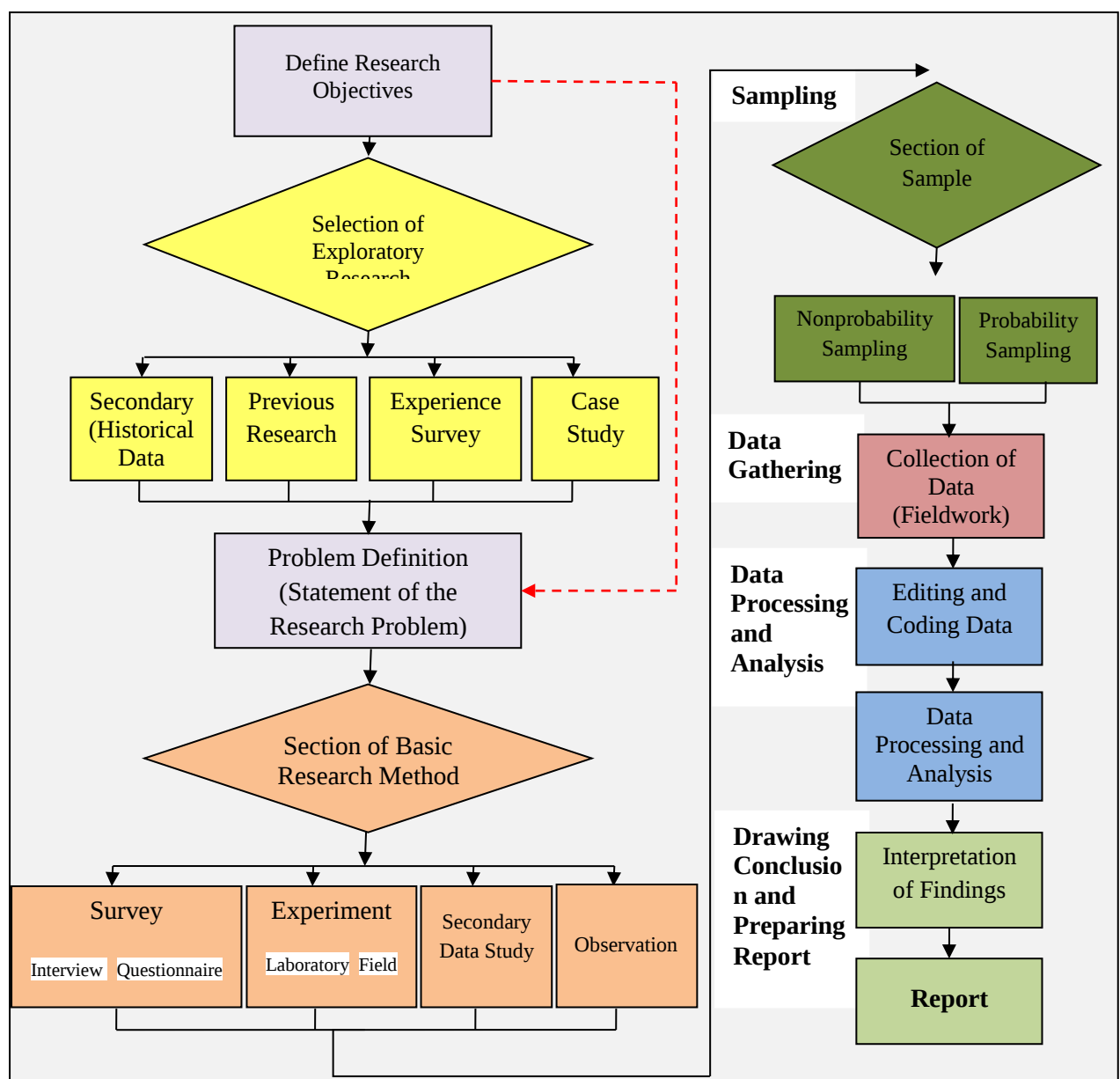
In simple terms, the definition of research includes any gathering of data, information and facts for the advancement of knowledge. Wheather and Cook (2000:11), Arens, Weigold and Arens (2011:229), Leedy and Ormrod (2005:2) stress that research is the systematic process of collecting, noting, analysing and interpreting data to increase the understanding of a phenomenon or concern of interest - with the aim of increasing the available knowledge of the object and or phenomenon of interest. In support, Cooper and Schindler (2006:10) assert that knowledge and unresolved problems can be addressed by asking relevant questions and then seeking answers through systematic research. For the purpose of this study, the term business research was used. This emanates from the fact that this study focused on adventure tourism firms which are businesses established for commercial purposes. The next section discusses research process for this study.

4.3 THE BUSINESS RESEARCH PROCESS

Cant, Gerber-Nel, Nel and Kotze (2005:13) define business research as the systematic and objective process of planning, gathering, analysing and reporting data, which may be used to solve a specific problem or opportunity. Furthermore, Churchill and Iacobucci (2010:30) stress that business research methodology follows a process termed the research process. Business research is a systematic and objective process of gathering, recording analysing and interpreting data for the

purpose making informed business decisions. Bryman and Bell (2003:57) specify that the business research process is a sequence of steps in the systematic collection and analysis of business data. Similarly, Cooper and Schindler (2006:78) explain the business research process as the ordered set of activities focused on the systematic collection of information using accepted methods of analysis as a basis for drawing conclusions. In practice, business research process offers a description of how research is designed and implemented to give objective results. Figure 4.1 present the six phases of the business research process used in this study.

Figure 4.1: Flowchart of Business Research Process



Source: Adapted from Zikmund and Babin (2010:59).

4.3.1 Stage 1: Problem Discovery and Definition

4.3.1.1 Problem statement

Churchill and Iacobucci (2010:29) point out that the first role business research plays is to help define the problem to be solved. When it is defined carefully and precisely, research can be designed to provide pertinent information. Similarly, Cooper and Schindler (2006:80) indicate that problem definition is essential before conducting a research project, especially quantitative research. Formal quantitative research should not begin until the problem has been clearly defined. On the same note, Zikmund and Babin (2010:58) state that business research process begins with the identification of the research problem. Moreover, the authors highlight that a research problem indicates a specific managerial decision-making area to be clarified or problem to be solved. The research problem should, therefore, be clearly defined and formulated to ensure that the results obtained through research are relevant.

A detailed description of the problem statement was done in chapter one thorough the analysis of secondary data to ascertain the significance of the study. The problem statement resulted in the formulation of the research objectives. Objectives set the direction of the research, explain the purpose of the research in measurable terms and define standards of what the research should accomplish. Finally a thorough analysis of the research objectives led to the formulation of the research hypotheses.

4.3.1.2 Research objectives

Objectives explain the purpose of the research in quantifiable terms and define the standard of what the research should achieve. Well formulated objectives consequently serve as a road map for the entire research process and are the basis of the research design (Riley *et al.*, 2007:46).

The research study has the following primary objectives:

- To investigate the factors that promotes the adoption of corporate entrepreneurship by Adventure tourism Firms in the Eastern Cape Province.

- To investigate empirically the barriers to the adoption of corporate entrepreneurship by adventure Tourism Firms in the Eastern Cape Province.

In order to achieve the primary objectives, the following secondary objectives were formulated:

- To investigate the elements that make up the definition of corporate entrepreneurship and entrepreneurial environment
- To examine the role of middle management towards creating a conducive environment for corporate entrepreneurship
- To establish the relationship between the demographic variables and the constructs that measure entrepreneurial environment in the adventure tourism firms.
- To Draw conclusions from the empirical study and make practical policy recommendations to promote an entrepreneurial environment within adventure tourism sector.

4.3.2 Stage 2: Planning the Research Design

According to Cooper and Schindler (2003:86) a research design provides the glue that holds a research project together. Furthermore, Zikmund and Babin (2010:64) describe a research design as a master plan that specifies the methods and procedures for collecting and analysing the needed information. The research design is used to structure the research, to illustrate how all of the major parts of the research project such as sampling, data collection and data analysis were designed to try and address the central research questions (Zikmund & Babin, 2010:64). The research design provides answers to questions such as: what techniques will be used to gather data? What sampling techniques will be used? How will time and cost constraints be dealt with?

4.3.2.1 Types of research design

There are three basic types of research design: qualitative, quantitative and triangulation design (a hybrid of quantitative and qualitative research design). Zikmund and Babin (2010:65) comment that the choice of research design centres on the nature of the research, the setting, the possible limitations and the underlying paradigm that informs the research project.

- **Qualitative research**

Qualitative research aims to gather an in-depth understanding of human behaviour and the reasons that govern such behaviour (Chisnall, 2005:18). In addition, qualitative research can be understood as a research strategy that usually emphasise words rather than quantification in the collection and analysis of data (Churchill & Iacobucci, 2010:61). A major strength of the qualitative approach is the depth to which explorations are conducted and descriptions are written, usually resulting in sufficient details. Qualitative research was set aside in this research because the research requires an exploration of factors that impact corporate entrepreneurship and not the behavioural aspects that governs the factors.

- **Quantitative research**

According to Bryman and Bell (2007:28), quantitative research can be conceptualised as a research strategy that emphasises quantification in the collection and analysis of data while placing much reliance upon the research instrument employed to gather the data. The objective of quantitative approach is to develop and employ mathematical models, theories and/or hypotheses pertaining to a phenomenon.

For the purpose of this study, a quantitative research design was used. The motivation for this design was central to the provision of measurements. The provision is essential to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships (Leedy & Ormrod, 2005:95). A quantitative research method derives empirical generalisations which may be used to determine future courses of action.

The research required collection of data from a number of adventure tourism firms around the Eastern Cape Province. Therefore, the nature and setting of the research project called for exploratory descriptive research design. A quantitative research design was more preferable. Based on Cooper and Schindler (2006:220) 's argument, the research involves obtaining data from a large group of respondents and is used in descriptive studies to quantify data and generalise the results from the

sample to the population of interest. Tustin *et al.* (2005:90) argue that a quantitative research design requires statistical summarisation.

The research required statistical summarisation - that is, evaluating the determinants of corporate entrepreneurship for firms in the adventure tourism sector. As mentioned by Cant *et al.* (2005:94) the study followed the survey research process for the following reasons:

- The population to be studied is able to be defined;
- A representative sample of the population can be selected;
- Data can be collected through the use of self-administered questionnaires;
- SPSS (Statistical Package for Social Sciences) was used to tabulate and analyse the sample to produce various sample statistics; and
- It is possible to make Inferences from sample statistics to population parameters of interest.

In order to perfectly conduct a quantitative research, the researcher has to choose the best survey research method (Cooper & Schindler 2006:294-295).

4.3.2.2 Methods of conducting survey research

According to Cant *et al.* (2005:94) there are four major types of survey research: personal interviews, telephone surveys, mail surveys and self-administered surveys. Cooper and Schindler (2006:292) define a personal interview as a two way communication initiated by an interviewer to obtain objective information from the participants (i.e. face-to-face communication). As a result people selected to be part of the sample are interviewed in person by the researcher. The reason behind not using the personal interview for this research was that; it is a costly method of data collection. This means that the study can be delayed if the researcher needs to personally visit the respondents for a number of times.

Telephone interview is another option for a survey research as suggested by Cant *et al.* (2005:94). During the survey respondents are telephoned in order to gather primary data about a specific research problem. For the purpose of this research, telephone interviews were left out because the response might lack completeness, and it is associated with lower response than for personal interview or self-

administered questionnaires. Moreover, directories might be outdated hence the telephone numbers might be less reliable.

According to Cooper and Schindler (2003:430) a mail survey takes place when the researcher selects a sample of names and addresses and send questionnaires to these respondents with the aim of collecting data. In addition Zikmund and Babin (2010:224) postulate that mail surveys can be categorised into two (mail survey and email survey). The authors went on to highlight that a self-administered questionnaire can be printed and sent to the respondents using post or sent as an electronic copy to the respondents as an email. For the purpose of this research, the researcher used mail survey because of the geographic distribution of respondents.

Due to the complexities and the limitations coupled with the first three methods of conducting surveys, the researcher used of a self-administered questionnaire to collect data for the research study. According to Cooper and Schindler (2006:282) self-administered questionnaires are research questionnaires personally delivered to the respondent by the interviewer but completed by a respondent with no interviewer involvement. The present study used self-administered questionnaires for the following reasons suggested by Cooper and Schindler (2006:283);

- Self-administered questionnaires ensure anonymity and privacy of the respondents, thereby encouraging more candid and honest responses;
- Self-administered questionnaires have proved to have a higher response rate than other data gathering techniques such as mail surveys;
- Self-administered questionnaires are less expensive than other data gathering methods such as personal interviews where the researcher must be present with respondents at all times.

The research at hand required the use of a self-administered questionnaire; the researcher developed a corporate entrepreneurial environment assessment questionnaire after a thorough review of literature. The following section discusses the questionnaire design process.

4.3.3 Questionnaire design

Zikmund and Babin (2010:368) posit that the questionnaire is the primary tool for building responses to the research questions. The authors suggest that

questionnaire design is one of the most critical steps in the business research process. A questionnaire can be defined as any document that is used as an instrument with which to capture data generated by asking people questions (Kent, 2007:151). A questionnaire can further be described as a booklet of structured standardised procedure, pre-coded and containing open-ended questions at times that are used to collect information from the respondents who record their own answers (Zikmund & Babin, 2010:368). For the purpose of this study, the questionnaire design process was based on the previous researches and from the review of the literature on the determinants of corporate entrepreneurship in the adventure tourism sector. Questions from similar previous studies served as inputs to the questionnaire design process (Welman, Kruger & Mitchell, 2005: 174).

The questionnaire designed for this study was termed Corporate Entrepreneurial Environment Assessment Questionnaire (CEEQAQ). It was named after analysing its significance in unveiling the factors in the corporate environment settings, starting from environmental individual drivers and barriers to intrapreneurship in the adventure tourism sector. The questionnaire consisted of a front page which included the guidelines to be followed in answering the questionnaire. The questionnaire had three sections namely: demographical information, corporate entrepreneurial environment and entrepreneurial attributes. The questionnaire was based on the initial questionnaire developed by Gifford Pinchot (1985), and modified by Oosthuizen (2006). The design of the research instrument was made easier by borrowing ideas from the contents of the following research instruments:

- Corporate entrepreneurship assessment instrument (CEAI) (Hornsby *et al.*, 2002:265)
- Entrepreneurial climate (Oosthuizen, 2006).
- Measuring intrapreneurship (Hill, 2003)
- Entrepreneurial orientation items (Lumpkin & Dess, 2001:442).

The questionnaire was developed in a form that lists all the questions a researcher needs to address to each respondent in line with the research objectives. The questioning provided a mechanism for recording the responses; the questions were arranged in a logical sequence that enabled the researcher to draw accurate

information from respondents. Finally, the order and nature of the questionnaire standardised the format of the questions to facilitate data processing.

According to Zikmund and Babin (2010:369) for a questionnaire to fulfil its purpose, the questions must meet the basic criteria of relevancy and accuracy. In order to achieve this, Zikmund and Babin (2010:369) suggest the following sequence:

- What should be asked?
- How should questions be phrased?
- In what sequence should questions be arranged?
- What questionnaire layout will best serve the research objectives?
- How should the questions be pretested? Does the questionnaire need to be revised?

For the purpose of this research the questionnaire design followed the subsequent order.

4.3.3.1 What should be asked?

Only relevant and important questions necessary to achieve the research objective are included in the questionnaire. This precaution was made based on the argument by Kent (2007:152) which suggests that It is essential that only relevant questions be asked and that the information collected addresses the research objectives. In addition, the author stresses that asking the wrong or irrelevant questions is a common pitfall that might divert the findings away from answering the research objectives. Furthermore, Zikmund and Babin (2010:369) point out that it is vital to consider the ability of respondents to answer the questions. In this regard, the questionnaire for this study was distributed only to respondents at managerial level (lower level managers, middle level managers and top level managers) within the particular adventure tourism enterprise, since many of the questions are of a tactical nature.

4.3.3.2 How should questions be phrased?

In order to improve the quality of data that can be obtained, certain guidelines were followed. These guidelines were adopted from the works of Neuman (2006:278-281), which discourages the use of;

- Jargon, slang and abbreviations,
- Ambiguous and vague questions. This means that if respondents are unsure of the meaning of a question, they cannot be expected to provide accurate information,
- Double-barrelled questions. Make each question about one and only one topic
- leading questions,
- Questions that are beyond the respondents' capabilities and
- Double negatives. Double negatives in ordinary language are grammatically incorrect and confusing.

In order to avoid confusing respondents, the questions included in the research instrument were mostly close ended questions, dichotomous questions, multiple choice questions and scaled questions.

a) Open ended questions

According to Davis (2005:208) open ended questions give respondents total freedom to answer as they please. They carry a similar weight to a qualitative research especially for researchers who wish to obtain data about opinions, attitudes and behaviour. For the purpose of this study, open ended questions are less relevant as there are pre suggested choices from the review of literature. Moreover, the major weakness of open ended questions is the difficulty that researchers have in coding the responses because of the high degree of variation in the responses. Therefore the researcher did not consider them in the research instrument.

b) Dichotomous question

According to Churchill and Iacobucci (2010:214) dichotomous questions are the simplest form of fixed alternative questions which requires the respondent to choose one among two alternatives. For example, the answer can be a simple

yes/no, true/false or male/female. Dichotomous questions were included in the demographic section.

c) Multiple-choice questions

Churchill (2010:214) reveals that multiple choice questions are similar to dichotomous questions, but offer more than two fixed alternative responses. Despite a wide variety of choices, the respondents were required to give only one fixed choice alternative that correctly expresses their opinion or, in some instances, to indicate all the alternatives that apply (Zikmund & Babin, 2010:372).

d) Likert scale

Churchill and Iacobucci (2010:239) defined a Likert scale as a measure of attitudes designed to allow respondents to rate how strongly they agree or disagree with carefully constructed statements, ranging from very positive to very negative attitudes toward some object. The alternatives were assigned scores/values to represent the level of agreement or disagreement. For example, respondents that "strongly disagree" are assigned a score of 1, whilst respondents that "strongly agree" are assigned a score/value of 5, Cant *et al.* (2003:113) suggest some advantages of using likert scale hence the Five-point Likert scale questions was used by the researcher for the following reasons.

- It eliminated the development of response bias amongst the respondents;
- It assessed attitudes, beliefs, opinions and perception;
- Using a Likert scale made the response items standard and comparable amongst the respondents; and
- Responses from the Likert scale questions were easy to code and analyse directly from the questionnaires.

4.3.3.3 In what sequence should questions be arranged?

Demographic questions sounds to be more sensitive hence influence the way in which the respondents open up to the information (Zikmund & Babin, 2010:380). Consequently the researcher decided to ask the demographic questions last. In support of this idea, Kent (2007:163) proposes that demographic questions may be too personal at the beginning. Cooper and Schindler (2006:412-413) also point out

that participants should not be confronted by early request for personal information. Furthermore, Jacobs, Chase and Aquilano (2009:746) propose that questions must not follow a systematic order since it inflicts order bias. In essence, order bias occurs when the respondent's answers are influenced by earlier questions. In order to eliminate order bias, the questions for this study were randomised using uniformly distributed random digits.

4.3.3.4 What questionnaire layout best serve the research objectives?

Cooper and Schindler (2006:415) point out that good layout and a physical attractiveness of the research instrument gives respondents enough energy to provide information. In this study the questionnaire was named Corporate Entrepreneurial Environment Assessment Questionnaire. It consists of a front page which included the instructions to the questionnaire (see appendix A). The questionnaire was divided into three sections as follows.

- **Section A: Corporate entrepreneurial environment**

This section established the corporate entrepreneurial environment within adventure tourism businesses. The review of literature led to identifying eighteen constructs. For the purpose of this study the constructs were all analysed to suit the original CEAI by Honsby *et al.* (2002) and reviewed by Van Wyk and Adonis (2011). The constructs were in line to pursue the dimensions of corporate entrepreneurship namely; risk-taking, innovativeness, proactiveness, competitive aggressiveness and autonomy. Respondents were requested to select the number which represents their level of agreement or disagreement with the statements provided. The number best describe their opinion about a specific question or statement as indicated in Table 4.1.

Table 4.1: Assessment of corporate entrepreneurial environment

	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Section 1: Management Support for Intrapreneurship		1	2	3	4	5
A-V1	My firm is quick to use improved work methods borrowed from outside.	1	2	3	4	5

For all the questions in this section, respondents were required to select the relevant choices by marking with an (X) in the relevant box with the relevant scale value.

From the scales presented,

1. Strongly Disagree = the lowest relevance value 1
2. Disagree = the second lowest value 2
3. Neutral = the mid value 3
4. Agree = second highest value 4
5. Strongly Agree = the highest value 5

- **Section B: Entrepreneurial characteristics / Core attributes**

In this section, the questionnaire aimed to establish the extent to which managers are inclined towards an entrepreneurial orientation. It consists of 33 entrepreneurial attribute / characteristics as developed by Oosthuizen (2006) and adapted by Jordaan (2008). Section (B1) is meant to determine respondent`s self-evaluation on a five point Likert scale with regard to these attributes. The respondents were asked to rate themselves from 1=strongly disagree to 5= strongly agree. Section (B2) seeks the respondents to evaluate their superiors and subordinates on the same regard on the same scale of 1 to 5. The respondents were asked to mark the appropriate block with an X as indicated in Table 4.2.

Table 4.2: Assessment of Entrepreneurial Characteristics / Core Attribute

B1: Self assessment						Assessment		B2: Superior/ Subordinate					
B1	Strongly Disagree	Dagree	Neutral	Agree	Strongly Agree	Entrepreneurial characteristics		Strongly Disagree	Dagree	Neutral	Agree	Strongly Agree	B1
	1	2	3	4	5			1	2	3	4	5	
						Highly inspirational							

- **Section C: Demographical information**

This section was designed to obtain information about respondents' age group, gender and race classification, field of occupation as well as their managerial level, and the highest academic qualification for the purpose of finding relationships between demographic variables.

4.3.3.5 Pre-testing (pilot study)

Pre-testing refers to the testing of the questionnaire on a small sample of respondents to identify and eliminate potential problems (Zikmund and Babin, 2010:238). The authors suggest that pre-testing is essential for the researcher to be satisfied that the questionnaire designed provided useful information for answering the research objectives. This means that pre-testing enables the researcher to ascertain whether the instrument is flexible enough to accommodate the understanding of the variety of the target audience. In order to improve the content, phrasing, sequence, layout and instructions of a questionnaire the researcher pre-tested the questionnaire from the selected adventure tourism firms in the Eastern Cape Province.

According to Churchill and Iacobucci (2002:251) the pre-testing of the research instrument provide the basis for the exploratory factor analysis and the refinement of the research hypotheses. As a result the researcher pre-tested the questionnaire based on the following suggestions by Churchill and Iacobucci (2002:251):

- Permits a thorough check of the planned statistical and analytical procedures, giving the researcher a chance to evaluate their usefulness for the data. The researcher may then be able to make needed alterations in the data collecting methods, and therefore, analyse data in the main study more efficiently.
- Can greatly reduce the number of unanticipated problems because the researcher has an opportunity to redesign parts of the study to overcome difficulties that the pilot study reveals.
- Saves a lot of time and money. The pre-testing almost always provides enough data for the researcher to decide whether to go ahead with the main study.

Thirty questionnaires were sent out for pretesting and the responses made it possible to make few adjustments to **section (B)** of the research instrument with regard to the Core attributes. The following section discusses the population, sampling frame and the sampling procedure.

4.3.4 Stage 3: Sampling Design

Bryman and Bell (2007:180) postulate that in every business research a sample is drawn from the entire population to represent it. The authors also point out that in scholarly terms it is viewed as a “subset from a larger population”. The sample thus refers to the people who completed the questionnaires, also referred to as respondents (McDaniel & Gates, 2001:64). According to Zikmund and Babin (2010:416) the purpose of sampling is to make generalizations about the whole population which are valid and which allow prediction. Moreover, the authors also highlight that sampling allows the researcher to draw conclusions about the entire population as it is impossible to observe all relevant events in the population because of time and cost. Zikmund and Babin (2010:415) suggest that before a researcher selects the sample, a series of steps must be observed starting from;

- Defining the target population
- Selecting a sample frame
- Determining the sampling method to be used (probability or non-probability sampling method)
- Plan procedure for selecting sampling units
- Determine sample size

- Select actual sampling unit and
- Conducting fieldwork

The major influential reasons for sampling for this study included; lower cost, greater accuracy of results, greater speed of data collection, and availability of population elements. The following section examines the population and sampling method selected by the researcher for the study, as well as the motivation for selecting the sampling method. It also examines the sample size used for the research study and, furthermore, explains how the sample size was obtained.

4.3.4.1 Description of the Population

Defining the space or population is the first and critical step in the sampling process (Zikmund & Babin, 2010:415). Population is the study subject, which may be individuals, groups or organisations. It encompasses of all units that are of interest to the researcher to provide information that might be of importance to answer the research objectives. The focus of the study, the scope of the study, the survey area and the study unit are the most common aspects that make up the study population (Cooper and Schindler, 2006:441).

a) Focus of the Research Study

The aim of this research study was to empirically investigate the determinants of corporate entrepreneurship in adventure tourism operators in South Africa. This study was designed to explore prospective drivers and barriers of the desirability of entrepreneurial orientation. The study further critically examined the state of the adventure tour enterprises in the Eastern Cape Province and highlighted the important factors that promote CE and possible barriers to CE in the Eastern Cape Province.

b) Scope of the Study

The scope of a study refers to the margins and boundaries which physically show the source and location of the elements in the sample frame of the research study from which data is to be collected (Cant *et al.*, 2005:45). The proper demarcation of the geographical area, the population and the study units to be interviewed is paramount in order to reduce the time frame, the costs and the effort required to conduct the study. The study was meant to investigating the determinants of

corporate entrepreneurship in adventure tourism sector in the Eastern Cape Province.

c) The Survey Area

The study was conducted in the Eastern Cape province of South Africa.

d) The Study Unit

The study unit for the research focused on the tactical and strategic levels of management within the adventure tourism firms. This means that top level management, middle level managers and lower level managers were the target audience. The management levels were selected because they are the ones who set the entrepreneurial environment and they are also the first to face external factors that affect intrapreneurship. The Eastern Cape was the target area because of its convenience to the researcher. Moreover, for the reason that the researcher budget was limited hence the researcher chooses to confine the research to Eastern Cape Province in order to obtain quality results that can be generalised to the rest of South Africa.

e) The Survey Population

Cooper and Schindler (2006:441) define a population as the study object, which may be individuals, groups, organisations, human products, and events, that is the subject of research interest or the conditions to which they are exposed. The target population should be clearly defined as it is not always discernible from the research problem (Cooper & Schindler, 2006:441). The firms included in the survey were identified as those that are defined by the Department of Tourism as involved in outdoor adventures and adventure sports. The Nelson Mandela Bay Tourism Portal (NMBT) and the Dirty Boot Adventure South Africa helped the researcher to define and identify population elements that were regarded as adventure tourism firms.

4.3.4.2 The sampling frame

Davis (2005:231) provides a view that although it may be desirable to measure each and every element of the population on some characteristic of interest (referred to as a census) some considerations make it undesirable to collect data from the entire population. These are; resource constraints in terms of time and money among other considerations. Consequently, sampling becomes an attractive alternative for

business researchers. Before selecting the sample it is vital to identify the correct elements that can help to define the working population. Zikmund and Babin (2010:417) defined a sampling frame or working population as a list of elements from which a sample may be drawn. In order to obtain a working population the researcher made contact with The Nelson Mandela Bay Tourism Portal (NMBT) and the Dirty boot Adventure South Africa.

The population and the sample frame of adventure tourism enterprises were therefore obtained from The Nelson Mandela Bay Tourism Portal (NMBT) and the Dirty Boot Adventure South Africa. The Nelson Mandela Bay Tourism portal has about 216 members approximately 40% fall into adventure category (Nelson Mandela Bay Tourism Portal, 2012). Dirty Boot Adventure South Africa has 611 members of which 109 are adventure tour operators. Of the 109 operators 45 are adventure tour operators in the Eastern Cape and Wild Coast Adventures region. The population size from the selected region total was 135.

4.3.4.3 The sampling method

According to Cooper and Schindler (2006:444) sampling methods are classified into two categories, namely probability sampling and non-probability sampling. Roberts-Lombard (2002:98) postulates that probability sampling is a sampling technique in which every element has a known non-zero chance of selection while in non-probability sampling reveals that the selection of sample elements relies on the judgement of the researcher.

- **Probability Sampling**

There are four main types of probability sampling; these are systematic sampling, stratified sampling, cluster sampling and simple random sampling (Cooper & Schindler, 2006:446). Under systematic sampling, every k^{th} element in the population is sampled, beginning with a random start of element in the range of 1 to k . Systematic sampling selects an element of the population at a beginning with a random start and following the sampling fraction selects every k^{th} element (Cooper and Schindler, 2006:446-447). The main advantage of systematic sampling is that it is simple to design and it is also easy to determine sampling distribution of mean or proportion. The disadvantage is that periodicity within the population may skew the sample and results. Most populations can be segregated into several mutually

exclusive subpopulations or strata. A probability sample that includes elements from each of the mutually exclusive strata within a population is called stratified sampling (Cooper & Schindler, 2006:448). The main advantage of stratified sampling is that it provides data that represent and analyse subgroups. Stratified random sampling is time consuming. Moreover, increased error might result if subgroups are selected at different rates.

Cluster sampling involves the division of the population into mutually exclusive and collectively exhaustive clusters or subgroups after which certain clusters are selected in the sample (Cooper & Schindler, 2006:450). The advantage of cluster sampling is that it is easy and cost effective. However, cluster sampling is often imprecise and results are difficult to compute and interpret (Zikmund & Babin, 2010:430). With simple random sampling, each member of the population has an equal probability of inclusion in the sample (Zikmund & Babin, 2010:426). Due to the disadvantages associated with probability sampling and the nature of the study (delimitations, population size and frame), the researcher decided not to follow probability sampling technique.

- **Nonprobability Sampling**

Zikmund and Babin (2010:423) define nonprobability sampling as a sampling technique in which units of the sample are selected on the basis of personal judgement or convenience. The probability of any particular member of the population being chosen is unknown. Furthermore, Davis (2005:232) reveals that a well-drawn sample can provide the researcher with pre-specified margins of error, as the use of probability sampling makes it easier to estimate the degree of sample error in a study.

This study used convenience sampling method. Zikmund and Babin (2010:423) described convenience sampling as a sampling procedure of obtaining those people or units that are most conveniently available. Convenience sampling is simple to apply, in that, convenient sample is chosen from a population and without any order. In addition, data analysis is reasonably easy and has a sound mathematical basis. The motivation for a convenience sampling was that the population size is not too big; all 135 adventure tour operators were contacted to ask for permission to include them in the research, of which 85 of them showed their willingness to participate.

Consequently the researcher decided to include all of the 85 firms in the research with two respondents from every firm.

4.3.5 Stage 4: Data Gathering

This section describes the actual data collection and the treatment of missing values.

Data collection followed the following procedure:

- iv. Emails were sent to the chief executive officers of the selected participants (Adventure tourism firms) following the formal channels of each firm. The emails described the researcher and the position the researcher holds, explained the purpose of the study and requested permission to include their firm in the survey.
- v. A follow up email was sent to confirm the dates to submit the questionnaire while requesting a convenient date for them which was within the research period. The mail also requested the CEO to select the representative of the firm in the survey.
- vi. After permission was granted the questionnaires were sent to the persons appointed by the CEO to act on behalf of the firm preferably managers.

The respondents were given two weeks to complete the questionnaires. The researcher obtained the names, addresses and telephone numbers of the respondents from Nelson Mandela Bay Tourism Portal (NMBT) and the Dirty boot Adventure South Africa to facilitate the distribution of the questionnaires. The researcher called the respondents regularly to ensure that they completed the questionnaires. Upon completion of the questionnaire, respondents emailed back the completed and non-completed questionnaires to the researcher as agreed on the initial email. For those respondents who were unable to fax or email the questionnaires, the researcher went in person to deliver hard copies of the questionnaires and collected them as well.

4.3.5.1 Secondary Data

Various sources of secondary data were used such as a literature review from available published material. Websites of adventure tour operators, database of the Department of Tourism South Africa. In addition academic publications were also consulted; these included published journals in accredited journal lists, books, conference reports, academic internet sources, and masters' dissertations relating to adventure travel. Other relevant sources of information such as published data

obtained from Statistics South Africa and the Department of Trade and Industry were also assessed. To gain precise answer to the set objectives, a primary research was necessary and responses to the questionnaire was analysed and evaluated using tabulation, correlation and statistical graphs.

The following section discusses the data analysis and statistical techniques.

4.3.5.2 Data processing and analysis

This section indicates how the data collected was analysed by the researcher. The researcher used data analysis tools for gathering, modelling, and transforming data. The goal was to highlight useful information, suggesting conclusions, and supporting decision making about the determinants of corporate entrepreneurship in the adventure travel sector. The process enabled the researcher to make summaries of the large amount of information gathered from the research. This was in accordance with Cooper and Schindler (2006:90) who suggest that data analysis usually involves the reduction of accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques. It also includes the interpretation of research findings in the light of the research questions, and determines if the results are consistent with the research hypotheses and theories (Zikmund & Babin, 2010:516). Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains (Cooper & Schindler, 2006:90).

According to Cant *et al.* (2005:204) the choice of the methods of statistical analysis depends on (1) the type of question to be answered, (2) the number of variables, and (3) the scale of measurement. Kent (2007:261) suggests that the raw data is of little importance until it is prepared in some way, summarised and a range of conclusions drawn from it. Before the raw data is analysed, it was edited to check for completeness, consistency and accuracy of the responses obtained. Once the data was edited, it was ready for coding, which is the assigning of numerical values that can be understood by different statistical software packages.

The following is the sequence in which the data analysis was conducted in this study:

Completed questionnaires were processed by the Statistical Consultation Services from the Statistics Department of the University of Fort Hare.

- 1) The data collected was statistically analysed, using Statistical Package for Social Sciences (SPSS) version 20 (SPSS, 2011).
- 2) Frequencies and percentages were calculated for the demographic variables age, gender, race, highest qualifications and functional division.
- 3) An exploratory factor analysis was done to measure the construct validity of the measuring instrument. The reliability of the scales was determined by means of Cronbach alpha coefficients.
- 4) The relationships between the extracted constructs was investigated through the calculation of the Pearson correlation coefficients (r). Effect sizes was measured to determine whether the effect of the relationship between two constructs is important or meaningful to draw conclusions of them.
- 5) For interpretation purposes, the results of the corporate entrepreneurial survey were presented showing the arithmetic mean and standard deviation for each of the variables.
- 6) A comparison of the mean differences between the demographic variables and entrepreneurial environment variables were examined by means of independent t-tests (p-values) and effect sizes (d-values).
- 7) The arithmetic mean and standard deviation were calculated for each of the entrepreneurial characteristics regarding the self- and superior assessment.
- 8) The mean scores of each of the entrepreneurial characteristics were compared by means of a t-test (p-values) and effect sizes (d-values) in order to determine how respondents' self-perceptions of the entrepreneurial characteristics compare to their perception of their superiors or subordinates.

Analysis of data required that the researcher determine the reliability and validity of the study as well as the types of statistics to be used. According to Salkindi (2006:106) the reliability and validity of a measurement instrument are important because they are the first line of defence against unauthentic and inaccurate conclusions. The following section discusses reliability and validity of the research instrument as well as types of statistics to be employed.

4.3.5.3 Reliability

Reliability refers to the extent to which the application of a scale produces consistent results if repeated measures are taken (Kent, 2007:141). In addition, Kent (2007:143) point out that the Cronbach's alpha can be used to measure reliability.

The Cronbach's alpha is a test for a survey's internal consistency. It is also called the scale reliability test (Cooper & Schindler 2006:352). In every objective research project the desired degree of reliability is also a function of the purpose of the research (Kent, 2007:143). Furthermore, a score of 0.7 is the acceptable reliability coefficient but lower thresholds are sometimes used in literature. The values of below 0.7 can realistically be expected with psychological constructs (Field, 2005:668). The Cronbach's alpha is a measure of how well each individual items in a scale correlates with the remaining items. Reliability also shows the extent to which the measurements of a test remain consistent over repeated tests on the same subject (Cooper & Schindler 2006:352). In order to maintain the reliability of the measuring instrument (stability, equivalence and internal consistency), the following steps were taken:

- Pre-testing the research instrument in the survey development stage through a pilot study.
- Discussions were held with senior researchers who had had previous experience in similar studies.
- Keeping open-ended questions to the minimum; devising response scales that increased the variability of responses thereby ensuring higher statistical value from the data by using a large sample size.
- Performing a thorough review of the literature in the field of interest review of literature.
- Having the questionnaire thoroughly reviewed by the supervisor and other experienced researchers.

4.3.5.4 Validity

There are four major types of validity, these are face (content) validity, and criterion related validity, content validity and construct validity (Babbie & Monton, 2002:15; Kent, 2007:145; Salkind, 2006:115; Welman *et al.*, 2005:144).

- **Face (content) validity:**

The concept being measured was done so appropriately and the instrument provided adequate coverage of the concept (Babbie & Monton, 2002:15).

- **Criterion Related Validity:**

It is also referred to as instrumental validity. It is the success of a measurement scale for prediction or estimation (Cooper & Schindler, 2006:350). It was used to demonstrate the accuracy of a measure or procedure by comparing it with another measure or procedure, which has been demonstrated to be valid.

- **Content validity:**

The use of measures that incorporates all of the meanings associated with a specific concept (Gerber-Nel, Nel, & Kotze, 2005:30).

- **Construct validity:**

Referred to as how adequately a scale or a test measures what it proposes to measure (Cooper & Schindler, 2006:451).

In order to ensure the validity of the study, the researcher used the following steps as suggested by Cooper and Schindler (2006:349).

- The researcher used a statistician and a panel of experts to evaluate the research instrument for conceptual clarity.
- The research instrument was pre-tested in a pilot study.
- Sampling was done using convenience sampling methods where 90% of the population is included in the study, ensuring external population validity.
- The researcher used self-administered questionnaires, which generally have a high response rate.
- The research used a big sample size with a margin of error of not more than 5% and a confidence level of 95%.
- A comprehensive review of literature was done to prepare the research instrument and comparisons were made with the instruments used in previous studies.

4.3.5.5 Errors

According to Cooper and Schindler (2006:279) errors, especially the response and non-response errors, can also pose a serious threat to the reliability of data and must be minimised by the researcher. According to Gerber-Nel *et al.* (2005:231) non-response error are caused by failure to contact all members of a sample and/or the failure of some contacted members of the sample to respond to all or a specific part of the questionnaire. Cooper and Schindler (2006:279) labelled non-response errors

as errors that develop when the researcher cannot locate or involve the targeted participants. Response errors occur when a participant fails to give a correct or complete answer (Cooper & Schindler 2006:279). The following steps were used to reduce non-response errors;

- Using self-administered questionnaires, which involved a direct meeting between the researcher and the respondents.
- Repeated telephone calls, emails and visits to the respondents.
- Removing sensitive questions from the questionnaire.
- Carefully constructing and pre-testing the questionnaires.

4.3.6 Stage 5: Data Processing and Analysis

Welman *et al.* (2005:231) reveal that there are two main types of statistics that can be identified as descriptive and inferential statistics. Welman *et al.* (2005:231) further explain descriptive statistics as concerned with the description and/or summary of the data obtained from the respondents. descriptive statistics for one variable is called univariate statistic, for two variables it is called bivariate statistics and more than two variables it is called multivariate statistics. According to (Salkind, 2006:165) inferential statistics, on the other hand, are used to infer something about the population from which the sample was drawn based on the characteristics of the sample. The following subsection discusses various descriptive and inferential statistics that the researcher used.

4.3.6.1 Descriptive statistics

Descriptive statistics display characteristics of the location, spread and shape of the data array; moreover, they are used to describe the main features of a collection of data in quantitative terms (Cooper & Schindler, 2006:468). They provide simple summaries about the sample and the measures. In this study, the following statistical techniques were used as the tools of descriptive analysis:

a) The Distribution

The distribution is a summary of the frequency of individual values or ranges of values for a variable. Tables and bar charts were used.

b) Central Tendency

The central tendency of a distribution is an estimate of the "centre" of a distribution of values. The mean and standard deviation were used. The mean or average is probably the most commonly used method of describing central tendency. According to Kent (2007:310) the mean is a measure of central tendency or the arithmetic average and is calculated by totalling all the values in a distribution and dividing by the number of values in the distribution. Zikmund and Babin (2010:443) provide the following formula for calculating the mean:

$$\sum_{i=1}^n X_i$$

Where n = number of observations

- *Frequencies*

The median is the score found at the exact middle of the set of values. The standard deviation is a more accurate and detailed estimate of dispersion. The standard deviation shows the relation that set of scores has to the mean of the sample.

- *Standard deviation*

The standard deviation, according to Zikmund and Babin (2010:447), is a quantitative index of distribution's spread or variability; the square root of the variance for a distribution. Basically it is the most valuable index of spread or dispersion and is essentially the average amount of variation around the mean (Bryman & Bell, 2007:361). It is calculated by taking the difference between each value in a distribution and the mean and then dividing the total differences by the number of values (Bryman & Bell, 2007:360). The formula of calculating the Standard Deviation is shown on the next page:

The formula for calculating the standard deviation is as follow:

$$\sqrt{\frac{\sum (X - \bar{X})^2}{(n-1)}}$$

Where:

X=each score,

$\bar{X}$ = the mean or average,

n = number of values and

Σ = means one sums across the values.

4.3.6.2 Factor analysis

Multivariate statistical technique of factor analysis has gained popularity and is found useful in all realms of business research (Davis, 2005:444). According to Zikmund and Babin (2010:625) factor analysis is defined as a prototypical multivariate, interdependence technique that statistically identifies a reduced number of factors from a larger number of measured variables. Factor analysis is a statistical approach that can be used to analyse inter-relationships among a large number of variables and to explain these variables in terms of their common underlying dimensions (factors) (Cooper & Schindler, 2006:633). Furthermore, Davis (2005:444) add that the primary purpose of a factor analysis is to define the underlying structure in a set of variables that refer to a common theme or topic. The author went on to say that factor analysis could be used to verify a construct of interest especially for data reduction and secondly for detection of structure (underlying dimensions) in a set of variables.

Factor analysis was used in this study using the principal component analysis method to enhance the reliability and validity of the measuring instrument, as well as for data reduction. Cooper and Schindler (2006:634) postulate that factor analysis also helps to confirm the validity and reliability of the measuring instruments. Factor analysis assisted the researcher in classifying the variables and in developing and refining research questions. When many variables are being measured, factor analysis recognises that some of these variables may be measuring different aspects of the same phenomenon and hence were interrelated. There are two

types of factor analysis: Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA).

1) Exploratory factor analysis (EFA)

Exploratory factor analysis is the most common form of factor analysis which is used to uncover the underlying structure of a relatively large set of variables (Zikmund, 2010:625). Furthermore, the author went on to suggest that exploratory factor analysis is performed when the researcher is uncertain about how many factors may exist among a set of variables. Kent (2007:421) reveal that exploratory factor analysis is a method which is used for exploratory purposes to replace a large set of variables with a smaller set of factors. There is no prior theory and one uses factor loadings to intuit the factor structure of the data.

2) Confirmatory factor analysis (CFA)

Zikmund (2010:625) provide that confirmatory factor analysis is performed when the researcher has strong theoretical expectations about the factor structure before performing the analysis. Confirmatory factor Analysis (CFA) seeks to determine if the number of factors and the loadings of measured (indicator) variables on them conform to what is expected on the basis of pre-established theory.

3) Factor Rotation

Rotation is a technique used to provide a simpler and more interpretable picture of the relationships between factors and variables (Cooper & Schindler, 2006:634). It frequently happens that some variables may be heavily loaded on other factors and this makes it indistinct as to which factor the variable is describing. To solve this problem, (Zikmund & Babin, 2010:626-627) point out that factor rotation is used which is a mathematical way of simplifying factor results. Briefly, it involves creating new reference, axes for a given set of variables and produces more obvious patterns of loadings. Based on Leech, Barrett and Morgan (2005:79) the decision about which factor to retain depends on the percentage of the variance accounted for the variable, the absolute variance accounted for by each factor, and whether the factor can be meaningfully interpreted. Two methods of factor rotation are varimax and oblimin procedures.

For the purpose of this study, Varimax rotation was used to transform the components into factors that are clearly interpretable. To facilitate an easier

interpretation of principal components, factor rotation methods was also developed. This research study also employed Varimax orthogonal rotation method which was based on the criterion of maximizing the factor loadings of dominant variables in each principal component. Varimax rotation facilitates an easier interpretation of factors. Rotation makes it so that, as much as possible, different items are explained or predicted by different underlying factors, and each factor explains more than one item. Factors with Eigenvalues greater than one were retained.

4.3.6.3 T-test and Analysis of Variance (ANOVA)

The T-test and ANOVA was used to test the differences in information obtained through data collected from the respondents. According to Cooper and Schindler (2006:73) a T-test is used to determine whether there is significant difference between two sets of scores. ANOVA was also used to test for significant differences in situations where the variables were more than two.

4.3.6.4 Pearson correlation

The Pearson correlation coefficient was used to test for the direction and strength of relationship between the factors as identified by the principal component analysis and corporate entrepreneurship in the adventure tourism sector. According to Coakes (2005:18) the main result of a correlation is called the correlation coefficient (or "r"). It ranges from -1.0 to +1.0. The closer r is to +1 or -1, the more closely the two variables are related. If r is close to 0, it means there is no relationship between the variables. The P-value measures the significance. 5% level of significance was used for this study. This is consistent with the significance level of most of the empirical studies on business studies. Table 5.2 depicts the value of r and the implication for the strength of the relationship.

Table 4.3: Value of correlation and strength of relationship

Value of r	Strength of relationship
-1.0 to -0.5 or 1.0 to 0.5	Strong
-0.5 to -0.3 or 0.3 to 0.5	Moderate
-0.3 to -0.1 or 0.1 to 0.3	Weak
-0.1 to 0.1	None or very weak

Adapted from Coakes (2005:18).

4.3.7 Stage 6: Drawing Conclusions and Preparing Report

According to Zikmund and Babin (2010:59) the final stage in the business research process as depicted in Figure 5.1 is the interpretation of the results and the drawing of conclusions relevant to managerial decision-making. During this step, the researcher gave an account or report of the research findings, conclusions and makes recommendations (Cant *et al.*, 2005:234). The research results are presented in the next chapter.

4.4 SUMMARY

In summary the research design was based on the quantitative research design which Ghauri and Gronhaug (2005:204) describe as studies whose findings are mainly the product of statistical summary and analysis. Empirical investigation consisted of the research design, sample design, method of data collection, the research instrument, and the procedures for data analysis. The research design employed the survey method with a standardized self-administered questionnaire targeting managers of adventure tourism firms. The plan attempted to determine the extent to which managers in adventure tourism business perceived their business climate as conducive to corporate entrepreneurship, their perceptions on the preparedness of employees to act entrepreneurial.

Furthermore, the design also attempted to determine the degree to which demographic groups differ from their perception regarding the conduciveness of their business environment for corporate entrepreneurship. Finally, the study's research design attempted to determine the extent to which managers differ as they rate themselves on a number of entrepreneurial characteristics and how they rated their superiors and subordinates in terms of these entrepreneurial characteristics. The questionnaire was presented in a pilot study. This greatly assisted to improve and refine the research questions and modify the questionnaire.

The four major probability sampling techniques which included systematic, stratified, cluster and the simple random were discussed and the motivation for choosing convenient sampling method was explained. The pairwise deletion method under SPSS was the choice among alternatives. The data collected for this study was analysed using descriptive statistics, factor analysis, T-test, ANOVA and Pearson correlation. The four types of validity namely face, criterion-related, content and

construct were discussed as well as the methods for ensuring validity. The Cronbach's alpha was used as the measure of reliability. The final step in the research process concerns the analysis of results of the empirical study. This is presented in the next chapter.

CHAPTER FIVE

RESEARCH RESULTS

5.1 INTRODUCTION

Chapter four presented aspects of the research methodology which includes; the research design, the sampling method as well as the data collection. The section also highlighted the data analysis methods that were used for this study. This current chapter builds on the research methodology as described in the previous chapter. The purpose of this chapter is to discuss, present and interpret the empirical findings of this research. In interpretation of the results, the immediate findings of the study were translated into meaningful and integrated general references and findings.

In order to ascertain the validity of a research, the findings must be relevant to the objectives of the research. According to Proctor (2000:273) the success of the study cannot be assured if both the data analysis and interpretation are not carried out properly. The objectives of this chapter are (1) to systematically present the findings of the research study, and (2) to interpret the findings.

This study attempts to establish the level of entrepreneurial activity in the adventure tourism sector. In addition the study attempt to establish the extent to which managers in the adventure tourism sector perceived their business environment as conducive to corporate entrepreneurship. The analysis begins with the empirical findings. The section on empirical findings is structured into six sub-sections. Sub-section 5.2.1 examines the response rates from managers of selected adventure tourism firms. Sub-section 5.2.2 assesses the normality of the data. The Kolmogorov-Smirnov test was used to test the normality of the data.

Sub-section 5.2.3 presents the findings of the demographic variables. With regard to the determinants of corporate entrepreneurship a comparison of the mean differences between demographic variables was also examined by means of independent t-tests and effect sizes. Visual distributions of demographic variables are presented in tables and figures. Sub-section 5.2.4 presents the findings on entrepreneurial orientation attributes (entrepreneurial characteristics). The study attempts to establish the extent to which managers rated themselves as well as their superiors or subordinates in terms of a number of entrepreneurial characteristics.

The standard deviation and the arithmetic mean was calculated for each of the entrepreneurial characteristics regarding self-assessment against superior or subordinate assessment. A t-tests was used to compare the mean scores of each of the entrepreneurial characteristics in order to determine how respondents' self-perceptions of the entrepreneurial characteristics compare to their perception of their superiors or subordinates.

Finally, subsection 5.2.5 presents findings of determinants of corporate entrepreneurship. The research survey made use of a questionnaire as a study measuring instrument to gather the required quantitative data. It is critical to test whether the research instrument used in the study was valid and reliable. Therefore Sub-section 5.2.5.1 focuses on the reliability of the questionnaire using the Cronbach's alpha coefficient. In addition, an exploratory factor analysis was done to test the validity of the data collection instrument.

Furthermore, Pearson correlation coefficients were calculated to investigate the relationships between the extracted variables the results are presented reflecting the arithmetic means and standard deviation for each of the variables. In the section, data was analysed using descriptive statistics, principal component analysis, Pearson correlation, T-test and ANOVA. Because of the huge volume of data analysis, only the summary results are presented in this chapter.

5.2 EMPIRICAL FINDINGS

This presents a report of the findings of empirical research on the demographic profiles of respondents, entrepreneurial characteristics (entrepreneurial orientation attributes) and corporate entrepreneurial environment assessment determinants (determinants of corporate entrepreneurship).

5.2.1 Response rate

The response rate for this study focused on the number of respondents who completed the questionnaire, giving usable data that was analysed to give conclusions for the study. Table 5.1 presents the response rate for the survey conducted.

Table 5.1: Response Rate

No. of questionnaires sent out	No. of questionnaires returned	Response rate (%)
171	103	60.23%

In Table 5.1 the response rate is presented. One hundred and seventy questionnaires were sent out and ninety one questionnaires were returned. The response rate was 60.23%.

5.2.2 The normality of the data

This study used the Kolmogorov-Smirnov test to determine the normality of the data because the sample sizes were more than 100. According to Coakes (2005:35) the normality of the data can be determined by using the Kolmogorov-Smirnov test (if the sample size is above 100) and the Shapiro-Wilks test (if the sample size is below 100). If the significance level is greater than 0.05 using either of the two tests, then normality is assumed. The significance of the Kolmogorov-Smirnov test was greater than 0.05 in all the tests. This implies that the normality of the data can be assumed.

5.2.3 Demographic profile of respondents

Section A establishes the corporate entrepreneurial environment, Section B institute the extent to which managers are inclined towards an entrepreneurial orientation and Section C of the survey questionnaire consisted of demographic information. This section discusses the variations among different demographic variables in relation to the factors influencing corporate entrepreneurship in adventure tourism firms. The purpose for asking these questions was to determine the proportional compositions of the respondents. The research instrument required respondents to indicate their age group, gender, race, highest academic qualification, the functional departments they belong and the level of management.

5.2.3.1 The gender of respondents

The purpose of the question was to compare the variations in means between the gender classification of the respondents with entrepreneurial climate variables and the entrepreneurial orientation variables. The gender of managers who took part in the research is presented in figure 5.1.

Figure 5.1: Classification of respondents by gender

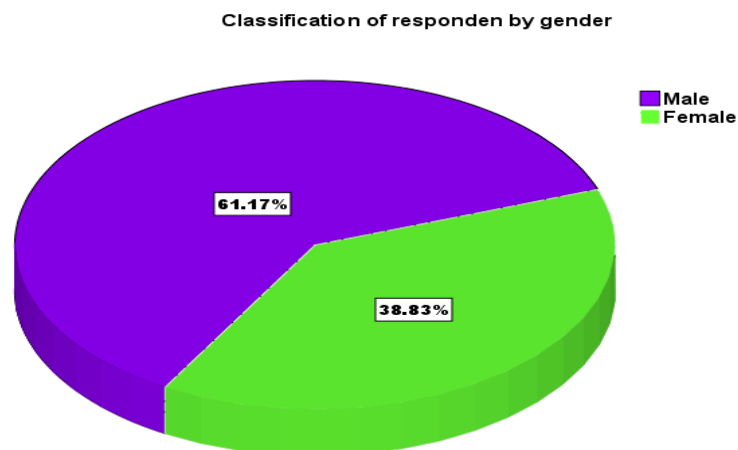


Figure 5.1 suggests that the demographic profile of gender were not equally split. Males evidently make up the greater part of the respondents in the proportions of 61% male respondents and 39 percent females respondents. Gender respondent's distribution almost tallies with the results of the research by Jordaan (2008) when male dominated the respondents profile with the ratio (9:1).

5.2.3.2 Age group classification of respondent

The age group classifications of the respondents is categorised according to the five predetermined age groups; below 29 years, 31 to 39 years, 41 to 49 years, 51 to 59 years and 60 and above years. The purpose of the question was to compare the variations in means between categories of the demographic variable age with entrepreneurial climate variables and the entrepreneurial orientation variables. The age group classification of the respondents is shown in table 5.2.

Table 5.2: Age group classification of respondent

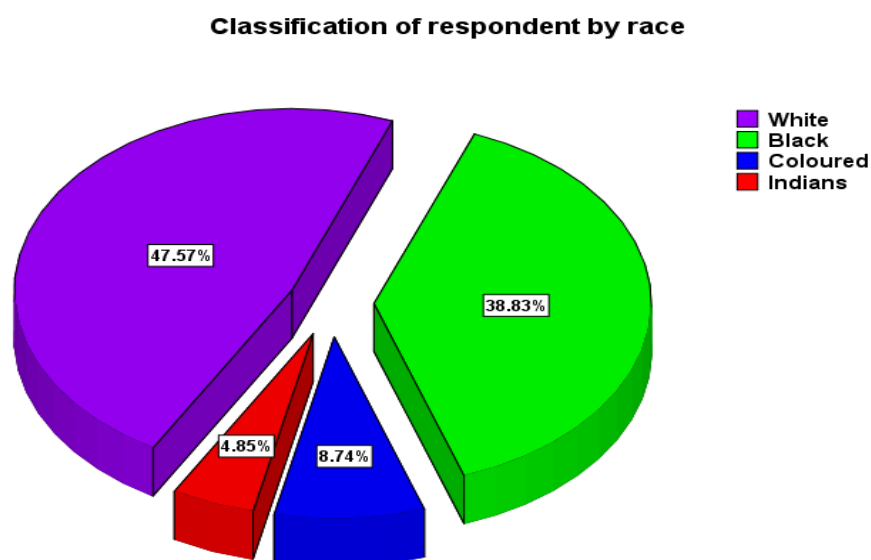
Age group classification of respondent		
	Frequency	Percentage
Below 29	3	2.91
30-39	20	19.42
40-49	62	60.19
50-59	15	14.56
60 & Above	1	0.97
Missing	2	1.94
Total	103	100

Table 5.2 reveal that the 40-49 years category dominates the respondents profile with a reading of 60 percent, followed by the second highest group (19.42 percent) with the ages in the range 30-39 years of age and the third highest group (14.56 percent) with the ages in the range 40 and 49 years old. The category of 60 and above year's age group is the least with only 0.97 percent. Two of the respondents did not provide information about their age. The results are consistent with the findings by Jordaan (2008) where only 15% of the respondents fall in the range of 60 and above age group.

5.2.3.3 Classification of respondent by race

The question had two main purposes; (i) to determine the race categorization of the respondents in accordance to the South African racial group classification precisely Black, White, Coloured or Indian, (ii) to compare the variations in means between categories of the demographic variable race with entrepreneurial climate variables and the entrepreneurial orientation variables. Figure 5.2 presents the Classification of respondent by race.

Figure 5.2: Classification of respondents by race



The results of Figure 5.2 reveal that the Whites dominates the respondents profile with a reading of 47.57 percent, followed by the Blacks with 38.83 percent, the third highest group Coloureds with 8.74 percent. The least being the Indians respondents profile with only 4.85 percent.

5.2.3.4 Respondent classification by Highest Qualification

The question requested respondents to indicate their highest academic qualification from six predetermined qualifications. It seeks to establish the highest academic qualification of the respondents in order to compare the differences in means between variables in academic qualifications with entrepreneurial climate variables and the entrepreneurial orientation variables. Table 5.3 presents the classification of respondents.

Table 5.3: Respondents classification by highest qualification

Highest Qualification		
	Frequency	Percent
National certificate	3	2.9
National diploma	22	21.4
3-year degree	35	34.0
Post graduate qualification	42	40.8
Missing	1	1.0
Total	103	100.0

The respondents profile shown in the Table 5.3 indicates that there is no one with grade 12 and lower than grade 12 as a highest qualification. All the respondents were post metric. The largest group of respondents (40.8 percent) obtained a Post graduate qualification and 34% percent of the respondents have a three year degree. Diplomas constitute 21.4 percent and National Certificated constitutes only 2.9 percent respectively. One respondent failed to indicate his or her highest academic qualifications.

5.2.3.5 Department in which the respondent works

The purpose of the question was to compare the variations in means between functional departments in which the respondents work in with entrepreneurial climate variables and the entrepreneurial orientation variables. The classification of respondents by departments within the adventure tourism business sector is shown in Figure 5.3.

Figure 5.3: classification of respondents by department

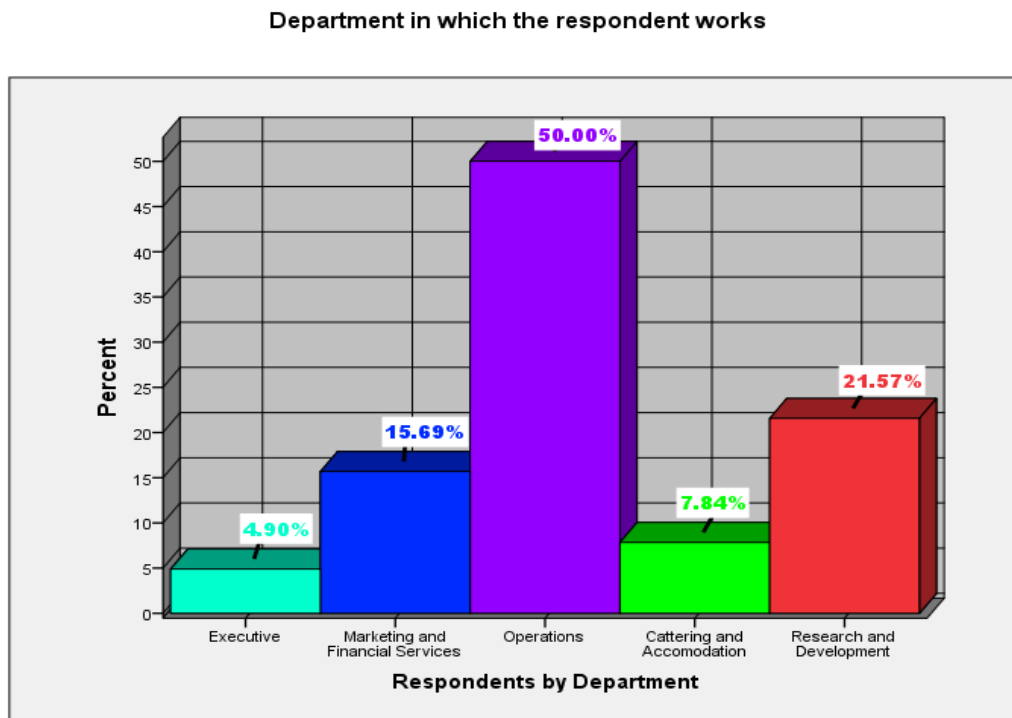
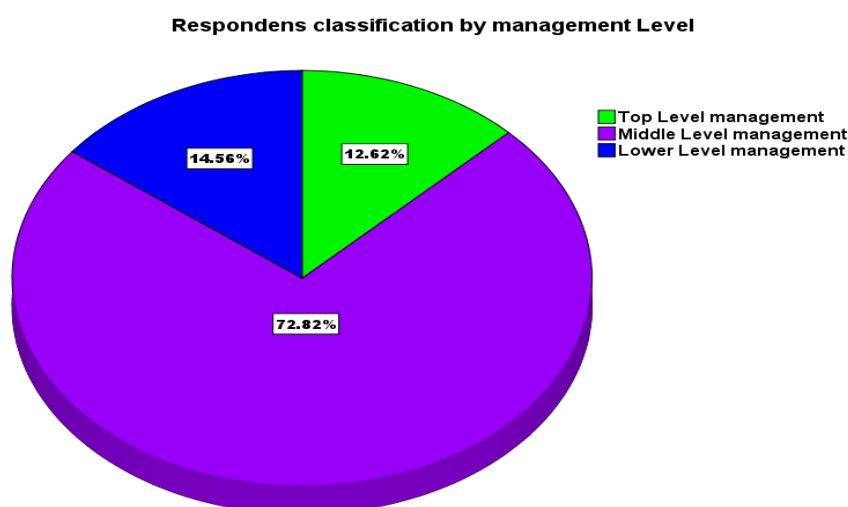


Figure 5.3 revealed that the Operations division holds the majority of respondents 50 percent, 21.7 percent work in the Research and Development division and the third largest group is the Marketing and Financial services which hold 15.69 percent. At the bottom we have catering and accommodation and Executive with 7.84 percent and 4.9 percent respectively. Figure 5.3 also reveals that the operations division seem to be the major functional area within the adventure tourism sector. Research and development being significantly crucial followed by marketing and financial services.

5.2.3.6 Respondent classification by management Level

The purpose of the question was to determine the managerial level of the respondents given the three predetermined levels of management. It aimed to compare the differences in means between the three managerial levels (senior and middle level and junior management levels) with entrepreneurial climate variables and the entrepreneurial orientation variables. Figure 5.4 reveal the results of the distribution of respondents by management level.

Figure 5.4: Classification of respondents by department



According to Figure 5.4 the majority of respondents belong to the middle level of management (72.82 percent). Respondents were almost evenly distributed between the lower level and the top level management with 14.56 percent and 12.62 percent respectively.

5.2.4 Entrepreneurial orientation attributes

This section presents the output from the analysis of descriptive statistics for all the entrepreneurial orientation attributes of top level, middle level and lower level managers. Respondents were requested to rate themselves and their superiors or subordinates in terms of their own distinct entrepreneurial characteristics on a five point likert scale. The mean, standard deviation and standard deviation error is given. In order to analyse differences in the importance of how respondents align themselves to corporate entrepreneurship, a ranking table was produced showing the mean score of each entrepreneurial characteristic.

5.2.4.1 Respondent self-assessment

Table 5.4 presents the findings of the self-assessment of respondents. Labels in the table are explained as; **(Mean)** the average score on the original 5-point scale of the questionnaire, **(N)** the number of respondents completed the questionnaire, giving usable data; **(Std. Dev)** the extent of agreement between the respondents. **S.E Mean** represents the standard deviation of sampling distribution (Zikmund and Babin, 2010:337).

Table 5.4: Respondents self-assessment

Self-Assessment Means				
Variable	Mean	N	Std. Dev	S.E Mean
Opportunity driven	4.83	103	.373	.037
Ability to take Responsibility	4.83	103	.373	.037
Team builder	4.80	103	.549	.054
Highly inspirational	4.75	103	.437	.043
Self- confidence	4.74	103	.610	.060
Ability to bring Novel ideas	4.68	103	.689	.068
Self- discipline	4.66	103	.534	.053
Limited need for status and power	4.65	103	.499	.049
Tolerance for failure	4.64	103	.624	.061
Integrity and steadfastness	4.62	103	.596	.059
Ability to adapt to change	4.61	103	.598	.059
Highly Determined	4.59	103	.513	.051
Internal locus of control	4.58	103	.634	.063
Vision/ Open minded	4.57	103	.535	.053
Quick learner	4.56	103	.518	.051
Highly creative and innovative	4.52	103	.502	.049
Thriving on ambiguity and uncertainty	4.47	103	.607	.060
Calculated risk taking	4.47	103	.669	.066
Balanced self-esteem & development	4.46	103	.556	.055
Belief in value for money	4.46	103	.520	.051
Higher levels of Commitment	4.44	103	.605	.060
High level of Perseverance	4.44	103	.518	.051
Need for achievement and growth	4.43	103	.651	.064
Problem solving skills	4.38	103	.628	.062
Good people judgement	4.23	103	.910	.090
High Patience levels	4.19	103	.755	.074
Undertake personal sacrifice	4.16	103	.849	.084
High energy level	4.12	103	.351	.035
Low support needs	4.12	103	.351	.035
Business knowledge	3.96	103	.839	.083
Market awareness	3.85	103	.797	.079
Generosity	3.68	103	.797	.079

The results of self-assessment of entrepreneurial characteristics in table 5.4 were sorted from the highest mean value to the lowest mean value. The characteristics opportunity driven and ability to take responsibility was ranked high in terms of its importance each with a arithmetic mean value of ($\bar{X} = 4.83$). The characteristic team

builder followed with mean ($X = 4.80$), highly inspirational ($X = 4.75$) Self- confidence ($X = 4.74$), Ability to bring novel ideas ($X = 4.68$) respectively.

All the characteristics obtained a high mean value, the following characteristic were valued the lowest by the respondents; Undertake personal sacrifice ($X = 4.16$), High energy level ($X = 4.12$), Low support needs ($X = 4.12$), Business knowledge ($X = 3.96$), Market awareness ($X = 3.85$), Generosity ($X = 3.68$).

The complete distribution of arithmetic means for the rest of the characteristics we refer to table 5.4. The standard deviation we almost evenly distributed across all the 32 characteristics. The average standard deviation is 0.593. The average standard deviation error ranges from 0.031(Low support needs) to 0.09, (Good people judgement) and the average standard deviation error is 0.0585.

5.2.4.2 Respondent assessment of Superior / Subordinate

The questionnaire consisted of top level managers who evaluated middle level and lower level managers, middle level managers evaluated top managers and lower level managers and finally the lower level managers evaluated the middle level and top level managers. The purpose of the analysis was to investigate the extent to which respondents perceive their superior or subordinate`s inclination toward firm level entrepreneurial activities.

A Relatively low arithmetic mean value represents disparity with the entrepreneurial characteristic and relatively high arithmetic mean value represent agreement with the entrepreneurial characteristic. In order to analyse differences in the importance of how respondents perceive their superior or subordinate`s alignment to intrapreneurship, a ranking table was produced showing the mean score of each entrepreneurial characteristic sorted from the highest mean value to the lowest mean value. The standard deviation and standard deviation errors are given. Table 5.5 presents the findings of the respondent`s assessment of Superior or Subordinate.

Table 5.5: Respondents assessment of superior / subordinate

Superior Subordinate Means				
Variable	Mean	N	Std. Dev	S.E Mean
Highly inspirational	4.63	103	.485	.048
Team builder	4.56	103	.750	.074
Low support needs	4.53	103	.654	.064
Integrity and steadfastness	4.51	103	.712	.070
Self- discipline	4.50	103	.624	.062
Ability to adapt to change	4.49	103	.803	.079
Self- confidence	4.46	103	.883	.087
Internal locus of control	4.45	103	.590	.058
Ability to bring Novel ideas	4.45	103	.668	.066
Ability to take Responsibility	4.44	103	.750	.074
Vision/ Open minded	4.43	103	.824	.081
Problem solving skills	4.38	103	.628	.062
High energy level	4.36	103	.765	.075
Thriving on ambiguity and uncertainty	4.36	103	.712	.070
Opportunity driven	4.35	103	.789	.078
Calculated risk taking	4.34	103	.966	.095
Generosity	4.34	103	.735	.072
Highly Determined	4.34	103	.735	.072
Need for achievement and growth	4.33	103	.833	.082
Limited need for status and power	4.26	103	.727	.072
Good people judgement	4.25	103	.737	.073
Market awareness	4.07	103	.795	.078
Higher levels of Commitment	4.07	103	.795	.078
High Patience levels	3.99	103	.755	.074
Business knowledge	3.96	103	.839	.077
Balanced self-esteem & development	3.96	103	.839	.077
Highly creative and innovative	3.92	103	.977	.082
Belief in value for money	3.92	103	.977	.082
High level of Perseverance	3.86	103	.849	.087
Tolerance for failure	3.85	103	.797	.090
Quick learner	3.85	103	.797	.090
Undertake personal sacrifice	3.71	103	.690	.096

The results of Superior / Subordinate assessment on entrepreneurial characteristics in table 5.5 reveal that the characteristics highly inspirational obtained the highest arithmetic mean value ($X = 4.63$). Team builder was ranked second highest (4.56) followed by Low support needs ($X = 4.53$), Integrity and steadfastness ($X = 4.51$), Self- discipline ($X = 4.50$), Ability to adapt to change ($X = 4.49$), Self- confidence ($X = 4.46$), Internal locus of control ($X = 4.45$) respectively. The following characteristic were valued the lowest by the respondents; High level of Perseverance ($X = 3.86$),

Tolerance for failure ($X = 3.85$), Quick learner ($X = 3.85$) and Undertake personal sacrifice ($X = 3.71$).

The complete distribution of arithmetic means for the rest of the characteristics we refer to table 5.5. The standard deviation we almost evenly distributed across all the 32 characteristics. The average standard deviation is 0.763. The average standard deviation error ranges from 0.048 (Highly inspirational) to 0.096 (Undertake personal sacrifice) and the average standard deviation error is 0.075.

5.2.4.3 Comparisons between Self and Superior / Subordinate

A paired sample t-test and the effect sizes analysis was done to compare the mean scores of respondents' perceptions of relative entrepreneurial characteristics measured relating to those of their superiors or subordinates. The purpose of the t-test was to ascertain the significance of the difference between two means (Statistical significant tests). A test is significant when it yields a small p-value. If a variable obtained a p-value of less than ($p < 0.05$) we concluded that the variable is statistically significant with regard to that specific variable. The effect size or the sizes of associations between the self-assessment in terms of the entrepreneurial characteristics was measured by (r) correlation coefficient and Cohen's (d) value. Ellis and Steyn (2003:51) define the effect size as a measure of practical significance independent of the sample. Cohen (1988:38) provided the interpretation of the effect size as shown in Table 5.6.

Table 5.6: Cohen's effect size definition

Correlation / regression coefficients (r)		Cohen's (d) value	
r	Effect size	d	Effect size
0.1	Small effect	0.2	Small effect
0.3	Medium effect	0.5	Medium effect
0.5	Large effect	0.8	Large effect

Table 5.7 presents the evaluation of the comparison between the self and superior or subordinate assessment. The mean, standard deviation (**Std. Dev**), statistical significance (**p**) and effect sizes (**r**) and (**d**) are given.

Table 5.7: Comparisons between self and superior / subordinate

Entrepreneurial Orientation Traits							
Variable	Self		Superior/		Comparison		
	Mean	Std.	Mean	Std.	p	r	d
Highly inspirational	4.75	.437	4.63	.485	.077	0.174	0.354
Need for achievement and growth	4.43	.651	4.33	.833	.404	0.083	0.166
Internal locus of control	4.58	.634	4.45	.590	.113	0.156	0.316
<i>Ability to bring Novel ideas</i>	4.68	.689	4.45	.668	.014*	0.241	0.497
<i>Opportunity driven</i>	4.83	.373	4.35	.789	.004*	0.498	1.148
High energy level	4.12	.351	4.36	.765	.053	0.190	-0.387
Thriving on ambiguity and	4.47	.607	4.36	.712	.266	0.110	0.221
<i>Tolerance for failure</i>	4.64	.624	3.85	.797	.014*	0.428	0.948
<i>Ability to take Responsibility</i>	4.83	.373	4.44	.750	.003*	0.391	0.848
Problem solving skills	4.38	.628	4.38	.628	.188	0.130	0.262
Calculated risk taking	4.47	.669	4.34	.966	.296	0.104	0.208
<i>Self- confidence</i>	4.74	.610	4.46	.883	.007*	0.264	0.548
Self- discipline	4.66	.534	4.50	.624	.053	0.199	0.406
Vision/ Open minded	4.57	.535	4.43	.824	.096	0.164	0.333
Team builder	4.80	.549	4.56	.750	.015	0.239	0.492
Integrity and steadfastness	4.62	.596	4.51	.712	.281	0.107	0.215
Ability to adapt to change	4.61	.598	4.49	.803	.174	0.134	0.271
Low support needs	4.12	.351	4.53	.654	.053	0.454	-1.020
Good people judgement	4.38	.544	4.25	.737	.179	0.133	0.268
High Patience levels	4.34	.587	3.99	.755	.155	0.140	0.283
Business knowledge	3.96	.839	3.96	.839	.164	0.137	0.278
Market awareness	3.85	.797	4.07	.795	.054	0.190	0.387
Generosity	3.68	.797	4.34	.735	.175	0.134	0.270
<i>Balanced self-esteem &</i>	4.46	.556	3.96	.839	.044*	0.457	1.027
Belief in value for money	4.46	.520	3.92	.977	.068*	0.194	0.396
<i>Quick learner</i>	4.56	.518	3.85	.797	.000	0.633	1.637
Limited need for status and power	4.65	.499	4.26	.727	.067	0.357	0.764
Undertake personal sacrifice	4.28	.452	3.71	.690	.051	0.193	0.394
Highly creative and innovative	4.52	.502	3.92	.977	.064	0.434	0.962
Higher levels of Commitment	4.44	.605	4.07	.795	.063	0.336	0.714
Highly Determined	4.59	.513	4.34	.735	.155	0.273	0.568
<i>High level of Perseverance</i>	4.44	.518	3.86	.849	.009*	0.256	0.529

* Statistical significant at the p = 0.05 level (2-tailed)

The results of the comparisons between Self-assessment and Superior / Subordinate assessment shown in table 5.7 reveal that there are no statistically significant differences with respect to the entrepreneurial characteristics with a p-value less than 0.05. Only eight factors prove to be statistically significant. These are; ability to bring novel ideas (p = .014; r = 0.174; d = 0.354), opportunity driven (p

= .004; $r = 0.498$; $d = 1.148$), tolerance for failure ($p = .014$; $r = 0.428$; $d = 0.948$), the ability to take responsibility ($p = .003$; $r = 0.391$; $d = 0.848$), self- confidence ($p = .007$; $r = 0.264$; $d = 0.548$), balanced self-esteem & development ($p = .044$; $r = 0.457$; $d = 1.027$), quick learner $p = .000$; $r = 0.633$; $d = 1.637$) and high level of perseverance ($p = .009$; $r = 0.256$; $d = 0.529$). All the eight factors show medium to large effect.

5.2.5 Entrepreneurial environment determinants

The first step is to describe the research findings that deals with the construct validity and reliability of the measuring instrument used to measuring the entrepreneurial orientation within adventure tourism firms. Kent (2007:145) suggests that reliability and validity should be done as they are important characteristics of good measurement. An exploratory factor analysis was conducted to measure the validity of the survey instrument and reliability test of scales was done to measure internal consistency.

5.2.5.1 Reliability test for the questionnaire

Internal consistency or reliability of the scales for section B was measured using the Cronbach's alpha coefficient by computing the average of all possible split-half reliabilities for the multiple item scale (Zikmund & Babin, 2007:322). The questionnaire has three sections. The first section (section A) focused on determinants of corporate entrepreneurship, measured by the five-point Likert scale. The second section (section B) deals with the Entrepreneurial orientation of managers measured by the five point Likert scale. The third section (section C) dwells on the demographic information of the respondents.

Table 5.8: Reliability test of the questionnaire

Variables	No. of items	Coefficient
Entrepreneurial Orientation Determinants	114	0.963

The Cronbach's alpha for section B part of the questionnaire consisting of one hundred and fourteen questionnaire items was 0.963. All of the Chronbach's alpha coefficient level's tested were greater than 0.7, this indicated higher reliability of the survey instrument.

5.2.5.2 Principal component analysis

In order to reduce the amount of entrepreneurial orientation determinants into useful sections and manageable number of components, the principal component analysis was performed. Field (2005:636) provides a theoretical justification in the belief that the principal components of the exploratory factor analysis measuring perceived importance of factors would correlate with each other.

➤ Kaiser-Meyer-Olkin (KMO) and Bartlett's Test

Burns and Burns (2008:454) suggest that the two tests, Bartlett's test of sphericity and the Kaiser-Meyer-Olkin measure of sampling adequacy were considered important in determining the appropriateness of the data for factor analysis. The results of Kaiser-Meyer-Olkin (KMO) and Bartlett's Test (BTS = 492.073; sig. = 0.001) showed that the data were fit for the purpose of factor analysis. BTS yielded a p-value of smaller than 0.01 indicating that patterns of correlations are close and that factor analysis should yield consistent and reliable factors. Statistically, this explains that there are relationships between the variables and that they can be appropriately included in the factor analysis. The result of the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.764. The results indicate that there are adequate items for each factor. The combination of the two tests supports the suitability of the factor analysis technique.

Table 5.9: KMO and BTS

Variables	
KMO	0.764
BTS	478.064
Sig.	0.001*

***Sig. at 0.05 (2-tailed)**

5.2.5.3 Total variance explained

Table 5.9 shows the total variance explained by factor analysis entrepreneurial orientation determinants. Twelve factors with Eigenvalues greater than one account for 89.94% of the total variance. The twelve factors were further confirmed by the rotation sums of squared loading after Varimax rotation. The rule of factor analysis

states that only factors that have Eigenvalues greater than one are relevant and should be retained (Davis, 2005:446). In addition, the rule provides that the higher the percentage of the total variance the greater the influence the factor has.

5.2.5.4 Rotated Component (Factor) Matrix

The idea of rotation is to establish that multiple tests measure the same factor; thus giving explanation for administering lesser factors. Rotation does not actually change anything but reduces the number factors on which the variables under investigation have high loadings. This process makes the interpretation of the analysis easier. Table 5.9 reveals twelve factors extracted from 114 questionnaire items. The Rotated Component (Factor) Matrix and the items included in the factor analysis are in Appendix one (1).

Looking at the Table 5.9, we can see that Resources and time (Resources accessibility and time availability), had the highest factor loading with (18) factors out of one hundred and fourteen questionnaire items. Innovativeness and creativity, follows with (15) factors items. Rewards / Reinforcement and Sponsorship (13) items, Work discretion and discretionary time (11) factor items, both Vision and Strategic intent and Tolerance of risk, mistakes and failure have each (8) factor items respectively.

Management Support for Intrapreneurship and Strong customer orientation have (7) items each. Both Flat organisational structure and Continuous cross-functional learning fall second from the least with each (6) items respectively. Multi-disciplined teamwork and diversity and Entrepreneurial leadership have the least number of factors each with (5) five questionnaire items respectively. All of the Chronbach`s alpha coefficient level's tested were greater than 0.7, this indicated higher reliability of the survey instrument.

Table 5.10: Rotated factor loading and cronbach's alpha

Constructs of corporate entrepreneurial environment						
		No. Fact	Mean	Std. Dev	Eigen value	Cronbach's Alpha
1	Resources and time	18	3.86	0.910	30.29	0.970
2	Innovativeness and creativity	15	3.99	0.885	24.36	0.968
3	Rewards/Reinforcement and Sponsorship	13	4.04	0.817	10.17	0.966
4	Work discretion and discretionary time	11	3.77	0.852	9.74	0.971
5	Vision and Strategic intent	8	4.04	1.000	9.16	0.972
6	Tolerance of risk, mistakes and failure	8	3.81	0.864	8.62	0.969
7	Management Support for Intrapreneurship	7	4.19	0.758	7.80	0.971
8	Strong customer orientation	7	3.85	1.052	5.83	0.970
9	Flat organisational structure	6	4.36	0.641	4.50	0.892
10	Continuous cross-functional learning	6	3.82	0.975	3.91	0.970
11	Multi-disciplined teamwork and diversity	5	3.95	0.759	3.48	0.971
12	Entrepreneurial leadership	5	3.89	0.881	2.85	0.971

(Items with factors loading less than 0.300 were omitted)

The twelve factors which influence entrepreneurial orientation within adventure tourism firms are presented below in the order of their importance as indicated by their contribution to the percentage of total variance.

➤ **Resources and time**

Factor one consists of eighteen items and was labelled as *resources and time*. The Eigen value for the factor is 30.29. Cronbach's alpha for the factor yielded a value of 0.970 indicating the reliability of the factor.

➤ **Innovativeness and creativity**

Factor two includes fifteen items was labelled *Innovativeness and creativity*. The Eigenvalue for the factor is 24.36. Cronbach's alpha for the factor yielded a value of 0.968 indicating the reliability of the factor.

➤ **Rewards/Reinforcement and Sponsorship**

Factor three is made up of thirteen factors and was labelled *Rewards/Reinforcement and Sponsorship*. The Eigenvalue for the factor is 10.17. Cronbach's alpha for the factor yielded a value of 0.966 indicating the reliability of the factor.

➤ **Work discretion and discretionary time**

Factor four consists of eleven items and was labelled as *Work discretion and discretionary time*. The Eigenvalue for the factor is 9.74. Cronbach's alpha for the factor yielded a value of 0.971 indicating the reliability of the factor.

➤ **Vision and Strategic intent**

Factor five is made up of eight items and was labelled as *Vision and Strategic intent*. The Eigenvalue for the factor is 9.16. Cronbach's alpha for the factor yielded a value of 0.972 indicating the reliability of the factor.

➤ **Tolerance of risk, mistakes and failure**

Factor six was labelled *Tolerance of risk, mistakes and failure*. The Eigenvalue for the factor is 8.62. The factor consists of eight items. Cronbach's alpha for the factor yielded a value of 0.969 indicating the reliability of the factor.

➤ **Management Support for Intrapreneurship**

Factor seven was labelled *Management Support for Intrapreneurship*. The Eigenvalue for the factor is 7.80. The factor is made up of seven items. Cronbach's alpha for the factor yielded a value of 0.971 indicating the reliability of the factor.

➤ **Strong customer orientation**

Factor eight was labelled *Strong customer orientation*. The Eigenvalue for the factor is 5.83. The factor consists of seven items. Cronbach's alpha for the factor yielded a value of 0.970 indicating the reliability of the factor.

➤ **Flat organisational structure**

Factor nine consists of six items and was labelled *Flat organisational structure*. The Eigenvalue for the factor is 4.50. Cronbach's alpha for the factor yielded a value of 0.892 indicating the reliability of the factor.

➤ **Continuous cross-functional learning**

Factor ten was labelled *Continuous cross-functional learning*. The Eigenvalue for the factor is 3.91. The factor consists of six items. Cronbach's alpha for the factor yielded a value of 0.970 indicating the reliability of the factor.

➤ **Multi-disciplined teamwork and diversity**

Factor eleven consists of five items and was labelled *Multi-disciplined teamwork and diversity*. The Eigenvalue for the factor is 3.48. Cronbach's alpha for the factor yielded a value of 0.971 indicating the reliability of the factor.

➤ **Entrepreneurial leadership**

Factor twelve was labelled *Entrepreneurial leadership*. The Eigenvalue for the factor is 2.85. The factor includes five items. Cronbach's alpha for the factor yielded a value of 0.971 indicating the reliability of the factor.

One hundred and fourteen questions (items) were rotated to find their factor loading. From the total of one hundred and fourteen items, one hundred and nine items had factor loading 0.3 and were retained. Five items had factor loadings lower than 0.3 and were removed as suggested by (Leech *et al.*, 2005:13).

5.2.5.5 Interpretation of results Descriptive statistics

Table 5.11 presents the summery output from the analysis of descriptive statistics for rotated factors of the determinants Corporate Entrepreneurship. The mean and standard deviation is given. The mean and the standard deviation are calculated as the average means and standard deviations for all the factors loaded in each construct. In order to analyse differences in the importance of corporate entrepreneurship, a ranking table was produced showing the mean score of each factor (construct). The complete table of descriptive statistics for all factors is shown in appendix 5.10.

Table 5.11: Descriptive statistics

Descriptive statistics				
		No. Factors	Mean	Std. Dev
9	Flat organisational structure	6	4.36	0.641
7	Management Support for Intrapreneurship	7	4.19	0.758
5	Vision and Strategic intent	8	4.04	1.000
3	Rewards/Reinforcement and Sponsorship	13	4.04	0.817
2	Innovativeness and creativity	15	3.99	0.885
11	Multi-disciplined teamwork and diversity	5	3.95	0.759
12	Entrepreneurial leadership	5	3.89	0.881
1	Resources and time	18	3.86	0.910
8	Strong customer orientation	7	3.85	1.052
10	Continuous cross-functional learning	6	3.82	0.975
6	Tolerance of risk, mistakes and failure	8	3.81	0.864
4	work discretion and discretionary time	11	3.77	0.852

Factors ranked high in the table 5.11 are regarded the most important factors with regard to their mean values. The construct Flat organisational structure with six questionnaire items obtained the highest arithmetic mean value (4.36), followed by the constructs Management Support for Intrapreneurship with seven items (4.19); Vision and Strategic intent and Rewards/Reinforcement and Sponsorship each obtained (4.04) respectively; Innovation and creativity (3.99); Multi-disciplined teamwork and diversity (3.95), Entrepreneurial leadership (3.89), Resources and time (3.86), Strong customer orientation (3.85), Continuous cross-functional learning (3.82), Tolerance for risk, mistakes and failure (3.81); work discretion and discretionary time obtained the least score (3.77). All the factors have higher mean values meaning that they are all important factor to drive corporate entrepreneurship.

5.2.5.6 Relationship between extracted factors and demographical variables

This section of corporate entrepreneurial environment assessment investigated the difference in the means between the demographical variables.

5.2.5.6.1 T-test for gender

The t-test was used to investigate differences in means between gender and the extracted factors. The difference was measured by (r) correlation and (d) the effect

size and significance level (p). According to Ellis and Steyn (2003:51) the effect size is a measure of practical significance independent of the sample. Cohen (1988:38) provided rules of thumb for the interpretation of the effect sizes; using correlation/regression coefficients (r) Cohen suggest that an r of (r = .1= small effect size), of (r = .3 = medium effect size) and (r = .5 = large effect size). The effect size (d) was interpreted, according to Cohen's guidelines, as follows: small effect (d = 0.2), medium effect (d = 0.5) and large effect (d = 0.8). Table 5.12 presents the results of the t-test on gender.

Table 5.12: T-test for gender

T-Test Gender				
Factor		p	r	d
1	Resources and time	.007*	0.431	0.954
2	Innovativeness and creativity	.017*	0.459	1.033
3	Rewards/Reinforcement and Sponsorship	.095	0.165	0.335
4	Work discretion and discretionary time	.152	0.202	0.412
5	Vision and Strategic intent	.579	0.055	0.111
6	Tolerance of risk, mistakes and failure	.627	0.067	0.135
7	Management Support for Intrapreneurship	.053	0.100	0.409
8	Strong customer orientation	.051	0.119	0.449
9	Flat organisational structure	.011*	0.384	0.832
10	Continuous cross-functional learning	.050	0.410	0.900
11	Multi-disciplined teamwork and diversity	.009*	0.406	0.889
12	Entrepreneurial leadership	.011*	0.478	1.088

***Statistical significant at the p = 0.05 level (2-tailed)**

The results of measure of the sizes of associations shown in the Table 5.12 reveal that there are significant differences in the mean scores of males and females with regard to the twelve factors except for the following factors; entrepreneurial leadership (large effect, r = 0.478; d = 1.088), innovativeness and creativity (large effect, r = 0.459; d = 1.033), flat organisational structure (large effect, r = 0.384; d = 0.832), multi-disciplined teamwork and diversity (large effect, r = 0.406; d=0.889), and resources and time (large effect, r = 0.431; d=0.954).

5.2.5.6.2 Analysis of Variance (ANOVA)

Finally the analysis of variance (ANOVA) was used to make comparisons of how much of the variance in the statistical results (total sum of squares) is explained by the factor effects (factor sum of squares). The analysis of variance (ANOVA) also

explains how much is due to random error (residual sum of squares). The F test for the factor effect was used to tests whether the demographic variables (age, race, academic level, management level and department) have a significant effect on the entrepreneurial orientation variables.

Table 5.13: Analysis of variance (ANOVA) for age

ANOVA Age			
Factor		F	P-value
1	Resources and time	6.380	.000
2	Innovativeness and creativity	3.309	.054
3	Rewards/Reinforcement and Sponsorship	3.329	.051
4	Work discretion and discretionary time	.513	.726
5	Vision and Strategic intent	.140	.967
6	Tolerance of risk, mistakes and failure	.759	.144
7	Management Support for Intrapreneurship	.512	.405
8	Strong customer orientation	.823	.513
9	Flat organisational structure	6.275	.000
10	Continuous cross-functional learning	.933	.055
11	Multi-disciplined teamwork and diversity	7.587	.000
12	Entrepreneurial leadership	1.331	.264

The mean difference is significant at the .05 level.

Interpreting the results we assume that the variable is statistically significant with respects to the constructs contribution to entrepreneurial orientation if the variables have a p-value of ($p < 0.05$). The F-ratio is for resources and time is 6.380 and the p-value is less than ($< .05$). This shows that the difference in the mean scores of the five age groups is statistically significant. Other significant variables include; Multi-disciplined teamwork and diversity ($F = 7.587$; $P = .000 < .05$), Flat organisational structure ($F = 6.275$; $P = .000 < .05$).

In a broader view, the results of the ANOVA in Table 5.13 revealed that there are no significant differences in the mean scores of the age groups with respect to the twelve factors except the three factors listed above. The larger the F-statistics, the greater the possibility of difference between samples are due to the factor being tested.

Table 5.14: Analysis of variance (ANOVA) race

ANOVA Race			
Factor		F-value	P-value
1	Resources and time	2.558	.059
2	Innovativeness and creativity	1.003	.187
3	Rewards/Reinforcement and Sponsorship	2.444	.055
4	Work discretion and discretionary time	5.917	.010
5	Vision and Strategic intent	6.734	.072
6	Tolerance of risk, mistakes and failure	9.431	.088
7	Management Support for Intrapreneurship	2.751	.047
8	Strong customer orientation	1.652	.077
9	Flat organisational structure	8.827	.067
10	Continuous cross-functional learning	8.409	.056
11	Multi-disciplined teamwork and diversity	1.018	.116
12	Entrepreneurial leadership	6.735	.062

The mean difference is significant at the .05 level.

The results of the ANOVA shown in the Table 5.14 reveal that there are no significant differences in the mean scores of race with respect to the twelve extracted factors except for Work discretion and discretionary time. The F-ratio is for Work discretion and discretionary time is $F = 5.917$; $p = .010$ and the p-value is less than ($< .05$). This shows that the difference in the mean scores of the four racial groups is statistically significant with regard to this factor.

Table 5.15: Analysis of variance (ANOVA) For academic level

ANOVA Academic level			
Factor		F-value	p-value
1	Resources and time	4.842	.073
2	Innovativeness and creativity	8.132	.090
3	Rewards/Reinforcement and Sponsorship	5.343	.112
4	work discretion and discretionary time	4.325	.057
5	Vision and Strategic intent	.474	.701
6	Tolerance of risk, mistakes and failure	5.424	.091
7	Management Support for Intrapreneurship	1.875	.139
8	Strong customer orientation	4.160	.098
9	Flat organisational structure	5.577	.071
10	Continuous cross-functional learning	4.475	.116
11	Multi-disciplined teamwork and diversity	9.804	.000
12	Entrepreneurial leadership	3.179	.067

The mean difference is significant at the .05 level.

The results of the ANOVA shown in Table 5.15 reveal that there are no significant differences in the mean scores of race with respect to the twelve extracted factors except for multi-disciplined teamwork and diversity. The F-ratio for multi-disciplined teamwork and diversity is ($F = 9.804$; $p = .000$) and the p-value is less than ($< .05$). This shows that the difference in the mean scores of the three academic levels is statistically significant with regard to this factor.

Table 5.16: Analysis of variance (ANOVA) for management level

ANOVA Management level			
Factor		F-value	P-value
1	Resources and time	7.672	0.100
2	Innovativeness and creativity	1.857	0.112
3	Rewards/Reinforcement and Sponsorship	1.897	0.101
4	Work discretion and discretionary time	1.986	0.092
5	Vision and Strategic intent	.220	0.803
6	Tolerance of risk, mistakes and failure	3.069	0.051
7	Management Support for Intrapreneurship	.753	0.127
8	Strong customer orientation	21.961	0.803
9	Flat organisational structure	19.021	0.000
10	Continuous cross-functional learning	25.524	0.000
11	Multi-disciplined teamwork and diversity	4.412	0.091
12	Entrepreneurial leadership	7.054	0.087

The mean difference is significant at the .05 level.

The results of the ANOVA from Table 5.16 shows that there are no significant differences in the mean scores of management level with respect to the twelve extracted factors except for flat organisational structure and continuous cross-functional learning. . The F-ratio for flat organisational structure ($F = 19.021$; $p = .000$) and Continuous cross-functional learning ($F = 25.524$; $p = .000$). Both p-values are less than ($< .05$). This shows that the difference in the mean scores of the three management levels is statistically significant with regard to these two factors.

Table 5.17: Variance (ANOVA) for functional department

ANOVA Department			
Factor		F-value	P-value
1	Resources and time	.560	0.692
2	Innovativeness and creativity	.224	0.924
3	Rewards/Reinforcement and Sponsorship	.385	0.819
4	Work discretion and discretionary time	.736	0.569
5	Vision and Strategic intent	.832	0.508
6	Tolerance of risk, mistakes and failure	.991	0.416
7	Management Support for Intrapreneurship	.743	0.565
8	Strong customer orientation	.229	0.922
9	Flat organisational structure	.096	0.983
10	Continuous cross-functional learning	.425	0.790
11	Multi-disciplined teamwork and diversity	.151	0.962
12	Entrepreneurial leadership	.206	0.935

The mean difference is significant at the .05 level.

The results of the ANOVA from Table 5.17 reveal that there are no significant differences in the mean scores of management level with respect to the twelve extracted factors. The p-values of all the factors are greater than ($> .05$). This shows that the differences in the mean scores of the five departments are not statistically significant with regard to all the factors.

5.2.5.7 Correlation results for corporate entrepreneurship

Furthermore, the Pearson correlation test was used to test the relationship, direction and strength between the twelve extracted variables (entrepreneurial orientation determinants). The extracted variables are; Flat organisational structure, Management Support for Intrapreneurship, Vision and Strategic intent, Rewards/Reinforcement and Sponsorship, Innovativeness and creativity, Multi-disciplined teamwork and diversity, Entrepreneurial leadership, Resources and time, Strong customer orientation, Continuous cross-functional learning, Tolerance of risk, mistakes and failure and work discretion and discretionary time.

Table 5.18: Correlation results for corporate entrepreneurship

Factors	Entrepreneurial orientation Determinants		
	Mean	R	P Value
Flat organisational structure	4.36	0.845	0.017
Management Support for Intrapreneurship	4.19	0.716	0.029
Vision and Strategic intent	4.04	0.771	0.037
Rewards/Reinforcement and Sponsorship	4.04	0.996	0.021
Innovativeness and creativity	3.99	0.879	0.014
Multi-disciplined teamwork and diversity	3.95	0.924	0.033
Entrepreneurial leadership	3.89	0.716	0.023
Resources and time	3.86	0.911	0.041
Strong customer orientation	3.85	0.777	0.032
Continuous cross-functional learning	3.82	0.937	0.011
Tolerance of risk, mistakes and failure	3.81	0.899	0.02
work discretion and discretionary time	3.77	0.521	0.024

Sig. 0.05 (2-tailed)

The factors were investigated by determining the Pearson correlation coefficients (r) between the variables. The results of the correlation reveal statistical significance of the relationships between all the variable combinations.

5.2.5.8 Hypothesis testing

The research hypotheses were tested as follows;

- **Flat organisational structure**

The scale means of flat organisational structure and the factors influencing entrepreneurial orientation is 4.36. The significance of the relationship was tested through the Pearson correlation ($r = 0.845$; $p\text{-value} = 0.017$). The results indicate that there is a significant positive relationship between flat organisational structure and corporate entrepreneurship.

The null hypothesis which states that there is no significant relationship between flat organisational structure and corporate entrepreneurship in the adventure tourism firms is rejected.

These results are consistent with the findings of the study “Conceptualising an Integrated framework for Corporate Entrepreneurship” by Oosthuizen (2006). The study found out that corporate entrepreneurship flourishes best where formal channels is altered to encourage employee independence and freedom to make suggestions. Another study conducted by Oosthuizen (2012) support the finding of this research. The study finds out that industry rule-bending as another type of transformation towards entrepreneurial behaviour. In addition, the study found out that creating structures and a culture across the firm to improve entrepreneurial orientation and it stimulate employees to take charge of the success of the business.

- **Management Support for Intrapreneurship**

The scale means of Management Support for Intrapreneurship and the factors influencing entrepreneurial orientation is 4.19. The significance of the relationship was tested through the Pearson correlation ($r = 0.716$, $p\text{-value}=0.029$). The results indicate that there is a significant positive relationship between Management Support for Intrapreneurship and corporate entrepreneurship.

The null hypothesis which states that there is no significant relationship between Management Support for Intrapreneurship in adventure tourism firms and corporate entrepreneurship is rejected.

The results are consistent with findings by Antoncic and Hisrich (2003:526) which found that management support in corporate entrepreneurship can be enhanced by firm level support. The study emphasised training and trust in individuals within the organisation as an avenue to detect opportunities to positively influence an enterprise's entrepreneurial behaviour.

- **Vision and Strategic intent**

The scale means of vision and strategic intent and entrepreneurial orientation is 4.04. The significance of the relationship was tested through the Pearson correlation ($r=0.771$, $p\text{-value}=0.037$). The results indicate that there is a significant positive relationship between vision and strategic intent and corporate entrepreneurship.

The null hypothesis that there is no significant relationship between vision and strategic intent and corporate entrepreneurship is rejected.

The findings of the research prove to be supported by the literature. The study by Cohen (2004) had the same results which found out that vision and strategic intent is an important variable that can initiate strategic renewal by creation of new wealth through new combinations of resources. The results of the research were also supported by recommendations by Teng, (2007) which suggest that firms should maintain vision and strategic intent with the pursuit for intrapreneurship and employees must be fully informed of new vision.

- **Rewards/Reinforcement and Sponsorship**

The scale means of Rewards / Reinforcement and Sponsorship against entrepreneurial orientation is 4.04. The significance of the relationship was tested through the Pearson correlation ($r = 0.996$, $p\text{-value} = 0.021$). The results indicate that there is a significant positive relationship between bank attractiveness and choice of commercial bank.

The null hypothesis that there is no significant relationship between Rewards / Reinforcement and Sponsorship for entrepreneurial activities within adventure tourism firms and corporate entrepreneurship is rejected.

The findings of this research were consistent with results from the study conducted by Antoncic and Hisrich (2003) entitled “Clarifying the entrepreneurship concept”. The study found out that management involvement as well as top management encouragement and rewarding of venture activities improves entrepreneurial behaviour. The study emphasised the following factors as the most important elements of sponsorship;

- ❖ Firm level support in terms of funding brighter minds
- ❖ Training and rewarding of employees, and
- ❖ Establishing procedures for dealing with new ideas to foster creativity and innovation

- **Innovativeness and creativity**

The scale means of Innovativeness and creativity against entrepreneurial orientation is 3.99. The five-point Likert scale was used and 3 is the midpoint. The significance of the relationship was tested through the Pearson correlation Innovativeness and creativity ($r = 0.879$; $p\text{-value} = 0.014$). The results indicate that there is a significant

positive relationship between Innovativeness and creativity by employees and corporate entrepreneurship.

The null hypothesis which states that there is no significant relationship between the Innovativeness and creativity by employees and corporate entrepreneurship is rejected.

The results of the study followed the recommendations made by Jordaan (2008) which suggest that innovation and creativity requires managers to “think-out-of-the-box”. The results prove to be significantly important; McFadzean (2005) also recommended a number of process models to improve novelty. These were; idea generation, research design and development, prototype production, manufacturing, marketing and sales.

- **Multi-disciplined teamwork and diversity**

The scale means of multi-disciplined teamwork and diversity and entrepreneurial orientation is 3.95. The five-point Likert scale was used and 3 is the midpoint. The significance of the relationship was tested through the Pearson correlation ($r = 0.924$, $p\text{-value} = 0.033$). The results indicate that there is a significant positive relationship between multi-disciplined teamwork and diversity and corporate entrepreneurship.

The null hypothesis which states that there is no significant relationship between multi-disciplined teamwork and diversity within adventure tourism firms and corporate entrepreneurship is rejected.

The results of this study were consistent with the findings of the study conducted by Jordaan (2008) which concludes that multi-disciplined teamwork and diversity teams encourage idea sharing, constructive feedback and constructive criticism. In addition Jordaan (2008) concludes that entrepreneurship involvement is best where cross functional teams is used effectively and employees should have a choice in selecting team members and whether cross functional teams are characterised by diversity based on their skills.

- **Entrepreneurial leadership**

The scale means of entrepreneurial leadership and entrepreneurial orientation is 3.89. The five-point Likert scale was used and 3 is the midpoint. The significance of the relationship was tested through the Pearson correlation Innovativeness and creativity ($r = 0.716$; $p\text{-value} = 0.023$). The results indicate that there is a significant positive relationship between entrepreneurial leadership of managers and corporate entrepreneurship.

The null hypothesis that there is no significant relationship between the Entrepreneurial leadership of managers and corporate entrepreneurship is rejected.

The findings were consistent with the results of the study conducted by Dess and Lumpkin (2005). The Dess and Lumpkin observed that as firms grows and matures firms concentrate on formal management of the firm rather than being entrepreneurial; this shows the fall of entrepreneurial leadership. Dess and Lumpkin (2005) also found out that large firms fail to implement corporate entrepreneurship because of the present a hostile environment for creative ideas hence suppressing entrepreneurial leadership.

Van Geenhuizen *et al.* (2008) also observed that entrepreneurial leadership is a strong influential factor on the resourceful search for ideas for discontinuous innovation. Furthermore, Dess & Lumpkin (2005) found out that entrepreneurial leadership of self-management by the top-management can be easily imitated by employees who see their managers as role models.

- **Resources and time**

The scale means of resources accessibility and time availability against entrepreneurial orientation is 3.86. The five-point Likert scale was used and 3 is the midpoint. The significance of the relationship was tested through the Pearson correlation ($r=0.911$, $p\text{-value}=0.041$). The results indicate that there is a significant positive relationship between resources and time and corporate entrepreneurship.

The null hypothesis which states that there is no significant relationship between resources accessibility and time availability and corporate entrepreneurship within adventure tourism firms is rejected.

Hornsby *et al.* (2002) also had similar outcomes he concluded that resource accessibility should not only be about empowering managers, but also making sure that funds are used in a responsible manner to establish innovative solutions. Hornsby *et al.* (2002) conclude that resource accessibility supports the resource availability. The study made the provision that even though resources might be plenty but not accessible corporate entrepreneurship will not take off.

The study entitled “managing pen employees: Do resources and leadership style matter” by Santora (2007) also have the same conclusion. The study links the accessibility of adequate resources to the loyalty of employees. Moreover, findings of the research conclude that entrepreneurial employees who are more open to new experiences expect resources to be readily available, otherwise their commitment and support will decline.

- **Strong customer orientation**

The scale means of strong customer orientation and entrepreneurial orientation is 3.85. The five-point Likert scale was used and 3 is the midpoint. The significance of the relationship was tested through the Pearson correlation ($r=0.777$, $p\text{-value}=0.032$). The results indicate that there is a significant positive relationship between strong customer orientation and corporate entrepreneurship.

The null hypothesis that there is no significant relationship between strong customer orientation by employees and managers and corporate entrepreneurship is rejected.

These results were consistent with the recommendations made by Tajeddini (2010) which suggest that the customer is the most critical external environmental factor in developing a market orientation. Tajeddini (2010) also recommend that firms should develop a customer-focused strategy because all for profit firms were established to serve the interest of the customer at the course of their money.

The findings by Hisrich (2008) also had the same conclusions. The study concludes that customers represent the most significant source of new ideas resulting to new innovations and changes in their taste and preferences were seen as driving force to creation of new business processes.

- **Continuous cross-functional learning**

The scale means of continuous cross-functional learning and entrepreneurial orientation of employees is 3.82. The five-point Likert scale was used and 3 is the midpoint. The significance of the relationship was tested through the Pearson correlation ($r = 0.937$; $p\text{-value}=0.011$). The results indicate that there is a significant positive relationship between continuous cross-functional learning and corporate entrepreneurship.

The null hypothesis that there is no significant relationship between continuous cross-functional learning and corporate entrepreneurship within adventure tourism firms is rejected.

The results were consistent with conclusions from the study by Cummings and Worley (2008). The study concludes that continuous cross functional learning should be viewed as an organisational structure or social process. It should enable employees and teams to learn and to share knowledge among other organisational members. Nicholson-Herbert *et al.* (2004) had similar results which recommend that continuous growth of employees constantly improve and develop themselves to be innovative. The author also found out that employees become committed, loyal and more innovative focused.

- **Tolerance of risk, mistakes and failure**

The scale means of tolerance of risk, mistakes and failure and entrepreneurial orientation of employees is 3.81. The five-point Likert scale was used and 3 is the midpoint. The significance of the relationship was tested through the Pearson correlation ($r = 0.899$, $p\text{-value} = 0.021$). The results indicate that there is a significant positive relationship between tolerance of risk, mistakes and failure and corporate entrepreneurship.

The null hypothesis that there is no significant relationship between tolerance of risk, mistakes and failure by commercial managers and corporate entrepreneurship is rejected.

The research findings were consistent with conclusion of the study by Timmons and Spinelli (2009) which conclude that Intrapreneurial spirit can only be sustained if the internal business environment allows for new mistakes to be made. The results of this research were also supported by the recommendations by Tian and Wang (2010) which suggest that there should be no penalties for failure, unless they are out of ignorance or are unnecessarily repeated. The literature reflects the importance of the findings of this research. The results follow recommendations by Dawes (2007) which state that management of firms should make it known that mistakes will be tolerated to improved service delivery.

- **Work discretion and discretionary time**

The scale means of Work discretion and discretionary time and entrepreneurial orientation of employees is 3.77. The five-point Likert scale was used and 3 is the midpoint. The significance of the relationship was tested through the Pearson correlation ($r = 0.521$, $p\text{-value} = 0.024$). The results indicate that there is a significant positive relationship between Work discretion and discretionary time and corporate entrepreneurship.

The null hypothesis that there is no significant relationship between Work discretion and discretionary time for entrepreneurial activities and corporate entrepreneurship is rejected.

Findings of this research were consistent with results of the research by Hornsby *et al.* (2002) which observed decision making, judgment, abilities and autonomy in work method as measures of work discretion. Bhardwaj *et al.* (2007) had similar results which suggest that discretionary time supports idea development. The author went on to recommend that discretionary work and time should be determined by internal environment of the firm that allow innovative employees an extra time to work on innovative and creative ideas.

5.2.5.9 Interpreting the Statistical Analysis

The results of the statistical analysis prove that the twelve determinants of corporate entrepreneurship greatly influence the desirability of corporate entrepreneurship within adventure tourism firms. These determinants shape the entrepreneurial environment. The results are consistent with the result Dess & Lumpkin (2005:147) who found out that the extent to which the management create an environment that generate a strong impetus to innovate, take risks and aggressively pursue new opportunities is by creating an encouraging environment.

The results also found out that employees can be more entrepreneurial if the managers possess and instil an entrepreneurial spirit. If managers become entrepreneurial subordinates will imitate them and perform much better. Moreover the results prove that entrepreneurial characteristics can be acquired if the managers create the impetus for entrepreneurial orientation. These results are consistent with Morris et al. (2008:147) which found out that entrepreneurs differ notably in terms of their characteristics. Morris et al. (2008:63) further acknowledge that entrepreneurs are not only born, but also made; given the room and the resources to peruse their ideas entrepreneurs can possibly emerge from any business setting.

5.3 SUMMARY

This chapter (research results) concentrated on the analysis of research results. The research findings were explained according to the importance of each section of the questionnaires towards the research objectives. The most important section of the questionnaire was asked first (corporate entrepreneurial environment assessment); during the analysis important sections were analysed at the end. Male respondents dominated the gender respondents' profile (61%). The age group range 30-49 was dominated by respondents' profile (79%). This is a clear indication that most of the management employees in the adventure tourism sector are young managers as a result we can assume that most adventure tourism firms have young vibrant and innovative workforce. The race profile was almost split between white and black respondents (38.83% and 47.57%) respectively. All respondents attained a post matric qualification with 74% having a 3 year degree qualification and above. Most respondents came from the operations functions (50%) and middle managers constitute 73% of respondents.

There was no significant difference between self-assessment and superior or subordinate assessment. Factor analysis was used to reduce the one hundred and fourteen questionnaire items into twelve factors namely: flat organisational structure, management support for intrapreneurship, vision and strategic intent, rewards / reinforcement and sponsorship, innovativeness and creativity, multi-disciplined teamwork and diversity, entrepreneurial leadership, resources and time, strong customer orientation, continuous cross-functional learning, tolerance of risk, mistakes and failure and work discretion and discretionary time. The results showed that there are statistical insignificant relationships between the twelve factors and the corporate entrepreneurship in adventure tourism sector.

The results of the T-test showed that there are no significant differences in the mean scores of males and females with regard to the twelve factors except for the following factors; entrepreneurial leadership, innovativeness and creativity, flat organisational structure, multi-disciplined teamwork and diversity, and resources and time. The results of the ANOVA also revealed that there are no significant differences in the mean scores of race, department, highest qualification attained, age, and level of management with respect to the twelve extracted factors. The next chapter will revisit the research problems and the objectives of the research and discuss the conclusions and recommendations of the study.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter concludes a study that was undertaken to determine the determinants of corporate entrepreneurship in adventure tourism firms in the Eastern Cape Province, South Africa. This research report is made up of six chapters as follows: Section 6.2 presents a brief summary of each chapter from chapter one to chapter six. Section 6.3 focuses on the recommendations. Achievement of objectives will be discussed in Section 6.4. Following will be Section 6.5 which will examine the limitations of the study. Section 6.6 will highlight the suggested areas for further study. Finally, section 6.7 will present a final conclusion of the study.

6.2 SUMMARY

This report is made up of six chapters. The summary of the chapters is presented from section 6.2.1 to 6.2.5

6.2.1 Introduction to the study (Chapter One)

The primary focus of this study was to determine the determinants of corporate entrepreneurship in adventure tourism firms in the Eastern Cape Province, South Africa. This chapter set out the research problems. In addition, the chapter examined the research objectives, the research hypotheses and the significance of the research. Furthermore, the chapter highlighted the research methodology, the limitations of the study and the layout of the study.

6.2.2 Service quality and customer satisfaction (Chapter Two)

Chapter two of this study concentrated on literature review which provides an overview of the link between tourism existence and development. The role of tourism in poverty reduction, equal distribution of wealth and creation of employment were discussed.

6.2.3 The determinants of corporate entrepreneurship (Chapter Three)

Chapter three examined the literature in respect of the determinants of corporate entrepreneurship in the adventure tourism sector. An overview of corporate entrepreneurship and the theories of corporate entrepreneurship were discussed.

6.2.4 Research methodology (Chapter Four)

Chapter four of the research looked at the research methodology used in conducting the empirical research. The chapter examined the research design, the type of research used, the population, the sample design, the research instrument as well as the data collection and analysis methods.

6.2.5 Research findings (Chapter five)

Chapter five concentrated on the analysis of the data and the interpretation of research results. The research findings were explained according to the importance of each section of the questionnaires towards the research objectives. The most important section of the questionnaire was asked first; in the analysis important sections were analysed at the end. Table 6.1 presents the null hypotheses and the results of the study.

Table 6.1: Null hypotheses and results

Hypotheses tested (null)	Results
There is no significant relationship between flat organisational structure and corporate entrepreneurship in the adventure tourism firms.	rejected
There is no significant relationship between Management Support for Intrapreneurship in adventure tourism firms and corporate entrepreneurship.	rejected
There is no significant relationship between vision and strategic intent and corporate entrepreneurship.	rejected
There is no significant relationship between Rewards / Reinforcement and Sponsorship for entrepreneurial activities within adventure tourism firms and corporate entrepreneurship.	rejected

There is no significant relationship between the Innovativeness and creativity by employees and corporate entrepreneurship.	rejected
There is no significant relationship between multi-disciplined teamwork and diversity within adventure tourism firms and corporate entrepreneurship.	rejected
There is no significant relationship between the Entrepreneurial leadership of managers and corporate entrepreneurship.	rejected
There is no significant relationship between resources accessibility and time availability and corporate entrepreneurship within adventure tourism firms.	rejected
There is no significant relationship between strong customer orientation by employees and managers and corporate entrepreneurship.	rejected
There is no significant relationship between continuous cross-functional learning and corporate entrepreneurship within adventure tourism firms.	rejected
There is no significant relationship between tolerance of risk, mistakes and failure by commercial managers and corporate entrepreneurship.	rejected
There is no significant relationship between Work discretion and discretionary time for entrepreneurial activities and corporate entrepreneurship.	rejected

6.3 CONCLUSIONS AND RECOMMENDATIONS ON CORPORATE ENTREPRENEURSHIP

This section presents the conclusion and recommendations on the corporate entrepreneurial survey based on the three sections of the questionnaire. Demographic profiles of respondents, entrepreneurial characteristics and corporate entrepreneurship determinants will be presented.

6.3.1 Conclusion based on demographic profile of respondents

Male respondents dominated the gender respondents profile, it constituted (61%) of respondents. Respondents profile by age was dominated by respondents within the

range of 30-49; the profile constituted (79%). This is a clear indication that most of the management in the adventure tourism sector are young managers as a result we can assume that most adventure tourism firms have young vibrant and innovative workforce. The race profile was almost split between white and black respondents (38.83% and 47.57%) respectively.

All respondents attained a post matric qualification with 74% having a 3 year degree qualification and above. This may tempt to argue that most of the firms are equipped with active and entrepreneurially focused employees. The operations function showed great dominance in in adventure tourism business accounting for half of the respondent's profile (50%), suggesting that most activities in the sector are practical and require novelty. Finally 73% of respondents were middle level managers, who are close to the scene of action. The findings of all the demographic profiles showed that there is no significant difference with regard to entrepreneurial orientation.

6.3.2 Conclusions on entrepreneurial characteristics

Entrepreneurial attributes were surveyed to sensitise the view of entrepreneurial orientation. Employees should be educated on the meaning of these entrepreneurial characteristics. Entrepreneurial characteristics can be learnt, therefore employees should be shown how these characteristics are developed and how they can evaluate, support each other. It tempts to suggest that entrepreneurial attributes should be discussed repeatedly during weekly meetings; possibly two to three characteristics per meeting. The management should create formal structures that derive the initiation programme that will integrate with everyday workings of employees in adventure tourism. As a result of advances in technology these trainings can be circulated through e-mails, newsletters and as desktop slogans.

Having employees fully informed of these entrepreneurial characteristics can help to lay the foundation for the environment that could be conducive for the generation of creative ideas. Moreover by unlocking the creative potential for establishing a corporate entrepreneurial environment for employees many more new creative ideas may emerge. Employees' understanding of entrepreneurial characteristics can help them to fully understand the actual drivers of corporate entrepreneurship and ultimately act towards maintaining higher level of entrepreneurial activity. The

following sub-section presents the conclusions on the obtained actual determinants of corporate entrepreneurship in the adventure tourism industry.

6.3.3 Conclusions on the determinants of corporate entrepreneurship

- **Flat organisational structure**

Flat organisational structure allows free flow of information and instils a strong sense of belonging. Even though these structures allow open communication managers should ensure establishment of small business units and focus groups, as well other possible barriers to open communication. The study validates flat organisational structure as an important factor influencing corporate entrepreneurship.

- **Management Support for Intrapreneurship**

Management support for intrapreneurship should be encouraged at all levels of management within an organisation. This study found that management support significantly impact corporate entrepreneurship. Management support for intrapreneurship follow management`s initiative to establish formal structures that monitors idea generation, development transformation and implementation towards innovation. Employees become motivated when their ideas are evaluated and acted upon with urgency.

- **Vision and Strategic intent**

Vision and strategic intent focus on predicting creative, clear, insightful and inspiring long-term future prospects. It put a lot of effort into developing a strategy, which will give important adventure experience over competitors. The study validated the view that vision and strategic intent significantly influence entrepreneurial activity in adventure tourism sector. This entails that adventure tourism firms should put enough effort to communicate the firm`s vision to the rest of the employees so that they stay abreast towards innovation and to allow managers to set priorities.

- **Rewards/Reinforcement and Sponsorship**

Employee commitment to intrapreneurship is based on the management`s ability recognise the efforts made by employees, and giving them the support they need to further their projects. This factor was validated by the study as a driver of

entrepreneurial activity within adventure tourism firms. Finally, Rewards, Reinforcement and Sponsorship can act as a supporting initiative. Given that incentives and rewards for intrapreneurship exist, this will convey message to employees that management is in full support of entrepreneurial behaviour.

- **Innovativeness and creativity**

Innovation and creativity should be a primary focus for all firms seeking to improve adventure experience to their customers. Creativity is not independent but it is encouraged by prioritising idea generation as a key performance indicator for both individuals and teams at all levels. The study validated innovativeness and creativity as an important determinant of intrapreneurship.

- **Multi-disciplined teamwork and diversity**

Inter-organisational interaction and team building should be encouraged within adventure tourism firms. Teams should be given freedom of choice on deciding how the team will be managed. Team member should be given the freedom to choose their team members and set their own disciplinary rules that governs their actions. According to the findings of this study multi-disciplined teamwork and diversity is an important determinant of corporate entrepreneurship.

- **Entrepreneurial leadership**

Entrepreneurial leadership was validated by research findings as a driver of entrepreneurial activity. Adventure tourism firms are encouraged to practice an entrepreneurially focused leadership. Opportunities are practically created in a very structured way. Therefore employees should be challenged to bring novel ideas and think in innovative ways. Entrepreneurial leaders are more proactive in establishing and maintaining competitive advantage.

- **Resources and time**

High capital firms have the competitive advantage over low capital firms in terms of cash flow to finance innovations. Resources accessibility and time availability have been proved to significantly influence corporate entrepreneurship. Adventure tourism firms should establish formal structures which manage finance for entrepreneurial activities.

- **Strong customer orientation**

Adventure tour operator tend to give much emphasis on customer expectations therefore customer orientation should be the source of inspiration for entrepreneurs to stay ahead of competition. This can tempt to argue that customers represent the source of novelty. Customer needs in terms of adventure tourism are changing at an alarming rate. Adventurous tourist prefers unusual and more risky outdoor activities which seek innovativeness to improve customer safety. The study reveal that strong customer orientation significantly impact intrapreneurship. Adventure tour operators should establish a system through which internal customer complaints, needs and expectation can be registered in each department. This will give a platform of initiating innovativeness.

- **Continuous cross-functional learning**

Continuous cross-functional learning was proved to be an important driver of corporate entrepreneurship in this study. Employees should be encouraged to stay well-informed of developments in their functional departments. In addition employees should be given ample time to familiarise with new development in other functional departments. Information and expertise sharing can instil an entrepreneurial mind-set. Furthermore, managers should encourage employees to continuously develop and improve themselves by being well informed of the latest technologies in the in the adventure tourism sector. Finally managers should allow employees to take extra courses, attend training and development courses to further their understanding of their field of work.

- **Tolerance of risk, mistakes and failure**

The findings of the study present tolerance for risks, mistakes and failure as a significant driver of corporate entrepreneurship. As adventure tour events encompass life threatening activities, calculated risks are often taken more often. Therefore managers should tolerate risk taking, mistakes and failure. Managers should make it clear to employees that risk-taking behaviour is encouraged and acceptable in adventure tourism. Though risk taking should be encouraged, thorough risk assessment process should be in place to avoid avoidable losses.

- **Work discretion and discretionary time**

Discretionary time and work was validated as an important factor which influence entrepreneurial activity within adventure tourism sector. Therefore we can be tempted to argue that adventure tourism firms provide room for autonomy and freedom to employees to explore new ideas, before seeking for permission.

6.3.4 Recommendations

Adventure tourism is deemed to be more dynamic as compared to other forms of tourism; it is associated with unique, unusual and riskier explorations (Kyriakaki *et al.*, 2004:11). As result radical innovations becomes key to intensify customer satisfaction and ensuring their safety. In support, McFadzean *et al.* (2005:350) provide that the practice of corporate entrepreneurship has become an important practice for managers to escalate attention as the aptitude to create innovation.

In view of this argument, it is very important for firms in the adventure travel industry to inaugurate and sustain corporate entrepreneurship as a tool to establish innovative services and processes to sustain their competitive advantage.

6.4 ACHIEVEMENT OF OBJECTIVES

This section attempt to measures the success of the study against the research objectives formulated in chapter one. The aim of the study was to determine the crucial factors that influence entrepreneurial activity within adventure tourism firms. The main objectives were:

- to review the literature on the potential determinants of corporate entrepreneurship for adventure tourism firms in the Eastern Cape Province; South Africa. This was achieved in chapter three of the study which aimed at investigating the determinants of corporate entrepreneurship. One hundred and fourteen (114) questionnaire items were identified after a thorough review of the literature. The items were used a tools to ascertain the actual determinants of corporate entrepreneurship in the adventure tourism sector.
- to investigate empirically the determinants of the corporate entrepreneurship for adventure tourism firms in the Eastern Cape Province; South Africa. This was achieved through chapters four and five of the study. Chapter four

focused on the research methodology used for the empirical study. The chapter examined the research design, the type of research used, the population, the sample design, the research instrument as well as the data collection and analysis methods. Chapter five presented the results of the empirical study and chapter six offered recommendations on the important determinants of corporate entrepreneurship in the adventure tourism sector.

6.5 LIMITATIONS OF THE STUDY

South Africa has nine provinces. Out of the nine provinces the study was limited to Eastern Cape Province. The data was collected from respondents based on their perceptions. Because of the limitations pointed out, care should be exercised in the interpretation and the application of the results of this study and the generalisation of the findings to the whole of South Africa. The study also captures a specific single segment of the entire tourism industry; that is adventure tourism firms. The population for the study was only firms registered with Nelson Mandela Bay Tourism Portal (NMBT) and the Dirty boot Adventure South Africa. This means that a non-registered adventure tourism firm was not included in the survey.

6.6 AREAS FOR FURTHER STUDY

The study did not include comparison for corporate entrepreneurship with other sectors in the tourism industry. For comparative purposes, future research could be simulated with a sampling frame composed of respondents from different sectors of tourism. Finally, this study did not include those factors in the external environment that stimulate or trigger for corporate entrepreneurship outside adventure tourism.

6.7 SUMMARY

This chapter presented the final conclusions and recommendations based on the empirical research for this study. This study can be viewed from two perspectives: theoretical contributions and practical implications. Theoretically, the study fills an important gap in literature that is, exploring the prospective drivers and barriers of the desirability of corporate entrepreneurship for adventure tourism firms in the Eastern Cape Province, South Africa. Furthermore, the findings of this study can add to the existing body of literature and can serve as a starting point on which future studies can be built. In practice, this study can support adventure tour operators to

identify the key factors that may determine the growth of entrepreneurial activities in adventure related activities. Such information can be helpful to managers who seek to be leaders in the adventure tourism industry through radical innovation meant to improve adventure experience.

Findings from this study suggest that managers in the adventure tourism sector place emphasis on factors such as; flat organisational structure, management support for intrapreneurship, vision and strategic intent, rewards / reinforcement and sponsorship, innovativeness and creativity, multi-disciplined teamwork and diversity, entrepreneurial leadership, resources and time, strong customer orientation, continuous cross-functional learning, tolerance of risk, mistakes and failure and work discretion and discretionary time. Therefore, these factors should be used by managers to set their long and short term strategies and to define novelty. Although the findings can possibly be generalised to the rest of South Africa and other countries, it would be more interesting to replicate the study to other African countries to examine its applicability to the rest of the world.

BIBLIOGRAPHY

Adonisi, M. & van Wyk, R. 2011. An eight-factor solution for the corporate entrepreneurship assessment instrument. *African Journal of Business Management*, 5(8): 3047 - 3055.

Aloulou, W. & Fayolle. A. 2005. A conceptual approach of entrepreneurial orientation within small business context. *Journal of Enterprising Culture*, 13(1): 21-45.

Alsos, A.G., Madsen, E.L., Borch, O.J., Ljunggren, E. & Brastad, B. 2007. Developing entrepreneurial orientation - the role of dynamic capabilities and intangible Resources. *Entrepreneurship Theories and Practice*, 1(1): 94-105.

Amyan, M., Jawabreh, Omar, A.A., Alsarayreh, M.N. & Malkawi, N.A. 2011. Mutual Impact between Tourism and the Host Community: A Case Study of Wadi Rum. *European Journal of Social Science*, 19(1): 30-49

Antoncic, B. & Hisrich, R.D. 2001. Intrapreneurship: Construct refinement and cross cultural validation. *Journal of Business Venturing*, 16(5): 495-527.

Antoncic, B. & Hisrich, R.D. 2003. Clarifying the entrepreneurship concept. *Journal of Small Business and Enterprise Development*, 10(1): 7-24.

Antoncic, B. & Hisrich, R.D. 2004. Corporate entrepreneurship contingencies and organisational wealth creation. *Journal of Management Development*, 23(6): 526-540.

Arens, W.L., Weigold, M.F. & Arens, C. 2011. *Contemporary advertising and integrated marketing communications*. New York, NY: McGraw-Hill.

Arslan, E.T. & Cevher, E. 2009. *Intrapreneurship enabling organisations to drive innovation*. [Online] available: <http://ces.epoka.edu.al/icme/a7.pdf> [Accessed 23 July 2012].

Ashe, J.W. 2005. *Tourism investment as a tool for development and poverty reduction: The experience in Small Island Developing States (SIDS), Trade and Investment*, [Online] available: <http://torc.linkbc.ca/torc/downs1/tourism%20investment.pdf> [Accessed 27 June 2012].

- Ayres, R. 2002. Cultural tourism in small-island states: Contradictions and ambiguities. In Y. Apostolopoulos & D. J. Gayle (Eds.), *Island tourism and sustainable development: Caribbean, Pacific and Mediterranean experiences* (145–160). Westport, CT: Praeger Publishers.
- Babbie, E. & Monton, J. 2002. *The practice of social research*. Cape Town: Oxford University Press.
- Bandura, A. 1973. *Aggression: A Social Learning Analysis*. Englewood Cliffs, NJ: Prentice Hall.
- Bandura, A. 1986. *Social Foundations of Thought and Action: A Social Cognitive Theory*. Englewood Cliffs, NJ: Prentice Hall.
- Barringer, B.R. & Bluedorn, A.C. 2002. The relationship between corporate entrepreneurship and strategic management. *Strategic Management Journal*, 20: 421–444.
- Barringer, B.R. & Ireland, R.D. 2008. *Entrepreneurship Successful Launching New Ventures: Introduction to Entrepreneur*. Singapore: Pearson Prentice Hall.
- Becker, M.C. & Knudsen, T., 2004. "The role of routines in reducing pervasive uncertainty", *Journal of Business Research*, 58:746-57.
- Beedie, P. & Hudson, S. 2003. Emergence of mountain based adventure Tourism. *Annals of Tourism Research*, 30(3): 625–643.
- Belousova, O., Gailly, B., & Basso, O. 2009. An integrative model of corporate entrepreneurial behavior. Research in Entrepreneurship and Small Business, Working paper 09/16. Hungary: Corvinus University of Budapest.
- Benitez-Amado, J., Llorens-Montes, F.J. & Perez-Arostegui, M.N. 2010. Information technology-enabled intrapreneurship culture and firm performance. *Industrial Management & Data Systems*, 110(4): 550-566.
- Bhardwaj, B.R., Agrawal, S. & Momaya, K. 2007. Corporate Entrepreneurship Model: Source of Competitiveness. *IIMB Management Review*, 19(2): 131-45.

- Binns, T. & Nel, E. 2002. Tourism as a local development strategy in South Africa. *Geographical Journal*, 168: 235-47
- BROHMAN, J. 1996. New directions in tourism for third world development. *Annals of tourism research*, 23(1): 48-70.
- Bryman, A. & Bell, E. 2007. *Business Research Methods*. New York: Oxford University Press.
- Buckley, R. (2007). Adventure tourism products: Price, duration, size, skill, remoteness. *Tourism management*, 28(6): 1428-1433.
- Bulut, C. & Alpkın, L. 2006. Behavioural Consequences of an entrepreneurial climate within the organisation: An integrative proposed model. *South East European Journal of Economics and Business*, 66: 64-70.
- Burns, P. 2004. *Corporate Entrepreneurship: Building an entrepreneurial organization*. England: Palgrave MacMillan.
- Burns, P. 2008. *Corporate entrepreneurship: Building the entrepreneurial organization*. Hampshire: Palgrave Macmillan.
- Burns, R.A. & Burns, R.B. 2008. *Business research methods and statistics using SPSS*. London: SAGE Publications Ltd.
- Byrnes, R. M. 2005. Legislative Implementation of Apartheid: *South Africa: A Country Study*. Washington GPO for the Library of Congress, [Online] available: <http://countrystudies.us/south-africa/25.htm> [Accessed 27 July 2012].
- Cant, M., Gerber-Nel, C., Nel, D. & Kotze, T., 2005. *Marketing Research*. Claremont: New Africa Books.
- Chisnall, P. 2005. *Marketing research*. London: McGraw-Hill Education.
- Chistensen, K.S. 2006. Losing innovativeness: The challenge of being acquired. *Management Decision*, 44(9): 1161-1170.
- Choi, H.C. & Sirakaya, E. 2006. Sustainability indicators for managing community tourism. *Tourism Management*, 27: 1274-1289.

Christensen, K.S. 2004. A classification of the corporate entrepreneurship umbrella: labels and perspectives. *International Journal of Management Enterprise Development*, 1(4): 301-15.

Churchill, G.A. & Iacobucci, D. 2010. *Marketing Research Methodological Foundations*. London: South Western, Cengage Learning.

Cloutier, R. 2003. *The business of adventure tourism. In Sport and Adventure Tourism*. New York: Haworth Hospitality Press.

Coakes, S.J. 2005. *SPSS Version 12.0 for windows Analysis without Anguish*. Sydney: John Wiley & Sons Australia Limited.

Cohen, A.R. 2004. Building company leaders. *Leaders to leaders*, 34: 1-5.

Cohen, J. 1988. *Statistical power analysis for the behavioural sciences*. Hillsdale, NJ: Erlbaum.

Cooper, D.R. & Schindler, P.S. 2006. *Marketing Research*. New York: McGraw-Hill.

Cummings, T.G. & Worley, C.G. 2008. *Organization development & change*. Mason, OH: South-Western.

Davis, D. 2005. *Business research for decision making*. Belmont, CA: Thomson Learning.

Dawes, G. 2007. "Mistakes - how can we learn from them?" *Development and Learning in Organizations*, 21(2): 20-22.

Department of Arts and Culture. 2011. *South African culture to ensure social cohesion and nation-building*. [Online] available: <http://www.dac.gov.za/aboutDAC/AboutDAC.html#cultural> [Accessed 27 September 2012].

Department of Environmental Affairs & Tourism 2009/2010. *Tourism*. [Online] available: http://www.environment.gov.za/sites/default/files/reports/annual_report_2009_2010.pdf [Accessed 27 October 2012].

Department of Environmental Affairs and Tourism, 1996. *The development and Promotion of Tourism in South Africa*. [Online] Available: http://scnc.ukzn.ac.za/doc/tourism/White_Paper.htm [Accessed 23 July 2012].

Department of Tourism. 2010. Tourism policy. [Online] Available: <http://www.info.gov.za/aboutsa/tourism.htm> [Accessed: 18 March 2012].

Department of Trade and Industry. 2010. *Niche Tourism Markets*. DTI: Pretoria.

Dess, G.G. & Lumpkin, G.T. 2003. *Strategic management: Creating competitive advantages*. Burr Ridge, IL: McGraw-Hill.

Dess, G.G. & Lumpkin, G.T. 2005. The role of entrepreneurial orientation in stimulating effective corporate entrepreneurship. *Academy of Management Executive*, 19(1): 147-156.

Dess, G.G., Lumpkin, G.T. & Eisner, A.B. 2008. *Strategic Management: Creating Competitive Advantage*. New York: The McGraw-Hill Companies Inc.

Deveau, V. & Marshall, M.I. 2011. How Beneficial is Tourism: An Analysis of Tourism in Il N'gwesi, Kenya. [Online] available: <https://ag.purdue.edu/ipia/Documents/AttachmentB.pdf> [Accessed 21 May 2012].

Dirty Boot adventure South Africa. 2011. Eastern Cape & Wild Coast Adventures [Online] available: <http://www.dirtyboots.co.za/adventures/region/eastern-cape-wild-coast-adventures/> [Accessed 11 April 2011].

Duygulu, E. 2008. Institutional Profiles and Entrepreneurship Orientation: A Case of Turkish Graduate Students. Munich Personal RePEc Archive Unpublished thesis; Munich University Library; Germany, 1-18.

Economic and Social Commission for Asia and the Pacific, 2007. Regional Study on the role of Tourism in socio-economic development. *Sixty-third session of the Regional Study on the role of Tourism in socio-economic development*, 17-23 May. 1-27.

Ellis, S.M. & Steyn, H.S. 2003. Practical significance versus or in combination with statistical significance. *Management dynamics*, 12(4): 51-53.

Eng-Chuan, H. & Assenov, I. 2006. The environmental impact of adventure tourism in Krabi Thailand. *The fifth Asian Pacific forum for graduate student research in Tourism*.

Eng-Chuan, H. & Assenov, I., 2006. The environmental impact of adventure tourism in Krabi Thailand. In *The fifth Asian Pacific forum for graduate student research in Tourism*. Thailand, 2006. Asia Pacific Forum for Graduate Research in Tourism.

Ewert, A. & Jamieson, L. 2003. Current status and future directions in the adventure tourism industry. In *Managing Tourist Health and Safety in the New Millennium*, Wilks J, Page SJ (eds). Elsevier Science: Oxford; 67–83.

Farouk, U.K. 2011. Through The Eyes of One Woman: Does Spirituality Have A Place in Entrepreneurship Behaviour. *Journal of Global Entrepreneurship*, 1(1): 1-12.

Fernald, L., Solomon, G. & El Tarabishy, A. 2005. A New Paradigm: Entrepreneurial leadership. *Southern Business Review*, 30(2): 1-10.

Ferreira, J., 2002. Corporate Entrepreneurship: a Strategic and Structural Perspective. In Ferreira, J., ed. International Council for Small Business: 47 the World Conference. San Juan, Puerto Rico.

Field, A. 2005. *Discovering statistics using SPSS*. 2nd ed. London: Sage Publications.

Frances Baard District Municipality. 2009. *Tourism Strategy for the Frances Baard District Municipality*. [Online] Available: <http://www.francesbaard.gov.za/documents/2011/fbdm%2520tourism%2520strategy.pdf> [Accessed: 18 March 2012].

Franz, W.K & Kimberly, A.E. 2006. Corporate Entrepreneurship in Family Firms: A Family Perspective. *Entrepreneurship Theory and Practice*, 30(6): 810-830.

Fry, D. 2008. The relationship between tourism and trade in South Africa. Potchefstroom: Thesis North-West University. (M.Com. Economics), 1-232.

Fry, D., Saayman, A. & Saayman, M. 2010. The relationship between tourism and trade in South Africa. *South African journal of economics*, 70(3): 287-306.

Garvin, D.A. & Levesque, L.C. 2006. Meeting the challenge of corporate entrepreneurship. *Harvard business review*, 84(10): 102-12.

Gascoyne, R. 2003. *Life at the Sea with Union Castle*. [Online] available: <http://rgascoyne.canadianwebs.com/LifeAtSea.htm> [Accessed: 02 March 2012].

Gaw, A. & Liu, S. 2004. Corporate Entrepreneurship: Beyond Two Guys in a Garage. *ESADE MBA Business Review*, 1-7.

Gerber-Nel, C., Nel, D. & Kotze, T. 2005. *Marketing research*. Claremont: New Africa Books (Pty) Ltd.

Ghuri, P. & Gronhaug, K. 2005. *Research methods in business studies*. Dorset: Prentice Hall.

Goeldner, C.R. & Ritchie, R.B. 2006. *Tourism: principles, practices, philosophies*. New Jersey: Wiley.

Goldsby, M.G., Kuratko, D.F., Hornsby, J.S. Houghton, J.D. Neck, C.P. 2006. Social Cognition and Corporate Entrepreneurship: A Framework for Enhancing the Role of Middle-Level Managers, *International Journal of Leadership Studies*, Vol. 2(1): 17-35

Goosen, G.J., 2002. Key factor intrapreneurship: The development of a systems model to facilitate the perpetuation of entrepreneurship in large South African organisations. Unpublished Ph.D. Thesis University of Stellenbosch.

Guasch, J.L. 2004. *Granting and renegotiating infrastructure concessions: doing it right*, WBI Development Studies. Washington, DC: World Bank. [Online] available: <http://www.dfid.gov.uk/Outputs/SystematicReviews/Infrastructure-2012Annamalai-report.pdf> [Accessed 07 July 2012].

Gurbuz, G. & Aykol, S. 2009. Entrepreneurial management, entrepreneurial orientation and Turkish small firm growth. *Management research news*, 34(4): 321-36.

Guth, W.D. & Ginsberg, A. 1990. Guest Editors' Introduction: Corporate Entrepreneurship. *Strategic Management Journal*, 11: 5-15.

Heinonen, J. & Toivonen, J. 2007. Approaching a deeper understanding of corporate entrepreneurship - focussing on co-evolutionary processes. *Journal of enterprising culture*, 15(2): 165-86.

Hellriegel, D., Jackson, S.E. & Slocum, J.W. 2005. *Management: A competency based approach*. Mason, OH: South-Western.

Herbert, T.T. & Brazeal, D.V. 2002. *The future of the corporation: corporate entrepreneurship on the fly*. [Online] Available: <http://www.thomas-legrain.com/wp-content/documents/intrapreneuriat/corporate-entrepreneurship.pdf> [Accessed 23 June 2011]

Hill M.E. 2003. The development of an instrument to measure intrapreneurship: entrepreneurship within the corporate setting. Grahamstown: Rhodes University. (Dissertation - MA.)

Hisrich, R.D. & Antoncic, B. 2004. Corporate entrepreneurship contingencies and organisational wealth creation. *Journal of Management Development*, 518-550.

Hisrich, R.D. & Peters, M.P. 1992. *Entrepreneurship Starting, Developing, and Managing a New Enterprise*. Homewood: BPI/Irwin.

Hisrich, R.D. & Peters, M.P. 2002. *Entrepreneurship edition*. Boston, MA: McGraw-Hill.

Honey, M. & Gilpin, R. 2009. *Tourism in the Developing World: Promoting Peace and Reducing Poverty*. Washington: United States Institute for Peace.

Hornsby, J. S., Naffziger, D. W., Kuratko, D. F., & Montagno, R. V. 1993. An Interactive Model of Corporate Entrepreneurship process. *Entrepreneurship Theory and Practice*, 17(2): 29-37.

Hornsby, J.S. & Kuratko, D. 2002. Middle managers' perception of the internal environment for corporate entrepreneurship: assessing a measurement scale. *Journal of Business Venturing*, 17: 253–273.

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: 253-73.

Howell, J.M. & Boies, K. 2004. Champions of technological innovation: The influence of contextual knowledge, role orientation, idea generation, and idea promotion on champion emergence. *The Leadership Quarterly*, 15(1): 123-143.

Hudson, S. 2002. *Sport and Adventure Tourism*. New York: Haworth Hospitality Press.

Informal Competitiveness Council. 2012. Innovation as a driving force for entrepreneurship. [Online] available: <http://www.cy2012.eu/index.php/de/file/l4vg+IDy2g72nxXo9+AUZw> [Accessed 02 August 2011].

Ingram, G. 2002. Motivations of farm tourism hosts and guests in the South West Tapestry Region, Western Australia: A phenomenological study. *Indo-Pacific Journal of Phenomenology*, 2(1): 1-12

International Labour Organisation. 2011. Global employment trends: The challenge of a jobs recovery. [Online] available: http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_150440.pdf [Accessed 13 July 2011].

International Labour Organization. 2010. Developments and challenges in the hospitality and tourism sector. [Online] available: http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_166938.pdf [Accessed 04 July 2011].

International Organisation of Employers. 2005. *Approaches and policies to foster entrepreneurship: A guide for employer's organisations*. [Online] Available: http://www.ilo.org/youthmakingithappen/PDF/approach_policies_Foster_Enter.pdf%2.pdf [Accessed 6 June 2011]

Investment Support and Promotion Agency of Turkey. 2010. Turkish Tourism Industry. Report [Online] available: <http://www.invest.gov.tr/en-US/infocenter/publications/Documents/TOURISM.INDUSTRY.pdf> [Accessed 27 July 2012].

Jacobs, F.R., Chase, R.B. & Aquilano, .N.J. 2009. *Operations & supply management*. Boston, MA: McGraw-Hill Irwin.

- Jennings, D.F. & Handle, K.G. 2002. *Equifinality, corporate entrepreneurship and strategy-structure- performance relationships*. [Online] Available: <http://www.thomas-legrain.com/wp-content/documents/equifinality/corporate-entrepreneurship/strategy-structure.pdf> [Accessed 23 June 2011]
- Johl, S. & Johl, S. 2008. Development of a corporate entrepreneurship index-A study of FTSE 100 companies in the UK. *AGSE 2008*, 953-967.
- Johnson, D. 2001. What is innovation and entrepreneurship? lessons for larger organisations. *Industrial and commercial training*, 33(4): 135-40.
- Jordaan, A.E. 2008. An assessment of intrapreneurship in public further education and training colleges in the Free State Province. Potchefstroom: NWU. (Dissertation-MBA), 1-135.
- Jules, S. 2005. *Sustainable Tourism in St. Lucia: A Sustainability Assessment of Trade and Liberalization in Tourism-services. Canada*. The International Institute for Sustainable Development (IISD).
- Kanter R.M. 2004. The middle manager as innovator. *Harvard Business Review* 8(7/8): 150-161
- Kemelgor, B.H. 2002. A comparative analysis of corporate entrepreneurial orientation between selected RMS in the Netherlands and the USA. *Entrepreneurship & Regional Development*, 14(1): 67-87.
- Kent, R. 2007. *Marketing research: approaches, methods, and applications in Europe*. London: Thomson Learning.
- Khan, H. 2006. International trade and tourism: An overview [Online] available: <http://www.u21global.edu.sg/PartnerAdmin/ViewContent?module=NEWSLETTER&oid=157293> [Accessed 01 May 2012].
- Khan, H., Toh R.S. and Chua, L. 2005. Tourism and Trade Co-integration and Granger Causality Tests. *Journal of Travel Research*, 44: 171-176
- Kirby, D.A. 2003. *Entrepreneurship*. London: McGraw-Hill.

Krause, K.L. 2004. Reflective teaching. [Online] Available at: www.thomsonlearning.com.au/higher/education/krause/media/Krause_Chapter_13.pdf [Accessed 08 June 2012].

Kreitner, R. & Kinicki, A. 2004. *Organisational Behaviour*. New York, NY: McGraw-Hill.

Kroeger, J.W. 2007. Firm Performance as a Function of Entrepreneurial Orientation and Strategic Planning Practices. Thesis Cleveland State University. (Doctoral; Business Administration), 1-165.

Kruger National Park. 2004. *Tourism History: Development of Tourism*. [Online] available:

<http://www.sanparks.org/parks/kruger/tourism/history/knptourismhistory.pdf>

[Accessed 08 August 2011].

Kuratko, D.F. & Hodgetts, R.M. 2001. *Entrepreneurship: a contemporary approach*. Mason, OH: South-Western.

Kuratko, D.F. & Hodgetts, R.M. 2007. *Entrepreneurship: Theory, Process, & Practice*. Mason OH: Thomson - South Western.

Kuratko, D.F. & Hornsby, J.S. 2001. *Corporate entrepreneurship and middle managers: a model for corporate entrepreneurial behaviour*. [Online] Available: <http://usasbe.org/knowledge/proceedings/proceedingsDocs/USASBE2001proceedings-038.pdf> [Accessed 22 June 2011]

Kyriakaki, A., Maroudas, L. & Gouvis, D. 2004. A Community Approach to Mountain Adventure Tourism Development. *An International Journal of Tourism and Hospitality Research*, 5(1): 5-18.

Lambing, P.A. & Kuehl, C.R. 2007. *Entrepreneurship*. Upper Saddle River: Pearson Prentice Hall.

Lassen, A.H., Gertsen, F. & Riis, J.O. 2006. The nexus of corporate entrepreneurship and radical innovation. *Creativity and Innovation Management*, 15(4): 359-372.

Leech, N.L., Barrett, K.C. & Morgan, G.A. 2005. *SPSS for intermediate statistics, use and interpretation*. New Jersey: Lawrence Erlbaum Associates Inc.

Leedy, P.D. & Ormrod, J.E. 2005. *Practical research: Planning and design*. Upper Saddle River, NJ: Prentice Hall.

Leedy, P.D. & Ormrod, J.E., 2005. *Practical research: planning and design*. Upper Saddle River, NJ: Pearson Prentice Hall.

Lubbe, B. 2003. *Tourism Distribution: Managing the Travel Intermediary*. Cape Town: Juta and Company Ltd.

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.

Lumpkin, G.T. & Dess, G.G. 2004. E-business strategies and Internet business models: How the Internet adds value. *Organizational Dynamics*, 33(2): 161-173.

Lumpkin, G.T., Coglisier, C.C. & Schneider, D.R. 2009. Understanding and Measuring autonomy: An entrepreneurial orientation Perspective. *Entrepreneurship Theory and Practice*, 33(1): 47-69.

MACLEOD, D.V.L. 2004. *Tourism, globalisation and cultural change: an island community perspective*. Clevedon: Channel View Publications.

Madensen, E.L. 2007. The significance of sustained entrepreneurial orientation on performance of firms: a longitudinal analysis. *Entrepreneurship & regional development*, 19(2): 185-204.

Martins, E.C. & Terblanche, F. 2003. Building organisational culture that stimulates creativity and innovation. *European Journal of Innovation Management*, 6(1): 64-74.

Mbaiwa, J.E. 2003. The socio-economic and environmental impacts of tourism development on the Okavango Delta, North-western Botswana. *Journal of Arid Environments*, 54: 447-467

McBeth, E.W. & Rimac, T. 2004. The age of entrepreneurial turbulence: creating sustainable advantage for individuals, organizations, and societies in the new century. *Esade MBA business review*, 2: 17-22.

McDaniel, C. & Gates, R. 2001. *Marketing research essentials*. 3rd ed. Mason, OH: South-Western Publishing.

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. & Macmillan, I. 2000. *The entrepreneurial mind-set*. Boston, MA: Harvard Business School Publishing.

McGuinness, T. 2008. Dynamic capabilities for entrepreneurship and innovation in marketing-driven organisations. In *The Seventh International Congress: Marketing Trends*. Venice.

McIntosh, R. and Goeldner, C. 1990. *Tourism: Principles, Practices, Philosophies*, New York: John Wiley & Sons, Inc.

McKinson, K.D. & McIntosh, M.A. 2005. Adventure Tourism "The Prospect of Developing Portland As An Adventure Tourism Niche That Is Both Profitable and Sustainable". Jamaica. Tourism Board.

Meeus, M.T.H. & Oerlemans, .L.A.G. 2000. Firm behaviour and innovative performance an empirical exploration of the. *Research Policy*, 29: 41-58.

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

Mitchell, J. & Ashley, C. 2007. Can tourism offer pro-poor pathways to prosperity?, Briefing Paper No. 22. [Online] available: <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/110.pdf> [Accessed 19 December 2011].

Morris, M. & Kuratko, D.F. 2002. *Corporate entrepreneurship: Entrepreneurial development within organizations*. Orlando, FL: Hascot College Publishers.

Morris, M.H., Kuratko, D.D. & Covin, J.G. 2008. *Corporate entrepreneurs and innovation*. Mason, OH: South-Western.

Mutezo, A.T. 2005. Obstacles in the access to SMME finance: an empirical perspective on Tshwane. University of Pretoria Unpublished Thesis.

Nayeger, T. & Van Vuuren, J.J. 2005. An Analysis of Organisational strategy, structure and culture that supports corporate entrepreneurship in Established firms. *SAJEMS NS*, 209-238.

Nelson Mandela Bay Tourism Portal. 2011. [Online] Available: http://www.nmbt.co.za/search/1/things_to_see_and_do/adventure_sports [Accessed 15 May 2011]

Neto, F. 2002. Sustainable Tourism, Environmental Protection and Natural Resource Management: Paradise on Earth. [Online] available: <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan002600.pdf> [Accessed 27 November 2011].

Neuman, W.L. 2006. *Social research methods: qualitative and quantitative approaches*. Boston, MA: Pearson Education.

Nicholson-Herbert, S., Mkhize, S. & Schroder, A. 2004. Turning managers into leaders: A South African perspective on corporate Entrepreneurship. *ESADE MBA Business Review*, 2: 41-45.

Ogunsiji, A. S. & Kayoed, W.L. 2010. Entrepreneurial orientation as a panacea for the ebbing productivity in Nigerian small and medium enterprises: A Theoretical Perspective. *International Business Research*, 3(4): 192-199.

Oosthuizen, J.H. 2006. *Conceptualising an Integrated Framework for Corporate Entrepreneurship*. [Online] Available at: <http://poseidon01.ssrn.com/delivery/id=2019676.pdf> [Accessed 18 May 2012].

Oosthuizen, J.H. 2012. *Conceptualising an Integrated framework for Corporate Entrepreneurship*. [Online] Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2019676&download=yes [Accessed 07 June 2012].

Orb, A., Eisenhauer, L., & Wynaden, D. 2001. Ethics in qualitative research. *Journal of Nursing Scholarship*, 33(1): 93-96.

Organisation for Economic Co-Operation and Development (OECD). 2009. *The impact of culture on Tourism*. [Online] Available: www.oecd.org/dataoecd/18/37/42887346.pdf [Accessed: 18 March 2012].

Oxford Dictionaries. 2011. Online dictionary; Tourist. [Online] Available: <http://oxforddictionaries.com/definition/english/tourist?q=tourist> [Accessed: 18 March 2011].

Page, S.J. & Connell, L. 2006. *Tourism a modern synthesis*. Thomson Learning: London.

Page, S.J., Bentley, T.A. & Walker, L. 2005. Scoping the nature and extent of adventure tourism operations in Scotland: how safe are they? *Tourism Management*, 26: 381-397.

Pennsylvania Historical and Museum Commission. 2003. *Moving Heritage Tourism Forward in Pennsylvania* [Online] Available: www.rural.palegislature.us/heritage_tourism_whitepaper.pdf [Accessed: 18 November 2009].

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

Pocket Guide to South Africa. 2009. Tourism. [Online] available: http://www.gcis.gov.za/sites/default/files/docs/resourcecentre/pocketguide/2009/025_tourism.pdf [Accessed 27 July 2011].

Pocket Guide to South Africa. 2009. *Tourism*. [Online] available: http://www.gcis.gov.za%2Fresource_centre%2Fsa_info%2Fpocketguide%2F2009%2F025_tourism.pdf

Potgieter, M. 2008. The marketing information system: A management tool for South African tour operators. Published thesis, Tshwane University of Technology.

Pretorius, A.M. & Blaauw, P.F. 2005. Globalisation and its effect on the South African labour market: Evidence from the manufacturing sector. *Acta Academica*, 37(2): 70-95.

Proctor, T. 2000. *Essentials of Marketing Research*. Harlow: Prentice-Hall

Queensland Tourism Industry Council. 2012. Submission to the Fair Work Act Review Panel In response to the Fair Work Act Review. [Online] available: http://foi.deewr.gov.au/system/files/doc/other/queensland_tourism_industry_council_0.pdf [Accessed 22 July 2012].

Ramachandran, K., Devaranjan, T.T. & Ray, S. 2006. *Corporate Entrepreneurship*. *The Journal for Decision-Makers*, 31(1): 85-97.

Raosoft online sample size calculator. 2011. [Online] Available: <http://www.raosoft.com/samplesize.html> [Accessed 23 June 2011].

Ricardo, G. 2004. Sustainable tourism development: A case study of Bazaruto Island in Inhambane, Mozambique. Thesis. University of Western Cape. Bellville. (Master`s; Business Economics).

Riley, M., Wood, R.C., Clark, M.A., Wilkie, E. & Szivas, E. 2007.. *Research and writing dissertations in business and management*. London: Thomson Learning.

Roberts-Lombard, M. 2002. *Marketing Research - A South African Perspective*. Cape Town: Oxford University Press.

Rogerson, C.M. & Visser, G. 2004. *Tourism and Development Issues in Contemporary South Africa*. Pretoria: Africa Institute of South Africa.

Rogerson, C.M. & Visser, G. 2011. African tourism geographies: Existing paths and new directions. *Journal of Economic and Social Geography*, 102(3): 251-259.

Rogerson, C.M. 2006. Creative Industries and Urban Tourism: South African Perspectives. *Urban Forum*, 17(2): 149-166.

Rolfe, R., Woodward, D., Lightelm, A. & Guimaraes, P. 2011. The Viability of Informal Micro-Enterprise in South Africa. *Journal of Developmental Entrepreneurship*, 16(1): 65-86.

Rutherford, M.W. & Holt, D.T. 2007. Corporate entrepreneurship an empirical look at the innovativeness dimension and its antecedents. *Journal of Organisational Change Management*, 20(3): 429-446.

- Salarzehi, H. & Forouharfar, A. 2011. Understanding barriers to intrapreneurship in work and social affairs governmental organisation (a case study in Iran). *Interdisciplinary Journal of Contemporary Research in Business*, 2(12): 490-504.
- Salavou, H.E. 2005. Exploring product innovativeness determinants in SMEs. *Journal of Marketing Management*, 21: 307-338.
- Salkindi, N.J. 2006. *Exploring research*. Upper Saddle River, NJ: Pearson Education.
- Santhi, N. & Kumar, R.S. 2011. Entrepreneurship Challenges and Opportunities in India. *Bonfring International Journal of Industrial Engineering and Management Science*, 1: 14-16.
- Santora, J.C. 2007. Managing "open" employees: Do resources and leadership style matter? *Independent Review*, 21(3): 83-84.
- Scheepers, M.J. Hough, J. & Bloom, J.Z. 2008. Nurturing the corporate entrepreneurship capability. *Southern African Business Review*, 12(3): 50-75.
- Schott, C. 2007. Selling Adventure Tourism: a Distribution Channels Perspective. *International Journal of Tourism Research*. 9: 257- 274.
- Shan, J. & Wilson, K. 2001. Causality between trade and tourism: Empirical evidence from China. *Applied Economics Letter*, 8: 279–283.
- Shane, S. & Venkataraman, S. 2000. The promise of entrepreneurship as a field of research, *Academy of Management Review*, 25(1): 217-228.
- Shinde, G.P & Dubey, M.Y. 2012. An appraisal of Indian tourism industry. *Academicia*, 2(2): 24-36
- Simmons, J.D. 2010. *The effects of firm size on the entrepreneurial orientation dimensions of innovativeness, proactiveness, and risk-taking*. [Online] Available: <http://usasbe.org/knowledge/proceedings/proceedingsDocs/20.pdf> [Accessed 15 June 2011]
- Simmons, J.D. 2010. The effects of firm size on the entrepreneurial orientation dimensions of innovativeness, proactiveness, and risk-taking. Ohio University.

Smith, R., 2008. Entrepreneurship, Police Leadership, and the Investigation of Crime in Changing Times. *Journal of Investigative Psychology and Offender Profiling*, 5: 209–225.

Soko, M. 2005. *The Political Economy of Regional Integration in Southern Africa*. [Online] available: http://www.notre-europe.eu/uploads/tx_publication/Etud63-RegionalIntegrationSouthernAfrica-en.pdf

Soutar, G. & Williams, P. 2005. Close to the “edge”: Critical issues for adventure tourism operators. *Asia Pacific Journal of Tourism Research*, 10(3): 247-61.

South Africa Encyclopaedia of the Nations. 2011. Republic of South Africa: Country overview location and size. [Online] Available: <http://www.nationsencyclopedia.com/economies/Africa/South-Africa.html> [Accessed: 18 March 2011].

South Africa Yearbook, 2008/09. *Tourism*. [Online] Available: http://www.gcis.gov.za/resource_centre/sa_info/yearbook/2010-11/chapter22.pdf. [Accessed: 18 March 2012].

South Africa Yearbook, 2010/11. *Tourism*. [Online] Available: http://www.gcis.gov.za/resource_centre/sa_info/yearbook/2010-11/chapter22.pdf. [Accessed: 18 March 2012].

South African embassy in Netherlands. 2011. *Tourism*. [Online] available: <http://www.southafrica.nl/tourism> [Accessed 07 July 2011].

South African museum association. 2009. *South African Airways: A Brief History*. [Online] available: <http://www.saamuseum.co.za/saa-history.html>

South Australian Tourism commission. 2008. Annual Report. [Online] available: <http://www.parliament.sa.gov.au/HOUSEOFASSEMBLY/BUSINESSOFTHEASSEMBLY/RECORDSANDPAPERS/TABLEDPAPERSANDPETITIONS/Pages/TabledPapersandPetitions.aspx?TPLoadDoc=true&TPDocType=0&TPP=51&TPS=3&TPItemID=235&TPDocName=SATourism%2BComm%2BAR2007-08%2B.pdf> [Accessed 09 August 2011].

Southiseng, N. & Walsh, J. 2010. Competition and management issues of SME entrepreneurs in Laos: Evidence from empirical studies in Vientiane Municipality, *Asian Journal of Business Management*, 2(3): 57-72.

Spronk, K & Fourie, J. 2010. South African mega-events and their impact on tourism. Stellenbosch Economic Working Papers: 03/10. University of Stellenbosch.

Srivastava, N. & Agrawal, A. 2010. Factors supporting corporate entrepreneurship: an exploratory study. *The Journal of Business Perspective*, 14(3): 163-172.

Statistics South Africa. 2007. *Quarterly labour force survey*. [Online] Available: http://www.statssa.gov.za/publication/find_publication.asp [Accessed: 18 March 2012].

Suriya. K. 2010. An economic analysis of community-based tourism in Thailand, Doctoral Thesis. Faculty of Economics, University of Goettingen.

Swarbrooke, J.C., Beard, S., Leckie, S. & Pomfret, G. 2003. Adventure Tourism: The New Frontier. Oxford: Butterworth-Heinemann.

Tajeddini, K. & Mueller, S.L. 2011. Corporate entrepreneurship in Switzerland: evidence from a case study of Swiss watches manufacturers. *International Entrepreneurship Management Journal*, 1-18.

Tajeddini, K. 2010. Effect of customer orientation and entrepreneurial orientation on innovativeness: Evidence from the hotel industry in Switzerland. *Tourism Management*, 31: 221–231.

Teng, B. 2007. Corporate entrepreneurship activities through strategic alliances: A resource based approach towards competitive advantage. *Journal of Management Studies*, 44(1):119-42.

The Ship List: 2011. *The Fleets: Aberdeen Clipper Line of Packets, Aberdeen to Natal Direct Line 1845-1911*. [Online] available: <http://www.theshipslist.com/ships/lines/rennie.htm> [Accessed: 18 March 2012].

Thornberry, N. 2001. Corporate entrepreneurship: antidote or oxymoron? *European Management Journal*, 19(5): 526-533.

Thornberry, N. 2003. Corporate entrepreneurship: Teaching managers to be entrepreneurs. *The Journal of Management Development*, 22(4): 329-345.

Thornberry, N.E. 2002. Corporate entrepreneurship: teaching managers to be entrepreneurs. *Journal of management development*, 22(4): 329-44.

Tian, X. & Wang, T.Y. 2010. Tolerance of Failure and Corporate Innovation. *Econometrica*, 47: 641-654.

Timmons, J.A. & Spinelli, S. 2007. New Venture Creation: Entrepreneurship for the 21st Century. New York, NY: McGraw-Hill.

Timmons, J.A. & Spinelli, S. 2009. New venture creation: entrepreneurship for the 21st century. Boston. MA: Irwin/McGraw-Hill.

TOPCO Media Publications. 2009. *Green Companies South Africa* [Online] available: <http://www.topco.co.za/publications/esg-green-pages/profiles/profile.php?id=75> [Accessed: 12 March 2012].

Trade and Industry Chamber. 2006. *Fund for Research into Industrial Development Growth and Equity (FRIDGE): Business Tourism Sector Study*. [Online] Available: www.dti.gov.za/industrial_development/docs/fridge/pricing_final_report.pdf [Accessed: 18 March 2012].

Tustin, D.H., Martins, J.H., Lighthelm, A.A. & Van Wyk, H.D.E.J. 2005. *Marketing Research in Practice*. Pretoria: UNISA Press.

United Nations Conference on Trade and Development. 2010. Trade and Development Report. [Online] available: <http://unctad.org/en/Docs/tdr2010en.pdf> [Accessed 05 July 2011].

United Nations Economic Commission for Africa. 2011. Towards a sustainable tourism industry in Eastern Africa: An issues paper [Online] available: <http://new.uneca.org/Portals/8/documents/meetings/ice15/01%20Issue%20paper%20ENGLISH%20%20ICE%2015%20-%20FINAL%20WS.pdf> [Accessed 22 May 2012].

Van Aardt, I., Van Aardt, C., Bezuidenhout, S. & Mumba, M. 2008. *Entrepreneurship and New Venture Management*. Cape Town: Oxford University Press.

Van Geenhuizen, M., Middel, R. & Lassen, A.H. 2008. Corporate entrepreneurship in SMEs during the search for discontinuous innovations. In 9th International CINet Conference: Radical Challenges in Innovation Management. Continuous Innovation Network (CINet).

Van Wyk, R. & Adonisi, M. 2008. The role of entrepreneurial characteristics in predicting job satisfaction. *South African Journal of Economic and Management Sciences*, 11(4): 391-92.

Vanhove, N. 2005. *The Economics of Tourism Destinations*, Burlington: Elsevier Ltd.

Viljoen, J. & Tlabela, K. 2006. *Rural Tourism Development in South Africa: Trends and Challenges*. Cape Town: HSRC Press.

Visser, G. 2004. South African Tourism (SAT) and its role in the perpetuation of an uneven tourism space economy, *Tourism and development issues in contemporary South Africa*. C. Rogerson and G. Visser (eds.) Pretoria: Africa Institute of South Africa, 268-289.

Viviers, P. 2006. The economic contribution of tourism to selected provinces of South Africa. Thesis North-West University (M.Com. Tourism), 1-71.

Walsh, J. & Southiseng, N. 2011. Challenges of Economic Stress on Chinese Entrepreneurs and Their Families in Laos. *Journal of Social and Development Sciences*, 2(1): 31-37.

Wattanakuljarus, A. & Coxhead, I. 2008. 'Is tourism-based development good for the poor? A general equilibrium analysis for Thailand'. *Journal of Policy Modeling*, 30(6): 929-955.

Weaver, D. & Lawton, L. 2006. *Tourism management*. Australia: Wiley.

Wei, Y. & Morgan, N.A. 2004. Supportiveness of organizational climate, market orientation, and new product performance in Chinese firms. *Journal of Product Innovation Management*, 21: 375-388.

Welman, C., Kruger, F. & Mitchell, B. 2005. *Research methodology*. Cape Town: Oxford University Press.

West, J. & Simard, C. 2006. Balancing entrepreneurial innovation vs. entrepreneurial spinoffs during periods of technological ferment. *Babson College Entrepreneurship Research Conference*, 1-24.

Wheather, P.C. & Cook, P.A. 2000. *Using Statistics to Understand the Environment*. New York: Routledge Publishing.

Williams, P. & Soutar, G.N. 2005. Customer value and tourist satisfaction: A multidimensional perspective. Australian and New Zealand Marketing Academy Conference, Fremantle, Australia, December, 129-138.

Wong, K.Y. 2005. Critical success factors for implementing knowledge management in small and medium enterprises. *Industrial Management & Data Systems*, 106(3): 261-279.

Wood, R. & Bandura, A. 1989. Social Cognitive theory of organisational management, *Academy of management review*, 14(3): 361-384.

World Tourism Organisation. 2011. UNWATO Tourism Barometer. [Online] available: http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto_barom11_iu_april_excerpt.pdf [Accessed 14 December 2011].

World Travel and Tourism Council. 2011. Travel & Tourism 2011. [Online] available: http://www.wttc.org/site_media/uploads/downloads/traveltourism2011.pdf [Accessed 02 February 2012].

Zahra, S.A. 2005. *Corporate Entrepreneurship and Growth*. United Kingdom: Edward Elgar Publishing.

Zampetakis, L.A., Vekini, M. & Moustakis, V. 2011. Entrepreneurial orientation, access to financial resources, and product performance in the Greek commercial TV industry. *The Service Industries Journal*, 31(6): 897-910.

Zikmund, W.G. & Babin, B. 2007. *Essentials of Marketing Research*. Australia: Thomson South-Western.

Zikmund, W.G. & Babin, B.J. 2010. *Exploring Marketing Research*. London: South-Western, Cengage Learning.

Zikmund, W.G. 2003. Exploring marketing research. Mason, Ohio: Thomson Corporation South-western.

Zimmerer, T., Scarborough, N.M. & Wilson, D. 2008. *Essentials of entrepreneurship and small business management*. New Jersey: Pearson/Prentice Hall.

Zott, C. & Huy, Q.N. 2007. How entrepreneurs use symbolic management to acquire resources, *Administrative Science Quarterly*, 52(1): 80-105.

APPENDICES

Appendix 1: Questionnaire



University of Fort Hare
Together in Excellence

Dear participant

My name is Chigamba Cleopas and I am a second year Masters Student in the Department of Business Management at the University of Fort Hare, under the supervision of Prof. O. Fatoki and Ms E. Rungani. I am writing to invite you to participate in my research in the form of a questionnaire.

My research study is entitled "The determinants of corporate entrepreneurship for firms in adventure tourism sector in the Eastern Cape Province: South Africa". Specifically, the study focuses on factors that foster or deter corporate entrepreneurship in adventure tourism sector. Through the questionnaire, I hope to be able to determine Determinants of corporate entrepreneurship. The questionnaire should take about 20 minutes to complete. The information supplied by participants will be treated as strictly confidential. Completion of the questionnaire is voluntary. If you would like to obtain a summary of the results of this research, I would be happy to send you a copy.

Please feel free to contact me on +27735027223 or cchigamba@ufh.ac.za with regards to any queries you may have, or my supervisors, Prof. O.Fatoki at ofatoki@uj.ac.za or Ms E. Rungani at erungani@ufh.ac.za

Thanks in advance for your time and effort.

Section A: Corporate Entrepreneurial Environment Assessment

Please indicate to what extent you agree or disagree with each statement.

Please mark the applicable block with a cross (X).

Variable	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
E.g.	YOU ARE ABOUT TO COMPLETE THIS SURVEY	1	2	3	4	☒
A-1	My organization is quick to use improved work methods borrowed from outside.	1	2	3	4	5
A-2	My organization is quick to use improved work methods that are developed by workers	1	2	3	4	5
A-3	In my organization, developing ideas for the improvement of the corporation is encouraged	1	2	3	4	5
A-4	Upper management is aware of and very receptive to my ideas and suggestions.	1	2	3	4	5
A-5	A promotion usually follows from the development of new and innovative ideas.	1	2	3	4	5
A-6	Those employees who come up with innovative ideas on their own often receive management encouragement for their activities.	1	2	3	4	5
A-7	The "doers" on projects are allowed to make decisions without going through elaborate justification and approval procedures.	1	2	3	4	5
A-8	Senior managers encourage innovators to bend rules and rigid procedures in order to keep promising ideas on track.	1	2	3	4	5
A-9	Money is often available for research	1	2	3	4	5
A-10	There are several options within the organization for individuals to get financial support for their innovative projects and ideas.	1	2	3	4	5
A-11	People are often encouraged to take calculated risks with ideas around here.	1	2	3	4	5
A-12	Individual risk takers are often recognized for their willingness to champion new projects, whether eventually successful or not.	1	2	3	4	5
A-13	The term "risk taker" is considered a positive attribute for people in my work area.	1	2	3	4	5
A-14	There is considerable desire among people in the organization for generating new ideas without regard for crossing departmental or functional boundaries.	1	2	3	4	5
A-15	My manager helps me get my work done by removing obstacles and roadblocks.	1	2	3	4	5
A-16	Our leaders take a long-term view of our organisation and articulate their vision to all levels of the organisation.	1	2	3	4	5
A-17	Many top managers are known for their experience with the innovation process.	1	2	3	4	5
A-18	The organisation sets and regularly evaluates goals related to innovative, risky and proactive behaviour	1	2	3	4	5
A-19	Our organisation's managers have the skills, power, commitment, and courage to be effective sponsors of entrepreneurial initiatives.	1	2	3	4	5
A-20	Our leaders lead by example and people are eager to voluntarily follow them.	1	2	3	4	5
A-21	Our leaders challenge the status quo and we are inspired by them to think, reason and act in innovative ways.	1	2	3	4	5
A-22	Originators of new ideas find it easy to implement because of influential people to support them.	1	2	3	4	5
A-23	I feel that I am my own boss and do not have to double-check all of my decisions with someone else.	1	2	3	4	5
A-24	Harsh criticism and punishment result from mistakes made on the job.	1	2	3	4	5
A-25	This organization provides the chance to be creative and try my own methods of doing the job.	1	2	3	4	5
A-26	This organization provides the freedom to use my own judgment.	1	2	3	4	5

A-27	This organization provides the chance to do something that makes use of my abilities.	1	2	3	4	5
A-28	I have the freedom to decide what I do on my job.	1	2	3	4	5
A-29	It is basically my own responsibility to decide how my job gets done.	1	2	3	4	5
A-30	An employee with a good idea is often given free time to develop that idea.	1	2	3	4	5
A-31	I have much autonomy on my job and left on my own to do my own work.	1	2	3	4	5
A-32	I am allowed time at work to safely divert from my assigned tasks to explore new ideas I believe have potential.	1	2	3	4	5
A-33	I have the freedom to use some of my time to explore new ideas and hunches without having to ask permission.	1	2	3	4	5
A-34	My manager helps me get my work done by removing obstacles and roadblocks.	1	2	3	4	5
A-35	The rewards I receive are dependent upon my work on the job.	1	2	3	4	5
A-36	My supervisor will increase my job responsibilities if I am performing well in my job.	1	2	3	4	5
A-37	My manager would tell his/her boss if my work was outstanding.	1	2	3	4	5
A-38	There is a lot of challenge in my job.	1	2	3	4	5
A-39	My supervisor will give me special recognition if my work performance is especially good.	1	2	3	4	5
A-40	Individuals with successful innovative projects receive additional rewards and compensation for their ideas and efforts beyond the standard reward system.	1	2	3	4	5
A-41	In this organisation effective intrapreneurs are generally rewarded.	1	2	3	4	5
A-42	In this organisation rewards and encouragements is emphasised rather than criticism.	1	2	3	4	5
A-43	In this organisation people are rewarded in relation to the excellence of their job performance.	1	2	3	4	5
A-44	During the past three months, my workload kept me from spending time on developing new ideas.	1	2	3	4	5
A-45	I always seem to have plenty of time to get everything done.	1	2	3	4	5
A-46	I have just the right amount of time and workload to do everything well.	1	2	3	4	5
A-47	My job is structured so that I have very little time to think about wider organizational problems.	1	2	3	4	5
A-48	I feel that I am always working with time constraints on my job.	1	2	3	4	5
A-49	My co-workers and I always find time for long-term problem solving.	1	2	3	4	5
A-50	In the past three months, I have always followed standard operating procedures or practices to do my major tasks.	1	2	3	4	5
A-51	There are many written rules and procedures that exist for doing my major tasks.	1	2	3	4	5
A-52	On my job I have no doubt of what is expected of me.	1	2	3	4	5
A-53	There is little uncertainty in my job.	1	2	3	4	5
A-54	During the past year, my immediate supervisor discussed my work performance with me frequently.	1	2	3	4	5
A-55	My job description clearly specifies the standards of performance on which my job is evaluated.	1	2	3	4	5
A-56	I clearly know what level of work performance is expected from me in terms of amount, quality, and time line of output.	1	2	3	4	5
A-57	Our organisational vision and strategies are clear to me	1	2	3	4	5
A-58	Our organisation has a clear-cut vision to ensure an innovative company	1	2	3	4	5
A-59	In this organisation management decisions are aligned and supportive to the vision and strategies.	1	2	3	4	5
A-60	Great effort has been made to clarify what the vision and strategy mean to us in our department.	1	2	3	4	5
A-61	This organisation has a specific value system which we all know and live up to	1	2	3	4	5
A-62	The vision and strategies often help me in setting priorities	1	2	3	4	5
A-63	Our organisation's announced visions and strategies inspire me	1	2	3	4	5
A-64	Innovative and new ideas are a regular occurrence in our organisation.	1	2	3	4	5
A-65	Our organisation is characterised by an active search for big opportunities	1	2	3	4	5

A-66	We have taken some big risks occasionally to keep ahead of the competition in the business we're in.	1	2	3	4	5
A-67	There is considerable desire among people in the organisation for generating new ideas.	1	2	3	4	5
A-68	Our leaders seek to maximise value from opportunity without constraint to existing models, structures or resources.	1	2	3	4	5
A-69	People are encouraged to talk to employees in other departments of this organisation about ideas for new projects.	1	2	3	4	5
A-70	Our leader encourages teamwork in our organisation	1	2	3	4	5
A-71	People here spend some of their time and resources helping others outside their area in ways that are not part of their assigned responsibilities.	1	2	3	4	5
A-72	Cross-functional teams are characterised by diversity based on project skills requirements.	1	2	3	4	5
A-73	Project teams have choices in recruiting and selecting new team members.	1	2	3	4	5
A-74	All People are keen to share knowledge without regard for crossing departmental or functional boundaries.	1	2	3	4	5
A-75	Money is often available to get new project ideas off the ground.	1	2	3	4	5
A-76	The organisation provides individuals with financial grants to develop individual projects	1	2	3	4	5
A-77	Our organisation structure allows for resource sharing and encourages flexibility	1	2	3	4	5
A-78	Resources are readily available in pursuance of new ideas and opportunities.	1	2	3	4	5
A-79	There are several options within the organisation for individuals to get financial support for their innovative projects and ideas.	1	2	3	4	5
A-80	Experiments are acceptable in the marketplace, not only in the lab.	1	2	3	4	5
A-81	Attracting resource commitment for entrepreneurial ventures in this organisation is relatively easy.	1	2	3	4	5
A-82	Resources are readily accessible in pursuance of new ideas and opportunities.	1	2	3	4	5
A-83	We use cross-functional teams or cross-business-unit teams effectively.	1	2	3	4	5
A-84	There is an extensive employee orientation programme for new employees to ensure employees shared corporate vision and purpose	1	2	3	4	5
A-85	The organisation makes efforts to regularly rotate employees through different jobs	1	2	3	4	5
A-86	Customers are treated as very important stakeholders and not just another transaction to be processed.	1	2	3	4	5
A-87	Our organisation provides ample opportunities for learning growth.	1	2	3	4	5
A-88	Cross-functional team members are left to make decisions without interference from functional superiors who are not part of the team.	1	2	3	4	5
A-89	Employees are encouraged to stay abreast of developments in their functional fields and to share their knowledge across functions.	1	2	3	4	5
A-90	Our leaders have a good balance between concern for production and concern for people.	1	2	3	4	5
A-91	Customers are invited and encouraged to provide feedback to the organisation in order to get new ideas for products and services	1	2	3	4	5
A-92	Our organisation involves customers in service and product development.	1	2	3	4	5
A-93	A great deal of resources is spent in determining customer needs and satisfaction.	1	2	3	4	5
A-94	We regularly ask our customers what they think of our service and product offerings.	1	2	3	4	5
A-95	Product and service innovation are driven by a strong customer orientation.	1	2	3	4	5
A-96	The degree of hierarchical control is acceptably low in our organisation.	1	2	3	4	5
A-97	Our organisation has flexible job designs rather than formal job descriptions	1	2	3	4	5
A-98	The process for accessing and acquiring resources to pursue new opportunities is streamlined to realise Quick approval.	1	2	3	4	5
A-99	Our organisation has an open communication structure in which all employees participate.	1	2	3	4	5
A-100	People are allowed to make decisions without going through elaborate justification and approval procedures.	1	2	3	4	5
A-101	Project teams in our organisation have considerable freedom to make decisions and act on them without needing to ask for permission.	1	2	3	4	5
A-102	Senior managers encourage innovators to bend rules and rigid procedures in order to keep promising ideas on track.	1	2	3	4	5

A-103	In this organisation it is easy to build coalitions of active sponsors to help projects succeed.	1	2	3	4	5
A-104	Our organisation has people with influence that support, coach, protect, and find resources for an intrapreneurial project and its team.	1	2	3	4	5
A-105	Our organisation has been built up by taking calculated risks at the right time.	1	2	3	4	5
A-106	Good management of projects involving risk and unpredictability is highly valued, even when things don't always turn out according to plan.	1	2	3	4	5
A-107	Top management is aware of and receptive to my ideas and suggestions.	1	2	3	4	5
A-108	If you make a mistake in this organisation you will be forgiven.	1	2	3	4	5
A-109	This organisation supports many small realising that some will undoubtedly fail. And experimental projects	1	2	3	4	5
A-110	In our organisation, developing ideas for the improvement of the company is encouraged by management.	1	2	3	4	5
A-111	It is better to have attempted a difficult task and failed, than not to have tackled it at all	1	2	3	4	5
A-112	All People are given considerable opportunity for independence and freedom in how they do their work.	1	2	3	4	5
A-113	Employees are encouraged to manage their own work and have flexibility to resolve problems	1	2	3	4	5
A-114	Employees are given support for self-initiated and unofficial activity that is to the benefit of the organisation	1	2	3	4	5

SECTION B: CORE ENTREPRENEURIAL CHARACTERISTICS

This section aims to assess the the employees level of strength with regard to the listed entrepreneurial characteristics. Respondents are asked to evaluate themselves and later evaluate the strength of these entrepreneurial characteristic in their superiors and subordinates. In **b1** evaluate yourself and in **b2** evaluate your superiors of subordinates.

BA: Self assessment						Assessment	BB: Superior/ Subordinate					
	Strongly Disagree	Dagree	Neutral	Agree	Strongly Agree	Entrepreneurial characteristics	Strongly Disagree	Dagree	Neutral	Agree	Strongly Agree	
	1	2	3	4	5	Example	1	2	3	4	5	
BA-1	1	2	3	4	5	Highly inspirational	1	2	3	4	5	BB-1
BA-2	1	2	3	4	5	Need for achievement and growth	1	2	3	4	5	BB-2
BA-3	1	2	3	4	5	Internal locus of control	1	2	3	4	5	BB-3
BA-4	1	2	3	4	5	Ability to bring Novel ideas	1	2	3	4	5	BB-4
BA-5	1	2	3	4	5	Opportunity driven	1	2	3	4	5	BB-5
BA-6	1	2	3	4	5	High energy level	1	2	3	4	5	BB-6
BA-7	1	2	3	4	5	Thriving on ambiguity and uncertainty	1	2	3	4	5	BB-7
BA-8	1	2	3	4	5	Tolerance for failure	1	2	3	4	5	BB-8
BA-9	1	2	3	4	5	Ability to take Responsibility	1	2	3	4	5	BB-9
BA-10	1	2	3	4	5	Problem solving skills	1	2	3	4	5	BB-10
BA-11	1	2	3	4	5	Calculated risk taking	1	2	3	4	5	BB-11
BA-12	1	2	3	4	5	Self- confidence	1	2	3	4	5	BB-12
BA-13	1	2	3	4	5	Self- discipline	1	2	3	4	5	BB-13
BA-14	1	2	3	4	5	Vision/ Open minded	1	2	3	4	5	BB-14
BA-15	1	2	3	4	5	Team builder	1	2	3	4	5	BB-15
BA-16	1	2	3	4	5	Integrity and steadfastness	1	2	3	4	5	BB-16
BA-17	1	2	3	4	5	Ability to adapt to change	1	2	3	4	5	BB-17
BA-18	1	2	3	4	5	Low support needs	1	2	3	4	5	BB-18
BA-19	1	2	3	4	5	Good people judgement	1	2	3	4	5	BB-19
BA-20	1	2	3	4	5	High Patience levels	1	2	3	4	5	BB-20

BA-21	1	2	3	4	5	Business knowledge	1	2	3	4	5	BB-21
BA-22	1	2	3	4	5	Market awareness	1	2	3	4	5	BB-22
BA-23	1	2	3	4	5	Generosity	1	2	3	4	5	BB-23
BA-24	1	2	3	4	5	Balanced self-esteem & development	1	2	3	4	5	BB-24
BA-25	1	2	3	4	5	Belief in value for money	1	2	3	4	5	BB-25
BA-26	1	2	3	4	5	Quick learner	1	2	3	4	5	BB-26
BA-27	1	2	3	4	5	Limited need for status and power	1	2	3	4	5	BB-27
BA-28	1	2	3	4	5	Undertake personal sacrifice	1	2	3	4	5	BB-28
BA-29	1	2	3	4	5	Highly creative and innovative	1	2	3	4	5	BB-29
BA-30	1	2	3	4	5	Higher levels of Commitment	1	2	3	4	5	BB-30
BA-31	1	2	3	4	5	Highly Determined	1	2	3	4	5	BB-31
BA-32	1	2	3	4	5	High level of Perseverance	1	2	3	4	5	BB-32

SECTION C: DEMOGRAPHIC INFORMATION

The following information is needed to help for comparison purposes among different demographic groups in the statistical analysis. Your assistance in providing this important information is appreciated.

(Mark with an X where appropriate)

1. Gender

Male		Female	
------	--	--------	--

2. Age

Below 29		30 - 39		40 - 49		50 - 59		60 & Above	
----------	--	---------	--	---------	--	---------	--	------------	--

3. Indicate your race

Black		White		Coloured		Indians	
-------	--	-------	--	----------	--	---------	--

4. Indicate your level of education

1	Lower than Grade 12	
2	Grade 12	
3	National certificate	
4	National diploma	
5	3-year degree	
6	Post graduate qualification	

5. Indicate your management level

1	Top management	
2	Middle management	
3	Lower management	
4	Other: (Specify)	

6. Indicate your department

Executive	
Marketing and Financial Services	
Operations	
Catering and Accommodation	
Research and Development	

Thank you

Appendix 2: Results of Descriptive Statistics

Descriptive Statistics			
	Mean	Std. Deviation	N
A_Var_85	4.57	.722	96
A_Var_88	4.51	.543	96
A_Var_63	4.46	1.075	96
A_Var_91	4.46	.648	96
A_Var_6	4.44	.779	96
A_Var_89	4.43	.538	96
A_Var_65	4.42	.556	96
A_Var_39	4.36	.884	96
A_Var_64	4.36	.505	96
A_Var_67	4.35	.781	96
A_Var_81	4.33	.660	96
A_Var_84	4.32	.571	96
A_Var_38	4.27	.624	96
A_Var_69	4.27	.923	96
A_Var_95	4.27	.672	96
A_Var_42	4.25	.795	96
A_Var_18	4.23	.827	96
A_Var_60	4.23	1.031	96
A_Var_80	4.21	.648	96
A_Var_43	4.20	.592	96
A_Var_86	4.19	.568	96
A_Var_83	4.18	.665	96
A_Var_87	4.18	.808	96
A_Var_50	4.17	.556	96
A_Var_92	4.17	.536	96
A_Var_46	4.16	.772	96
A_Var_96	4.16	1.225	96
A_Var_76	4.15	1.005	96
A_Var_90	4.13	.771	96
A_Var_37	4.11	.679	96
A_Var_94	4.11	1.104	96
A_Var_40	4.08	.842	96
A_Var_73	4.08	.574	96
A_Var_111	4.08	.854	96
A_Var_82	4.07	1.163	96
A_Var_41	4.06	1.003	96
A_Var_13	4.04	.631	96
A_Var_14	4.04	.710	96
A_Var_62	4.04	1.196	96
A_Var_30	4.03	.656	96

A_Var_93	4.03	1.010	96
A_Var_56	4.02	.740	96
A_Var_74	4.02	.615	96
A_Var_57	4.01	1.071	96
A_Var_5	4.00	.871	96
A_Var_36	3.99	.761	96
A_Var_66	3.99	1.081	96
A_Var_68	3.99	.946	96
A_Var_98	3.99	.912	96
A_Var_2	3.98	.870	96
A_Var_3	3.98	.435	96
A_Var_112	3.98	1.161	96
A_Var_59	3.97	.888	96
A_Var_79	3.96	1.104	96
A_Var_110	3.96	1.085	96
A_Var_99	3.95	.875	96
A_Var_104	3.95	.671	96
A_Var_26	3.94	.927	96
A_Var_58	3.94	.916	96
A_Var_12	3.93	.700	96
A_Var_100	3.92	1.012	96
A_Var_31	3.91	.919	96
A_Var_61	3.91	1.134	96
A_Var_108	3.91	.919	96
A_Var_114	3.90	1.071	96
A_Var_11	3.89	.793	96
A_Var_32	3.89	.752	96
A_Var_103	3.89	.663	96
A_Var_77	3.88	.785	96
A_Var_72	3.86	.690	96
A_Var_7	3.85	.754	96
A_Var_20	3.83	.706	96
A_Var_21	3.83	.970	96
A_Var_107	3.83	1.053	96
A_Var_55	3.82	.940	96
A_Var_16	3.80	.690	96
A_Var_19	3.80	.890	96
A_Var_54	3.80	.705	96
A_Var_71	3.80	.643	96
A_Var_106	3.78	1.107	96
A_Var_34	3.77	.840	96
A_Var_45	3.77	.934	96
A_Var_53	3.77	.957	96
A_Var_70	3.77	.923	96
A_Var_17	3.76	1.013	96

A_Var_75	3.76	1.122	96
A_Var_47	3.75	.973	96
A_Var_48	3.75	.858	96
A_Var_109	3.75	1.005	96
A_Var_33	3.73	.934	96
A_Var_78	3.73	1.341	96
A_Var_15	3.72	.891	96
A_Var_22	3.71	1.187	96
A_Var_25	3.71	1.035	96
A_Var_4	3.68	.657	96
A_Var_101	3.68	1.100	96
A_Var_105	3.68	.946	96
A_Var_8	3.67	.829	96
A_Var_9	3.67	.763	96
A_Var_28	3.67	1.176	96
A_Var_29	3.67	1.053	96
A_Var_113	3.67	1.092	96
A_Var_97	3.66	1.186	96
A_Var_35	3.61	1.050	96
A_Var_27	3.57	.707	96
A_Var_51	3.57	.855	96
A_Var_52	3.57	.891	96
A_Var_102	3.57	1.054	96
A_Var_24	3.54	.994	96
A_Var_10	3.51	.951	96
A_Var_44	3.41	1.184	96
A_Var_49	3.40	.900	96
A_Var_1	3.17	1.303	96
A_Var_23	3.13	1.098	96

Appendix 3: Rotated factor loading and Cronbach's alpha

Rotated factor loading and Cronbach's alpha												
	Resources and time	Innovativeness and creativity	Rewards/Reinforcement and Sponsorship	work discretion and discretionary time	Vision and Strategic intent	Tolerance of risk, mistakes and failure	Management Support for Intrapreneurship	Strong customer orientation	Flat organisational structure	Continuous cross-functional learning	Multi-disciplined team-work and diversity	Entrepreneurial leadership
	1	2	3	4	5	6	7	8	9	10	11	12
A_Var-82	.859											
A_Var-9	.833											
A_Var-75	.831											
A_Var-79	.774											
A_Var-10	.760											
A_Var-80	.732											
A_Var-45	.676											
A_Var-81	.665											
A_Var-76	.647											
A_Var-77	.644											
A_Var-48	.620											
A_Var-49	.614											
A_Var-46	.612											
A_Var-27	.594											
A_Var-44	.575											
A_Var-78	.521											
A_Var-47	.477											
A_Var-64	.435											
A_Var-66		.775										
A_Var-68		.754										
A_Var-111		.733										
A_Var-112		.718										
A_Var-110		.706										
A_Var-13		.679										
A_Var-29		.663										
A_Var-31		.631										
A_Var-65		.583										
A_Var-30		.575										
A_Var-32		.575										
A_Var-67		.570										
A_Var-28		.566										
A_Var-26		.490										
A_Var-12		.421										
A_Var-41			.894									
A_Var-43			.894									
A_Var-40			.844									
A_Var-35			.830									

A_Var-38			.757									
A_Var-39			.746									
A_Var-22			.734									
A_Var-36			.734									
A_Var-37			.603									
A_Var-42			.597									
A_Var-5			.579									
A_Var-104			.563									
A_Var-103			.449									
A_Var-14				.779								
A_Var-55				.750								
A_Var-113				.739								
A_Var-51				.675								
A_Var-7				.649								
A_Var-56				.625								
A_Var-50				.608								
A_Var-8				.572								
A_Var-24				.566								
A_Var-23				.535								
A_Var-54				.411								
A_Var-57					.839							
A_Var-60					.828							
A_Var-62					.787							
A_Var-63					.780							
A_Var-61					.738							
A_Var-59					.702							
A_Var-16					.652							
A_Var-58					.513							
A_Var-106						.875						
A_Var-107						.875						
A_Var-109						.811						
A_Var-11						.804						
A_Var-108						.638						
A_Var-105						.575						
A_Var-4						.574						
A_Var-3						.475						
A_Var-94							.880					
A_Var-91							.778					
A_Var-95							.777					
A_Var-93							.768					
A_Var-92							.672					
A_Var-86							.624					
A_Var-90							.558					
A_Var-100								.871				
A_Var-102								.804				
A_Var-96								.774				
A_Var-99								.765				
A_Var-97								.677				
A_Var-98								.604				
A_Var-101								.541				
A_Var-89									.881			
A_Var-84									.859			

A_Var-85									.753			
A_Var-88									.595			
A_Var-87									.567			
A_Var-83									.455			
A_Var-114										.834		
A_Var-1										.696		
A_Var-15										.662		
A_Var-6										.596		
A_Var-33										.541		
A_Var-2										.504		
A_Var-71											.831	
A_Var-74											.831	
A_Var-70											.777	
A_Var-72											.775	
A_Var-69											.773	
A_Var-17												.681
A_Var-18												.495
A_Var-21												.626
A_Var-19												.530
A_Var-20												.495
Eigen values	30.29	11.36	10.17	9.74	9.16	8.62	7.80	5.83	4.50	3.91	3.48	2.85
Cronbach's Alpha	0.970	0.968	0.966	0.971	0.972	0.969	0.971	0.970	0.892	0.970	0.971	0.971