THE PERFORMANCE OF COMMERCIAL BANKS: THE ROLE OF ORGANIZATIONAL CULTURE AS A MEDIATOR AND EXTERNAL ENVIRONMENT AS A MODERATOR

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ABSTRACT

Business environment has become very dynamic and highly competitive. This is occasioned by globalization and massive developments in the technological world, especially advancements in Information and Communications Technology (ICT). As a result, business organizations are faced with a lot of challenges. To cope with the challenges and achieve superior performance, business organizations need to be entrepreneurially inclined, market-oriented, and strategically positioned. Similarly, they need to develop and nurture appropriate and strong organizational culture for them to be entrepreneurially inclined, market-oriented, and strategically positioned. It is against this background that this study investigated the mediating and moderating effects of organizational culture and external environment on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and performance of commercial banks in Nigeria. Data were collected from 297 bank managers through a self-reported questionnaire and data analysis was carried out using SPSS version 19. Findings revealed that corporate entrepreneurship, market orientation, and strategic orientation were positively and significantly related to organizational performance. Further analysis indicated that organizational culture of teamwork mediated the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Also, data analysis showed that external environment (competitive intensity) did not moderate the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Thus, it was concluded that although corporate entrepreneurship, market orientation, and strategic orientation were positively and significantly related to organizational performance, even in the face of competitive challenges, however, the effects of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance will be greater if organizations develop and continuously nurture strong organizational culture of teamwork.

Keywords: organizational culture, external environment, corporate entrepreneurship, market orientation, organizational performance

ABSTRAK

Persekitaran perniagaan telah menjadi sangat dinamik dan kompetitif. Ini adalah disebabkan oleh globalisasi dan perkembangan besar dalam dunia teknologi, terutama kemajuan dalam Teknologi Komunikasi (ICT) dan Maklumat. Hasilnya, organisasi perniagaan berhadapan dengan banyak cabaran. Untuk menghadapi cabaran dan mencapai prestasi yang unggul, organisasi perniagaan perlu mempunyai kecenderungan kepada keusahawanan, berorientasikan pasaran, dan berkedudukan yang strategik. Begitu juga, mereka perlu membangunkan dan memupuk budaya organisasi yang sesuai dan kuat bagi mereka untuk cenderung secara keusahawanan, berorientasikan pasaran, dan kedudukan yang strategik. Berasaskan latar belakang ini, kajian ini menyiasat kesan pengantara budaya organisasi dan kesan penyederhana persekitaran luaran ke atas hubungan di antara keusahawanan korporat, orientasi pasaran, orientasi strategik dan prestasi bank-bank komersil di Nigeria. Data telah dikumpulkan daripada 297 pengurus bank melalui borang soal selidik dan analisis data telah dijalankan dengan menggunakan SPSS versi 19. Dapatan kajian menunjukkan bahawa keusahawanan korporat, orientasi pasaran, dan orientasi strategik mempunyai hubungan positif dan signifikan dengan prestasi organisasi. Analisis selanjutnya menunjukkan bahawa budaya organisasi kerja berpasukan mengantara hubungan di antara keusahawanan korporat, orientasi pasaran, orientasi strategik dan prestasi organisasi. Selain itu, analisis data menunjukkan bahawa persekitaran luaran (keamatan kompetitif) tidak menyederhana hubungan di antara keusahawanan korporat, orientasi pasaran, orientasi strategik dan prestasi organisasi. Kesimpulannya walaupun keusahawanan korporat, orientasi pasaran, dan orientasi strategik mempunyai hubungan positif dan signifikan dengan prestasi organisasi, namun dalam menghadapi cabaran persaingan, kesan-kesan keusahawanan korporat, orientasi pasaran, dan orientasi strategik ke atas prestasi organisasi akan lebih tinggi jika organisasi membangun dan memupuk secara berterusan budaya organisasi kerja berpasukan.

Kata Kunci: budaya organisasi, persekitaran luaran, keusahawanan korporat, orientasi pasaran, prestasi organisasi

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"I do not ascribe the success of the journey to myself; for GOD is the fountain of all inspiration, knowledge, wisdom, and understanding".

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LIST OF ABBREVIATIONS

CBN	Central Bank of Nigeria
CE	Corporate Entrepreneurship
EE	External Environment
EO	Entrepreneurial Orientation
IMF	International Monetary Fund
KMO	Kaiser-Meyer-Olkin
MO	Market Orientation
NDIC	Nigerian Deposit Insurance Corporation
OC	Organizational Culture
OP	Organizational Performance
RBV	Resource-Based View
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
SO	Strategic Orientation
SPSS	Statistical Package for Social Science

CHAPTER ONE

INTRODUCTION

1.1 Background

Generally, banks play a vital role in the growth and development of the economy of a nation. The health of the economy of a nation depends on the wellbeing of the banking sector. This is because the banking sector provides the oil for the engines that drive the vehicles of economic growth and development of a nation, whether developed, underdeveloped, or developing (George *et al.*, 2013; Otto, Ekine, & Ukpere, 2012; Rotheli, 2010). Similarly, for the purposes of planning and decision-making, banking activities have a lot of implications for the investors, depositors, government, policy-makers, and other stakeholders (Turner, 2013). Therefore, the efficiency or inefficiency of the banking sector as well as its effectiveness or ineffectiveness always have impact on a nation's economy (George *et al.*, 2013). The last global financial or economic crisis of 2007/2008 attests to this fact.

Apart from being intermediaries between institutions or individuals who have surplus funds (those who supply funds) and institutions or individuals who have deficit funds (those who need funds) (Mahmood, 2000), banks also contribute to the growth of GDP of a nation. They provide the enabling financial environment for other sectors of the economy to contribute to GDP, thereby helping to increase the productivity of the real economy (Rotheli, 2010). It is important also to mention that banks provide employments for the youths including graduates, and this helps to reduce the level of unemployment, poverty, and crimes in the society. Thus, given the role banks play in the society, their performance (good or bad) should not only be of concern to investors, depositors, and government but also important to scholars and researchers alike.

The history of Nigeria's banking sector dates back to 1892 when the African Banking Corporation (ABC) was established in Lagos. In 1894, the first commercial bank, Bank of British West Africa (the present day First Bank of Nigeria), was established for the purposes of serving the British agencies in Nigeria. The Bank of British West Africa remained the only commercial bank until 1912 when Barclays Bank (now Union Bank of Nigeria) was established. Subsequently, other commercial banks were established. The Nigeria's banking sector remained unregulated until July 1, 1959 when the Central Bank of Nigeria (CBN) was established as the government and apex bank with the mandate of regulating the financial activities of the country. The Structural Adjustment Programme (SAP) of 1986 which was aimed at deregulating the economy paved the way for the licensing and establishment of more commercial banks. It should be placed on record that Nigeria's banking sector performed well until about 1989 when the World Bank team pointed out signs of financial distress in the sector (Adeyemi, 2011; Cowry Asset Management Ltd, 2009). Since then the banking sector has been facing a lot of crises, both financial and leadership crises.

The major problem in Nigeria's banking sector started in the early 90s when some banks failed and many others were distressed. Between 1930 and 1958, more than 21 banks had failed; and between 1991 and 1995, about 65 banks were distressed. Similarly, between 1994 and 2006, about 45 banks had also failed. It is interesting to note that many of the banks that failed had liquidity problem. Also, most of the banks that were reported to be distressed equally had liquidity problem so they eventually failed, and some of the banks that did not fail were even undercapitalized and inefficient (Adeyemi, 2011; Cowry Asset Management Ltd, 2009; Yauri, Musa, & Kaoje, 2012). As a result of the crises in Nigeria's banking sector, the regulatory authority, the CBN, took some critical decisions ranging from increment in the minimum capital base for commercial banks, replacement of some bank directors, changing the composition of board membership to injection of cash into the sector with a view to repositioning the banking sector.

One of the measures that the CBN took to address the crises in the banking sector was to recapitalize commercial banks. More precisely, between 1979 and 2005, the CBN had increased the minimum capital base for commercial banks more than five times (Bakare, 2011). In all, the banking sector witnessed a remarkable economic reform between 2004 and 2005 when the CBN increased the minimum capital base for commercial banks from ₦2 billion (about $12 million) to ₦25 billion (about $156 million). Before the last recapitalisation, there were 89 operating commercial banks; and at the end of the recapitalization period, the number reduced to 25. The CBN revoked the licenses of 14 banks that could not afford the minimum capital base of ₦25 billion while a total of 69 banks went into mergers and acquisitions, resulting in 19 banks. Six banks that could afford the ₦25 billion stood alone (Cowry Asset Management Ltd, 2009; Ernest, 2012; Tunji, 2012). Even after the recapitalization, some banks still went into mergers and acquisitions, thereby reducing the total number of banks in Nigeria at present to about 20 (Bakare, 2011; IMF, 2013; NDIC, 2012).

Another significant measure that the CBN took to make Nigeria's banking sector more functional was to inject cash into the sector in order to revitalize some banks that were undercapitalized and were verged on failing even after the last recapitalization of commercial banks. For instance, between August and October 2009, the sum of ₦620 billion (about $4 billion) was injected into the banking sector for the purposes of reviving some of the ailing banks (IMF, 2013; Kuye, Ogundele, & Otike-Obaro, 2013). Another ₦679 billion (about $4.2 billion) was injected into the three bridge banks that were nationalized, namely Keystone Bank Ltd, Enterprise Bank Ltd, and Mainstreet Bank in order to salvage them from failing (Nweze, 2011).

The historical background of Nigeria's banking sector is not complete without mentioning the effect of the last global financial or economic crisis which started in the United States in 2007 and spread like wildfire to other economies in the world in mid 2008. The economic crisis, no doubt, had far-reaching effects on all sectors of different economies worldwide; and the banking sector in Nigeria had its own "fair share". The global financial crisis worsened the problem in Nigeria's banking sector, even though it happened shortly after the last recapitalization of commercial banks because of the banking sector's exposure to capital market and oil industry which were adversely affected by the crisis. The fact that the Nigerian capital market which is the "driver" of the economy crashed had inexplicable effects on the banking sector. Many banks had liquidity problem, as loan repayments became difficult, interest and exchange rates were negatively affected, and the public lost confidence in the banking sector (Cowry Asset Management Ltd, 2009).

Having discussed the historical background of Nigeria's banking sector, there is a need to highlight critical issues which bother on the performance of the sector. Nigeria's banking sector has performed marginally since its inception. As stated earlier, the banking sector has recorded a lot of failed commercial banks. Available statistics shows that since the inception of the sector, over 155 commercial banks have been established, about 75 banks have merged, and more than 75 commercial banks have failed (Adeyemi, 2011; Cowry Asset Management Ltd, 2009; Ernest, 2012; Tunji, 2012; Yauri *et al.*, 2012).

Moreover, it is not only that bank failures are of great concern but the effects are also grievous, contagious, and devastating on the customers (the depositors), the investors, and the employees of the failed banks; the banking sector itself; and the economy as a whole. As a result of the failures, depositors' and investors' monies have been trapped, and many businesses have collapsed. For example, apart from over ₦80 billion ($497 million) already paid to depositors of failed banks by NDIC between 1994 and 2013, about ₦2 billion ($12.4 million) of depositors' monies are still unclaimed (Birchi, 2013; Ebelo, 2013; Umaru, 2011). What about billions of money invested in the failed banks? Also, employees of the failed banks lost their jobs, thereby worsening the unemployment problem in the country. Additionally, the level of public confidence in the banking sector was affected by the incessant bank failures, and the whole economy was also weakened as many industrial activities were paralyzed due to bank failures (Cowry Asset Management Ltd, 2009).

Furthermore, another major issue that bothers on the performance of Nigeria's banking sector is the fact that many banks could not afford the minimum capital base of ₦25 billion (about $156 million) which is incomparable to the minimum capital base for some banks in other countries like Malaysia whose minimum capital base for some categories of banks is RM2 billion (over $600 million) (Bank Negara Malaysia, 2013; Shanmugam, 2003). Besides, despite the last recapitalisation, some banks were still undercapitalized (Verster & Gounden, 2013). The CBN injected over ₦1.2 trillion ($8 billion) into the banking sector between 2008 and 2009 to bail out and recapitalize those banks that were undercapitalized and were verged on failing (Cowry Asset Management Ltd, 2009; IMF, 2013; Kuye *et al.*, 2013; Nweze, 2011; Verster & Gounden, 2013).

In addition, Nigeria's banking sector contributes meagerly, less than 5% on average, annually to Nigeria's GDP (Central Bank of Nigeria Anuual Report, 2012; National Bureau of Statistics, 2013). Comparatively, the contribution of Nigeria's banking sector to GDP is less than the contributions of banking sectors in other countries to GDP. For instance, Malaysia's financial sector contributes an average of 8.6% to Malaysia's GDP (Azmi, 2012). Also, South Africa's financial industry contributes about 21% to South Africa's GDP (Council Eastern Cape Socio Economic Consultative, 2013; SA Statistics, 2013), and on average, Ghana's financial sector contributes more than 9% to Ghana's GDP (African Economic Outlook, 2012; Ciuci Consulting, 2012; Statistical Services Ghana, 2014).

Finally, on the continent of Africa, the best bank in Nigeria (First Bank of Nigeria) is the fifteenth given its total assets, net interest income, loans, and deposits (The Africa Report, 2013). Nigeria, popularly called the giant of Africa; its best bank (First Bank of Nigeria) ranks behind the best banks in South Africa, Egypt, Morocco, Togo, and Algeria in terms of total assets and net interest income (The Africa Report, 2013). Globally, commercial banks in Nigeria rank very low compared to their counterparts in other countries. Available record shows that no bank in Nigeria is among the 400 top banks in the 2014 world banks ranking (Finance, 2014). What a poor performance!

1.2 Problem Statement

Organization depends on its superior performance for continued existence and growth. Similarly, superior organizational performance depends on a host of factors, which are called antecedents to organizational performance. Researchers and scholars have identified many of the antecedents to organizational performance; they have equally examined both conceptually and empirically, the relationship between the antecedents and organizational performance. From a critical literature review, examples of antecedents to organizational performance include: leadership, total quality management, workers' motivation, external environment, organizational culture, personnel training and development, compensation, organizational capabilities and resources, corporate entrepreneurship, service quality, and market orientation (Brown & Sturman, 2003; Chahal, 2008; Corina, Roxana, & Liviu, 2012; Davidson, Coetzee, & Visser, 2007; Ejere & Ugochukwu, 2013; Mahmood & Wahid, 2012; Ngai & Ellis, 1998; Sokro, 2012; Thang & Quang, 2011; Tuan & Yoshi, 2010; Zakuan, Yusof, Laosirihongthong, & Shaharoun, 2010).

A substantial amount of research has been conducted on the relationship between the antecedents and organizational performance. But extant literature shows that many of the researches were carried out in developed economies while few of the researches were conducted in developing economies (Rauch, Wiklund, Lumpkin, & Frese, 2009). On the other hand, there is a paucity of similar research carried out in the Nigerian context. Besides, most of the samples for the researches conducted were taken from the manufacturing industry whereas fewer samples were taken from the service industry, especially banking industry. Thus, there is a need to study the relationship between the antecedents and organizational performance in the Nigerian context, with samples taken from the service industry, banking sector in particular with a view to bridging the gap in the literature.

Generally, banking sector contributes significantly to the growth and development of the economy of a nation. Nonetheless, the sector's contribution to the growth and development of the economy of a nation depends on its performance. As pointed out at the Background section, Nigeria's banking sector performs poorly compared to the performance of banking sectors in other countries. It contributes meagerly, less than 5% on average, annually to Nigeria's GDP compared to the contributions of banking sectors in other countries to GDP (Central Bank of Nigeria Anuual Report, 2012; National Bureau of Statistics, 2013). Since the inception of Nigeria's banking sector, over 75 banks have collapsed due to liquidity problem, and billions of investors and depositors' monies have been trapped as a result of incessant bank failures (Adeyemi, 2011; Cowry Asset Management Ltd, 2009; Yauri *et al.*, 2012). Globally, commercial banks in Nigeria rank very low compared to their counterparts in other countries (Finance, 2014). All this is largely due to poor performance.

With respect to superior organizational performance; entrepreneurship, marketing, and strategic management scholars have theorized that entrepreneurially inclined, market-oriented, and strategically positioned organizations perform better than organizations that are not entrepreneurially inclined, market-oriented, and strategically positioned (Aragón-Sánchez & Sánchez-Marín, 2005; Covin & Slevin, 1991; Farrell, Oczkowski, & Kharabsheh, 2008; Lumpkin & Dess, 1996). Therefore, there is a need to assess the degree of entrepreneurial orientation, market orientation, and strategic orientation of commercial banks in Nigeria with a view to relating it to their performance.

The field of entrepreneurship has received much attention from many scholars and researchers over the years. Specifically, considerable studies have been conducted on the relationship between corporate entrepreneurship and organizational performance (Antoncic & Hisrich, 2004; Arief, Thoyib, Sudiro, & Rohman, 2013; Rauch *et al.*, 2009; Rutherford & Holt, 2007; Shaw, O'Loughlin, & McFadzean, 2005; Tang & Tang, 2010; Teng, 2007; Wiklund & Shepherd, 2005; Zahra & Covin, 1995; Zahra, 1995). Conceptually, entrepreneurship scholars have posited that entrepreneurial activities within existing organizations are a source of revitalization and competitive advantage, which, in turn, leads to superior organizational performance (Covin & Slevin, 1991; Lumpkin & Dess, 1996). However, available empirical findings show inconclusiveness about the relationship between corporate entrepreneurship and organizational performance (Antoncic & Hisrich, 2004; Rauch *et al.*, 2009; Yang, Li-Hua, Zhang, & Wang, 2007).

On the one hand, some studies have confirmed a positive relationship between corporate entrepreneurship and organizational performance (Hult, Snow, & Kandemire, 2003; Karacaoglu, Bayrakdaroglu, & San, 2012; Mahmood & Wahid, 2012; Mokaya, 2012). On the other hand, some other studies have affirmed a negative relationship between corporate entrepreneurship and organizational performance (Covin, Slevin, & Schultz, 1994; George, Wood & Khan, 2001; Shamsuddin, Othman, & Shahadan, 2012; Slater & Narver, 2000). Rauch *et al.*, (2009) in their meta-analysis study argued that corporate entrepreneurship-performance relationship depends on the context in which the study is carried out. More importantly, the construct of entrepreneurial orientation and its instrument for measuring organizational-level entrepreneurship was developed and tested in developed economies. Therefore, applying the construct and its measuring instrument to a different economy or environment may perhaps produce a significantly different result (Rauch *et al.*, 2009).

Also, some scholars and researchers have proposed that the relationship between corporate entrepreneurship and organizational performance is not direct but depends on certain contingencies. From the perspective of contingency theory, they argued that corporate entrepreneurship-performance relationship depends on organizational and external environmental factors (moderators and mediators) such as organizational structure, environmental dynamism and hostility, top management support, organizational culture, reward systems, and organizational resources and competencies (Covin & Slevin, 1991; Kuratko, Ireland, & Hornsby, 2004; Lumpkin & Dess, 1996; Mohamad, Ramayah, & Puspowarsito, 2011; Rutherford & Holt, 2007; Wiklund & Shepherd, 2005). Thus, it can be deduced that corporate entrepreneurship-performance relationship is more complex than a simple direct relationship.

Additionally, some researchers have established empirically that continuous engagement in entrepreneurial activities does not guarantee continuous superior organizational performance. It is argued that entrepreneurial orientation-performance relationship may be linear at some points, but that it will reach a point of saturation where an increase in entrepreneurial orientation will no longer lead to greater organizational performance, and consequently, entrepreneurial orientation-performance relationship will assume a curvilinear shape (Tang, Tang, Marino, Zhang, & Li, 2008; Tang & Tang, 2010). This happens, especially in emerging economies like China, where business organizations with higher entrepreneurial orientation suffer a lot of limitations in their environment for lack of organizational formalization, experienced and knowledgeable managers, and institutional support (Tang *et al.*, 2008; Tang & Tang, 2010).

Furthermore, existing literature shows discrepancies even among the studies that confirmed a positive and significant relationship between corporate entrepreneurship and organizational performance (Karacaoglu *et al.*, 2012; Rauch *et al.*, 2009). An in-depth literature review reveals a considerable discrepancy in the magnitude of the relationship between corporate entrepreneurship and organizational performance which cannot be explained by sampling error only (Rauch *et al.*, 2009). The discrepancy is in the percentage of variance in organizational performance that is explained by corporate entrepreneurship. Presumably, the discrepancy may be due to moderating variables which influenced the relationship (Rauch *et al.*, 2009). Consequently, it is suggested that future researchers should introduce moderators (organizational and external environmental variables) in investigating corporate entrepreneurship-performance relationship (Rauch *et al.*, 2009).

Moreover, there are inconsistencies among the researchers who investigated corporate entrepreneurship-performance relationship, resulting from different approaches adopted in measuring corporate entrepreneurship behaviors of the organizations studied (Covin & Wales, 2012; Yang *et al.*, 2007). Some researchers adopted entrepreneurial orientation in assessing entrepreneurial postures of the organizations (Antoncic & Hisrich, 2004; Arief *et al.*, 2013; Mohamad *et al.*, 2011; Tang & Tang, 2010; Wiklund & Shepherd, 2005; Zahra, 1995; Zhang & Zhang, 2012) while others adopted entrepreneurial management in assessing entrepreneurial behaviors of the organizations (Izadin, Sarah, Jonathan, Kamariah, & Faisal, 2008). Some others adopted both entrepreneurial orientation and entrepreneurial management (Gurbuz & Aykol, 2009; Hameed & Ali, 2011). Those who adopted both entrepreneurial orientation and entrepreneurial management argued that organizations will benefit more for engaging in entrepreneurial activities while they are also entrepreneurial in their styles of management (Gurbuz & Aykol, 2009).

Besides, even among the researchers who adopted entrepreneurial orientation in assessing entrepreneurial behaviors of organizations, there is no agreement concerning the number of dimensions that best gauge the entrepreneurial behavior of an organization. For instance, Miller (1983)/Covin and Slevin (1989) and Lumpkin and Dess (1996) identified five dimensions of entrepreneurial orientation: autonomy, risk-taking, innovativeness, proactiveness, and competitive aggressiveness (Covin & Wales, 2012). However, it is noted that some researchers considered three of the dimensions in their studies (Hameed & Ali, 2011; Mohamad *et al.*, 2011; Tang & Tang, 2010); others considered four dimensions (Awang *et al*, 2009.; Shamsuddin, Othman, & Shahadan, 2012); and some others considered the five dimensions (George, Wood & Khan, 2001; Karacaoglu *et al.*, 2012). Some researchers also considered dimensions such as new business creation and self renewal in assessing corporate entrepreneurship of organizations (Antoncic & Hisrich, 2004; Yang *et al.*, 2007).

Therefore, considering the inconclusiveness and divergent arguments regarding the relationship between corporate entrepreneurship and organizational performance as pointed out in the preceding paragraphs, there is a need to further investigate the relationship between corporate entrepreneurship and organizational performance.
Similarly, in the field of marketing, the relationship between market orientation and organizational performance has been investigated considerably (Blankson & Cheng, 2005; Mahmoud, 2011; Pulendran, Speed, & Ii, 2003; Taghian & Shaw, 2001). Marketing scholars have opined that organizations that engage more in market-oriented activities perform better than those that engage less in market-oriented activities (Farrell, Oczkowski, & Kharabsheh, 2008). Theoretically, it is also argued that market-oriented activities lead to superior organizational performance (Jaworski & Kohli, 1993; Narver & Slater, 1990). Nevertheless, extant empirical evidence reveals inconsistencies concerning the relationship between market orientation and organizational performance.

On the one hand, some studies have affirmed a positive relationship between market orientation and organizational performance (Barnabas & Mekoth, 2010; Charles, Joel, & Samwel, 2012; Eris, Neczan, & Ozmen, 2012; Idar & Mahmood, 2011; Jyoti & Sharma, 2013; Kara, Spillan, & DeShields, 2005; Kumar, Subramanian, & Yauger, 1998; Najaf, Shah, & Dubey, 2013; Narver & Slater, 1990; Ngai & Ellis, 1998; Oudan, 2012; Slater & Narver, 1994, 2000). On the contrary, some other studies have confirmed a negative relationship between market orientation and organizational performance (Greenley, 1995; Harris, 2001; Jaworski & Kohli, 1993; Ngai & Ellis, 1998). The reason for the mixed findings could be attributed to the differences in the context in which those studies were conducted, and possibly, the nature of the organizations studied. For instance, it is argued that service-oriented organizations are more market-oriented than manufacturing organizations (Cano, Carrillat, & Jaramillo, 2004). Thus, the impact of market-oriented activities on performance for service and manufacturing organizations could be significantly different. It is also argued that the impact of market orientation on performance depends on the instrument used in measuring the organizations studied, whether MARKOR or MKTOR, and the types of performance measures considered in the studies, whether objective or subjective performance measures (Cano *et al.*, 2004; Rojas-Méndez & Rod, 2013).

Furthermore, some marketing scholars and researchers have advanced that market orientation-performance relationship is not direct but mediated and moderated by a multiplicity of different factors within and outside the organization such as personnel autonomy (Barnabas & Mekoth, 2010); customer loyalty and innovation (Maydeu-Olivares & Lado, 2003); and market turbulence, technological turbulence, and competitive intensity (Harris, 2001; Pulendran *et al.*, 2003). This implies that market orientation-performance relationship could be better understood by considering other related factors while testing the relationship. Besides, contingency theorists have argued that there must be a proper fit among important variables for superior performance to be achieved (Rauch *et al.*, 2009).

In addition, some other researchers have argued that market orientation alone may not have much impact on organizational performance without other organizational orientations. Extant empirical evidence confirms that MO-performance relationship depends on other organizational orientations such as entrepreneurial orientation (Kwak, Jaju, Puzakova, & Rocereto, 2013), learning orientation (Farrell *et al.*, 2008), and innovation orientation (Agarwal, Erramilli, & Dev, 2003). For instance, learning orientation is required for an organization to be market-oriented. This is because market orientation entails gathering of information about the present and potential customers and competitors. Also, a market-oriented organization needs to be innovative and entrepreneurial for new and innovative products to be provided for the customers. Thus, it can be concluded that market orientation will have greater impact on organizational performance if it is combined with other organizational orientations.

Also, some researchers have established empirically that continuous investment in market-oriented activities does not guarantee continuous improvement in organizational performance (Dokic, Fitzgerald, & Sullivan, 2011). They found that increased expenditure on market-oriented activities reduces profitability because it is expensive for an organization to remain market-oriented (Dokic *et al.*, 2011). Besides, there are also controversies over which of the two popular instruments (MKTOR and MARKOR) for measuring market orientation of an organization is better and has universal applicability (Cano *et al.*, 2004; Farrell & Oczkowski, 1997; Kaur & Gupta, 2010; Rojas-Méndez & Rod, 2013).

Thus, in view of the controversies and varied views about market orientation-performance relationship as discussed in the paragraphs above, there is a need to further examine the relationship between market orientation and organizational performance.

In the field of strategic management, empirical studies on the relationship between strategic orientation (as a unidimensional construct) and organizational performance are limited (Weinzimmer, Robin, & Michel, 2012). Most previous studies on strategic orientation were focused on the relationship between different typologies of organizational strategies and organizational performance. Nonetheless, findings from the studies are mixed and unclear. For example, Miles and Snow (1978) identified four typologies of organizational strategies: prospector, defender, analyzer, and reactor; and proposed that prospector, defender, and analyzer strategies outperform reactor strategy. It is noted that some studies confirmed that prospector, defender, and analyzer organizations outperform reactor organizations, which is in conformity with Miles and Snow's proposition (Aragón-Sánchez & Sánchez-Marín, 2005; Conant, Mokwa, & Varadarajan, 1990; Smith, Guthrie, & Chen, 1986). On the contrary, other studies affirmed that reactor organizations outperform prospector, defender, and analyzer organizations (Snow & Hrebiniak, 1980).

Furthermore, whereas some studies confirmed that prospector organizations perform better than analyzer and defender organizations (Segev, 1987; Veliyath & Shortell, 1993), other studies affirmed that analyzer organizations perform better than prospector, defender, and reactor organizations (Pleshko & Nickerson, 2008). Some other studies also found that defender organizations perform better than prospector organizations (Hambrick, 1983). In addition, some strategic management scholars have argued that the effectiveness of strategy typologies depend on industry type (Snow & Hrebiniak, 1980), organizational size (Smith *et al.*, 1986), organizational culture (Storey & Hughes, 2013), organizational resources and capabilities (Basu & Gupta, 2013; Desarbo, Benedetto, & Song, 2005; Sinkovics, 2004; Slater, Olson, & Hult, 2006; Storey & Hughes, 2013), and external environment (Chung, Jung, Baek, & Lee, 2008; Desarbo *et al.*, 2005; Hambrick, 1983).

Therefore, considering a paucity of empirical study on the relationship between strategic orientation (as a unidimensional construct) and organizational performance, and the fact that there are inconsistencies concerning the relationship between different strategy typologies and organizational performance as highlighted in the paragraphs above, the relationship between strategic orientation and organizational performance needs to be further studied.

Organizational culture, as an internal organizational variable, influences organizational performance and effectiveness (Nazir & Lone, 2008). It has the potency of influencing every aspect of organizational life (Rauch *et al.*, 2009). Organizational culture affects organizational behavior and posture in relation to external environment (Rashid & Sambasivan, 2003; Sokro, 2012). Existing literature confirms direct and indirect effects of organizational culture on organizational performance (Chuang, Morgan, & Robson, 2012; Nazir & Lone, 2008; Sokro, 2012).

Also, entrepreneurship, marketing, and strategic management scholars have argued that for an organization to be entrepreneurially inclined, market-oriented, and strategically positioned, appropriate and strong cultures are required (Chuang *et al.*, 2012; Covin & Slevin, 1991; Ireland, Kuratko, & Morris, 2006; Narver & Slater, 1990; Rauch *et al.*, 2009; Storey & Hughes, 2013). Besides, researchers have postulated that entrepreneurial, learning, market, and adaptive cultures promote entrepreneurial and market-oriented activities, and encourage strategies that are both organizationally and environmentally friendly (Davidson, 2003; Rose, 2008). Consequently, given that organizational culture influences organizational performance, behaviors, and activities, there is a need to examine the mediating effect of organizational culture on the relationship between other organizational variables and organizational performance.

Today's business environment is highly competitive (Farrell *et al.*, 2008). External environment exerts influence on organizational performance (Awang *et al.*, 2009; Mohamad *et al.*, 2011; Rosenbusch *et al.*, 2011; Wiklund & Shepherd, 2005). It poses a lot of challenges or constraints to the achievement of organizational objectives. This is because most business planning and decision making activities are contingent on external environmental conditions (Sul, 2002). Past studies have investigated the effect of external environment on organizational performance (directly and indirectly) (Covin & Slevin, 1991; García-Zamora, González-Benito, & Muñoz-Gallego, 2013; Gaur, Vasudevan, & Gaur, 2011; Goll & Rasheed, 1997; Jaworski & Kohli, 1993; Sebigunda, 2013). Some studies confirmed a direct effect of external environment on organizational performance (Sebigunda, 2013) while others affirmed an indirect or a moderating effect of external environment on organizational performance (Gaur *et al.*, 2011; Ting, Wang, & Wang, 2012). As a result, considering that most business activities and decisions are dependent on external environmental conditions, there is a need to examine the moderating effect of external environment on the relationship between certain organizational variables and organizational performance.

The introduction of a moderator and a mediator becomes necessary considering the inconclusiveness regarding the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. It is argued that moderators and mediators help to strengthen the nature of relationship between independent and dependent variables, and also reduces misleading conclusions about the relationship (Antoncic & Hisrich, 2004; Rauch *et al.*, 2009; Wang, 2008; Wu & Zumbo, 2007). Also, moderators and mediators help to clarify and further explain the cause-and-effect relationship between an independent variable and a dependent variable (Baron & Kenny, 1986; Hair, Hult, Ringle, & Sarstedt, 2014; Wu & Zumbo, 2007). Moreover, contingency theorists theorize that the relationship between two variables depends on the third variable (Rauch *et al.*, 2009). This means there must be congruence among important variables for them to have positive impact on organizational performance (Rauch *et al.*, 2009).

In summary, whereas a lot of studies have investigated the direct relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance; few studies have examined the moderating effect of external environment on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Nevertheless, there is a paucity of study on the mediating effect of organizational culture of teamwork on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance, a gap which this study narrows.

1.3 Research Questions

From the Problem Statement section, critical issues which bother on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance and the role of organizational culture and external environment have been raised. In order to address the issues highlighted, the following research questions are posed:

1. Is there a positive relationship between:
    a) Corporate entrepreneurship and organizational performance?
    b) Market orientation and organizational performance?
    c) Strategic orientation and organizational performance?
2. Does organizational culture mediate the relationship between:
    a) Corporate entrepreneurship and organizational performance?
    b) Market orientation and organizational performance?
    c) Strategic orientation and organizational performance?
3. Does external environment moderate the relationship between:
    a) Corporate entrepreneurship and organizational performance?
    b) Market orientation and organizational performance?
    c) Strategic orientation and organizational performance?

1.4 Research Objectives

The objectives of this study are divided into two: the general objective and the specific objectives.

1.4.1 General Objective

The general objective of this study is to examine the relationship between corporate entrepreneurship, market orientation, strategic orientation, and performance of commercial banks in Nigeria; and to examine the role of organizational culture as a mediator and external environment as a moderator.

1.4.2 Specific Objectives

The specific objectives are as follows:

1. To determine whether there is a positive relationship between:
    a) Corporate entrepreneurship and organizational performance.
    b) Market orientation and organizational performance.
    c) Strategic orientation and organizational performance.
2. To determine whether organizational culture mediates the relationship between:
    a) Corporate entrepreneurship and organizational performance.
    b) Market orientation and organizational performance.
    c) Strategic orientation and organizational performance.

3. To determine whether external environment moderates the relationship between:
    a) Corporate entrepreneurship and organizational performance.
    b) Market orientation and organizational performance.
    c) Strategic orientation and organizational performance.

1.5 Scope of Research

This research is centered on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and performance of commercial banks in Nigeria; and the role of organizational culture as a mediator and external environment as a moderator. Thus, the assessment of the banks is limited to the following aspects: organizational culture, external environment, corporate entrepreneurship, market orientation, strategic orientation, and organizational performance.

This study is conducted in the context of Nigeria's banking sector. This is because the banking sector is the most matured and organized sector compared to other sectors of Nigeria's economy. The Nigeria's banking sector is classified into three: commercial banks, merchant banks, and specialized banks (CBN, 2010). Precisely, this study focuses on the commercial banks. It is presumed that commercial banks, given their sizes, areas of coverage, customer base, and capital base, are likely to be more entrepreneurial, market-oriented, and strategically positioned than other categories of banks like micro finance banks, which are established to meet the financial needs of customers within their localities.

1.6 Significance of Research

This research has both practical and theoretical significance. The first beneficiary of this research is the Nigerian banking industry, especially the commercial banks. Banking industries in other countries as well as other industries would equally benefit. Future researchers who would be interested in carrying out research on organizational performance and its antecedents would find this thesis as a valuable reference material. The findings of this study, no doubt, are practically significant to the banks and bank managers. Banks and banks managers would learn from the findings of this study that in this era of globalisation (aided by improvements in technology, especially in the area of ICT), highly competitive and dynamic business environment; the only way to remain successful and gain a competitive edge over competitors is to be entrepreneurially inclined, market-oriented, and strategically positioned.

This study emphasizes the need for an organization to be bold in taking calculated risks, to be innovative, and to be proactive, even in the face of competitive environmental challenges. In addition, the findings of this study underscore the need for an organization to be sensitive to customers' needs and competitors' strategies. Also, this study demonstrates the need for strategic positioning in achieving optimum performance (Chung *et al*, 2008).

Furthermore, this study has a lot of theoretical significance or contributions. This is because when theories are proposed or developed, they are supposed to be tested in order to ascertain their reliability, acceptability, and generalizabilty. The more they are tested, the more refined, strengthened, and reliable they become; and the more refined, strengthened, and reliable they are, the more generally acceptable they become. To the literature on the general field of entrepreneurship and specifically to the body of knowledge on corporate entrepreneurship, this study validates previous empirical findings on CE-performance relationships, and also enhances the universal applicability and generalizabilty of the construct of entrepreneurial orientation and its measuring instrument.

In addition, this study contributes to more understanding of the construct of market orientation. It further validates previous findings on the relationship between market orientation and organizational performance, and also enhances the generalizabilty and applicability of the construct of market orientation. Specifically, this study adds credence to the general applicability of the market orientation construct and the measuring instrument developed by Narver and Slater (1990) popularly called MKTOR (Farrell *et al.*, 2008). Moreover, this study adds to the existing literature on strategic management and organizational theory, by providing empirical evidence of the positive relationship between strategic orientation and organizational performance. It buttresses the existing knowledge on the need for organizations to be strategically positioned.

Finally, the uniqueness of this study as shown in the research framework which distinguishes it from previous studies on organizational performance, no doubt, shows that it contributes to a body of knowledge in the area of business performance. In this study, five variables viz. organizational culture, external environment, corporate entrepreneurship, market orientation, and strategic orientation are integrated to impact on organizational performance. Contingency theory is supported by this study, by showing empirically that superior organizational performance does not depend on a single factor but on a good number of factors or variables. This study demonstrates empirically that it is the interplay of both organizational and environmental variables (favourable or unfavourable) that determines the impact of strategic orientations on organizational performance, and also determines the continued existence and superior performance of an organization. This, no doubt, has some insightful theoretical and practical implications.

1.7 Definition of Terms

For the purposes of clarity and easy understanding of this thesis by interested readers, the following terms or phrases which are used repeatedly are defined:

1. Bank managers: These are people who have the responsibilities of overseeing or piloting the affairs of the banks.
2. Commercial Bank: This is a financial institution which accepts funds from surplus units in the form of deposits and makes same available to deficit units through its lending activities (Mahmood, 2000).
3. Corporate entrepreneurship: This is defined as entrepreneurial activities within an existing organization, which result in either creation of a business unit (similar or different from the existing one) or innovative improvements in organizational processes, products, systems, and administrative routines (Antoncic & Hisrich, 2004).
4. Entrepreneurial orientation: This is a construct that captures organizational-level entrepreneurship or corporate entrepreneurship.

5. External environment: This refers to forces or factors outside the organization, which exert influence on organizational activities and performance.
6. Market orientation: This is defined as an organizational culture that is based on providing better values for customers, which results in superior organizational performance in terms of increased profitability and market share (Narver & Slater, 1990).
7. Organizational culture: This is defined as a set of basic assumptions, values, norms, and principles shared by organization members, which guide their behaviors, actions, decisions, and relationship to one another within the organization and with people outside the organization (Ahmad, 2012; Macintosh & Doherty, 2007).
8. Organizational performance: This is defined as the actual or notional outcomes (which may be financial or nonfinancial) of an organization.
9. Strategic orientation: This is defined as the strategic positioning or posture of an organization relative to its competitors in the same or similar industry (Chung, Jung, Baek & Lee 2008).

1.8 Organization of Thesis

Structurally, this thesis is divided into five chapters. Chapter One introduces the whole thesis. It begins by providing background to this study. It goes further to state the specific problems which this study addresses, pointing out gaps in the literature. Research questions and objectives are formulated in this chapter. This chapter also defines and highlights the scope and the significance of this study respectively, and provides definitions for specific terms that are used repeatedly in this thesis for the purposes of clarity.

Chapter Two reviews relevant literature to this study. Specifically, it reviews relevant literature (both conceptual and empirical) on: organizational performance, corporate entrepreneurship, market orientation, strategic orientation, organizational culture, and external environment. Also, from the review and discussions of previous studies, testable hypotheses are developed in this chapter. The theories underpinning this study are discussed, and the research framework for this study is presented and explained in this chapter.

Chapter Three discusses the approach, strategy, and techniques employed in carrying out this study. It starts by explaining research philosophy and different research philosophies, indicating the research philosophy which guides this study. It goes further to explain research design and different types of research design, pointing out the type of research design adopted for this study. It also states the population and the sample size of this study, and the sampling techniques adopted. This chapter operationalizes the variables examined in this study. Procedures and techniques for data collection and analyses are also discussed in this chapter.

Chapter Four presents and describes results of data analyses. Also, research hypotheses are tested and evaluated, and research questions are answered in this chapter.

Chapter Five summarizes and concludes this thesis. It also discusses the findings of this study and highlights the implications of the findings of this study for the banks, bank managers, and future researches.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant literature (both conceptual and empirical) on: organizational performance, corporate entrepreneurship, market orientation, strategic orientation, organizational culture, and external environment. More precisely, Section 2.2 reviews organizational performance and its operationalization. Section 2.3 discusses entrepreneurship and reviews corporate entrepreneurship and its operationalization whereas Section 2.4 explains marketing and reviews market orientation and its operationalization. Section 2.5 discusses strategy and reviews strategic orientation and its operationalization while Section 2.6 reviews organizational culture and its operationalization. Section 2.7 reviews external environment and its operationalization whereas Section 2.8 explains the theories underpinning this study. Section 2.9 presents and explains the research framework for this study, and finally, Section 2.10 summarizes and concludes the chapter.

2.2 Organizational Performance

2.2.1 What is Organizational Performance?

Organizational performance has been a subject of research to researchers over the years (Daud, Remli, & Muhammad, 2013; Kennerley & Neely, 2003). However, despite the attraction the concept of organizational performance has "enjoyed", researchers still find it difficult to define and measure (Murphy, Trailer, & Hill, 1996; Odumeru, 2013). Some researchers look at organizational performance from the perspective of values an organization creates for many stakeholders while others look at it from the perspective of the achievement of stated organizational goals (Carton, 2004). Besides, several theories have been developed to explain organizational performance. One of such theories is stakeholder's theory, which explains performance in terms of returns on shareholders' capital (Odumeru, 2013).

Organizational performance means different things to different scholars and different organizations. This could be because of different interpretations that are given to what is regarded as successful or effective performance (Carton, 2004). Another contributing factor is the fact that organizations adopt different measurements in assessing their performances. Performance measures are indicators of business organizational success (Kennerley & Neely, 2003). Therefore, organizational performance is defined as the actual or notional outcomes (which may be financial or non-financial) of an organization.

2.2.2 Operationalization of Organizational Performance

Organizational performance is a multidimensional construct, and there are different ways it can be measured (Daud *et al.*, 2013; Murphy *et al.*, 1996; Rauch *et al.*, 2009; Stam & Elfring, 2008). Different approaches have been used by researchers to measure organizational performance, and different classifications have been given to different performance measures, depending on how they are arrived at (Rauch *et al.*, 2009). Organizational performance measures can be classified as financial and non-financial performance measures (Keh, Nguyen, & Ng, 2007; Rauch *et al.*, 2009). Financial measures can further be classified as self-reported financial measures and archival financial performance measures (Rauch *et al.*, 2009). Self-reported financial performance measures are called subjective measures whereas archival financial performance measures are called objective measures (Keh *et al.*, 2007). It is argued that objective financial performance measures are not adequate in explaining the overall effectiveness of an organization, even though they are necessary measures (Murphy *et al.*, 1996).

The above classifications of organizational performance depend on the sources of data for measuring performance, which may be archival or non-archival (Murphy *et al.*, 1996). Majorly, there are two sources of data for measuring performance, primary and secondary sources (Murphy *et al.*, 1996). The primary data are gathered through self-reported informants or respondents. They are based on the perception of performance by the respondents, and they are said to be non-archival because they are not gotten from organizational records (Keh *et al.*, 2007). The secondary data are gotten from archival or organizational records such as financial statements, and they are said to be objective. Although, researchers have argued that even the objective measures also have some elements of subjectivity, as organizations may not report exactly their actual financial position (Cano *et al.*, 2004; Murphy *et al.*, 1996). Both objective and subjective performance measures have their strengths and weaknesses, but extant literature reveals that they do not lead to significantly different results (Rauch *et al.*, 2009). For example, self-reported sources provide opportunities to test many dimensions of performance (Rauch *et al.*, 2009). Though such measures have been criticized on the grounds that the respondents may be biased because of social desirability and memory decay (Rauch *et al.*, 2009). On the other hand, archival data are also not easy to obtain, as many organizations do not want to disclose such information (Rauch *et al.*, 2009).

Different performance measures have been considered by different researchers in capturing the performance of an organization. Examples of these measures include efficiency, profitability, growth, liquidity, leverage, and market share (Carton, 2004). They are measured either in absolute terms or in relative terms. Efficiency measures how well an organization utilizes its available resources (Carton, 2004). Measures used in determining the efficiency of an organization include ROI, ROE, ROA, and return on net worth (Carton, 2004). Profitability is measured on the following bases such as return on sales, net profit margin, gross profit margin, and pretax profit (Carton, 2004). Growth is measured in terms of sales growth, employee growth, market share growth, total asset growth, and change in net income margin (Carton, 2004). Liquidity measures the ability of an organization to meet its current financial obligations, and it is measured in terms of sales level, cash flow level, current ratio, quick ratio, total asset turnover, and ability to fund growth (Carton, 2004). Leverage measures the ratio of debt to equity and the ratio of debt to assets while market share measures the position of an organization in an industry relative to other competitors based on its product sales.

The non-financial performance measures are based on organizational stakeholders' perception of the overall performance of an organization. It is based on the stakeholders' satisfaction with the overall organizational performance. Examples of nonperformance measures include customer satisfaction, employee satisfaction, shareholder satisfaction, service quality, and perceived overall organizational performance. These are sometimes called judgmental measures (Agarwal *et al.*, 2003).

Since organizational performance is adjudged to be a multidimensional construct and there is no one measure that sufficiently reflects the performance dimension, it is suggested that researchers should regard performance as a multidimensional construct, and hence, consider multiple performance measures (Murphy *et al.*, 1996). However, it may not be possible to consider all performance dimensions in a single research.

2.3 Entrepreneurship and Corporate Entrepreneurship

For better understanding of what constitutes entrepreneurship and corporate entrepreneurship, how they evolved, and the implications of entrepreneurial activities on organizational performance; this section discusses, among other things, the evolution of entrepreneurship and corporate entrepreneurship, entrepreneurial orientation and entrepreneurial management, antecedents to corporate entrepreneurship, and empirical studies on CE-performance relationship.

2.3.1 What is Entrepreneurship?

Entrepreneurship is one of the important and distinguishing features of successful organizations, whether profit or not-for-profit organizations (Lumpkin & Dess, 1996). Existing literature shows that entrepreneurial activities are a source of revitalization to existing organizations (Lumpkin & Dess, 1996). Also, entrepreneurship is the driving force that propels the growth and development of an economy (Acs, Audretsch, Braunerhjelm, & Carlsson, 2011; Acs, Desai, & Hessels, 2008; Lumpkin & Dess, 1996; Montoro-Sánchez & Soriano, 2011). As a concept, entrepreneurship has evolved more than 200 years ago. Its origin and advancement is traceable to Richard Cantillon (1725), Jean Baptiste Say (1803) and Joseph Schumpeter (1934) (Kuratko, 2009). These people (although are economists by profession) have contributed in no small measure to the evolvement and development of entrepreneurship as a concept. They have described the terms *entrepreneurship* and *entrepreneur* in one way or the other.

Richard Cantillon is the one who acknowledges the significant role of an entrepreneur in the society. Cantillon sees an entrepreneur as an uncertainty bearer, that is, the one who invests a definite amount without knowing the income that will be generated from the investment. He concludes that entrepreneurial behavior is associated with some level of uncertainty. Also, Jean Baptiste Say is the first person who emphasizes the managerial role of an entrepreneur. He argues that within an established organization, entrepreneurs are present. These entrepreneurs within existing organizations are called intrapreneurs. He describes an entrepreneur as an agent of economic development who creates value for individuals and society from a combination of available resources. He concludes that the profit of an entrepreneur is different from the profit of the one that supplies funds.

Furthermore, Joseph Schumpeter describes entrepreneurship as a "creative destruction" of an "existing order" which results in a "new order". To him, entrepreneurship is associated with the word "newness". He describes an entrepreneur as one who carries out new combination of resources (factors of production), which leads to creation of new products or services, new processes, new markets, new sources of supply, and new forms or designs of organization. This means an entrepreneur is one who creatively destructs and innovates. He links entrepreneurship to innovation (Barringer & Bluedorn, 1999).

Originally, entrepreneurship as a career was not appreciated, l*et al*one being recognized and studied as an academic discipline. People who ventured into businesses were regarded as those who could not go to college to study or people who were disengaged from organizations. In other words, they were described as those who were academically and socially unfit (Kuratko, 2009). Because of this perception that was held about entrepreneurship, there was no documented research findings specifically on entrepreneurship (Kuratko, 2009). Historically, entrepreneurship was taken to be part of economics. This may be because early scholars that contributed to the evolvement and development of entrepreneurship were mainly economists. The emergence and development of entrepreneurship as an academic field of study can be credited to some individuals such as Arnold C. Cooper (Purdue University), Karl A. Vesper (University of Washington), Robert C. Ronstadt (Babson College), Donald L. Sexton (Ohio State University), and Howard H. Stevenson (Harvard University) who examined entrepreneurship from a research perspective (Kuratko, 2009). These people were the pioneering researchers in the early stage of entrepreneurship. Today, entrepreneurship is regarded as an academic field of pursuit, and it is being offered at both undergraduate and postgraduate levels by many universities worldwide. Also, many academic journals like *Entrepreneurship Theory and Practice* and *Journal of*

Business Venturing have been dedicated to entrepreneurship research findings (Kuratko, 2009).

Despite the evolvement of the concept and the field of entrepreneurship decades ago, it still defies universally acceptable definition (Izadin *et al*., 2008; Kraus, Rigtering, Hughes, & Hosman, 2011). The term *entrepreneurship* has been described from various perspectives or approaches by different scholars, and it has received plethora of definitions. Scholars and researchers look at the term *entrepreneurship* from different perspectives. Prominent among the perspectives are trait/psychological approach or perspective to entrepreneurship and behavioral approach or perspective to entrepreneurship.

The trait or psychological approach to entrepreneurship looks at entrepreneurship from the perspective of entrepreneur as a person or as an individual. An entrepreneur is said to be a personality type (Gartner, 1989). The basic questions that this approach addresses are: Who is an entrepreneur? And what are his or her characteristics? The proponents of this approach posit that an entrepreneur possesses in-born qualities that cannot be found in a non-entrepreneur. Examples of such in-born qualities include: internal locus of control; risk-taking propensity; creativity and innovativeness; need for power, affiliation, autonomy, independence, and achievement; decision and communication abilities; commitment and dedication; initiative, drive, and enthusiasm; visionary; and tolerance for ambiguity and uncertainty (Lliang & Dunn, 2008; Okhomina, 2010; Sebahattin, 2012). This approach has been criticized on the grounds that these traits cannot be scientifically measured, and it is not possible for one person to possess all the traits. Besides, the number of traits that qualify a person to become an entrepreneur cannot be determined. Another strong criticism levelled against this approach is based on the argument that certain entrepreneurial traits mentioned above can be taught and acquired through education and training programme. Some of the proponents of this approach include McClelland, Budner, Brockhaus, Winter, Schumpeter, among others.

The criticisms levelled against the trait approach led to the behavioral perspective. For better understanding of this approach, the features that differentiate the two approaches are discussed. While the trait approach focuses on entrepreneur as a person, behavioral approach focuses on organization or enterprise which results from entrepreneurial effort (Gartner, 1989). The emphasis is on the process of creating a new enterprise. Entrepreneurship is, therefore, viewed from the role that an entrepreneur plays in the birth of a new enterprise (Gartner, 1989; Okhomina, 2010). For behavioral approach, the unit of analysis is organization while the unit of analysis for trait approach is individual. The personal attributes of an entrepreneur is secondary to the behaviors exhibited during the entrepreneurship process, and an entrepreneur is part of the process (Covin & Slevin, 1991). Besides, behaviors are measurable whereas it is difficult to measure attributes (Covin & Slevin, 1991). The proponents of behavioral approach are Gartner, Bird and Starr; Covin and Slevin; Stevenson and Jarillo; and Chell, Hawworth, and Brearley.

Defining the term *entrepreneurship* is not an easy task. This is because it defies a universally acceptable definition (Brown, Davidsson, & Wiklund, 2001; Izadin *et al.*, 2008; Lumpkin & Dess, 1996). It is defined from different perspectives such as economics, management, sociology, and psychology. But since the focus of this study is not to clarify the concept of entrepreneurship in terms of definition, few definitions given by different scholars are only highlighted as contained in Kuratko (2009). Schumpeter defines entrepreneurship as the process of doing something that ordinarily would not have been done in the course of business routine or management. Shapero says entrepreneurship consists of initiative taking, organization of resources, and acceptance of risk of failure in exploring and exploiting business opportunities while Ronstadt sees entrepreneurship as a dynamic process by which wealth is created. Kuratko (2009) summarized the definition of entrepreneurship by integrating critical factors as follows:

> "*Entrepreneurship* is a dynamic process of vision, change and creation. It requires an application of energy and passion toward the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks-in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill to marshal needed resources; the fundamental skill of building a solid business plan; and, finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion" (p.5).

A review of the definitions of entrepreneurship given by different authors reveals some intersections among them. The common elements include: creation or birth of a new enterprise, risk-taking and uncertainty, creativity and innovativeness, managing the resulting enterprise, intention to grow an existing enterprise, opportunity seeking or exploration and exploitation, initiative, wealth creation or increase, profit motive, and value creation.

Decades ago, the study of entrepreneurship was focused on individual level of entrepreneurship. Several studies have been conducted on individual entrepreneurial behaviors, traits, and mindsets (Kuratko, 2009). Researches were conducted to identify traits or characteristics that distinguish entrepreneurs from non-entrepreneurs, and also to ascertain what motivates individuals to go into businesses or choose entrepreneurship as a career (Kuratko, 2009). However, entrepreneurship is not limited to individuals only (Mohamad *et al.*, 2011; Olakitan & Charles, 2012). Entrepreneurship is also associated with existing organizations (Brown *et al.*, 2001). Just as it is possible for individuals to behave entrepreneurially, organizations can equally behave entrepreneurially, by being creative and innovative in their activities, processes, and practices. Innovative or entrepreneurial activities revitalize existing organizations as well as lead to greater organizational performance (Antoncic & Hisrich, 2004; Olakitan & Charles, 2012).

Recently, the study of entrepreneurship has shifted from individual level to organizational level of entrepreneurship. Entrepreneurship scholars have used various terms or phrases to describe entrepreneurship within an existing organization. These terms or phrases include: intrapreneurship, intrapreneuring, corporate venturing, strategic renewal, entrepreneurial orientation, internal corporate entrepreneurship, intra-corporate entrepreneurship, entrepreneurial strategy making, firm-level entrepreneurial posture, and corporate entrepreneurship (Antoncic & Hisrich, 2004; Covin & Miles, 1999; Dess & Lumpkin, 2005; Stopford & Baden-Fuller, 1994; Wang & Zhang, 2009).

2.3.2 What is Corporate Entrepreneurship (CE)?

In this 21st century where business organizations are competing globally, there is a need for them to behave or act entrepreneurially in order to flourish and gain a competitive edge in the ever dynamic and highly competitive business environments. Corporate entrepreneurship is a source of revitalizing existing business organizations (Nkosi, 2011; Zahra & Covin, 1995). Business organizations must continually innovate for continued existence and in order to outperform their rivals in the global markets. Thus, it is either they innovate or they become outmoded (Kuratko, 2009; Madhoushi, Sadati, & Delavari, 2011). Like its parent field (entrepreneurship), corporate entrepreneurship is one concept that has received much attention and a lot of definitions from entrepreneurship scholars and researchers, even though there is no universally acceptable definition (Rutherford & Holt, 2007; Wetenschappen, 2006; Yang, Li-Hua, Zhang, & Wang, 2007).

Corporate entrepreneurship is defined as a process by which individuals or groups within existing organizations through their creative and innovative effort create new business or initiate strategic revitalization (Sharma & Chrisman, 1999). It is also defined as a process whereby individuals or a team of individuals in organizations explore and exploit opportunities without recourse to available organizational resources (Ireland *et al.*, 2006). According to Ling *et al* (2008), corporate entrepreneurship refers to innovation, renewal, and venturing effort of an organization (Kuratko, Morris, & Covin, 2011). Zahra *et al* (2000) also define corporate entrepreneurship as the activities within established organizations which are aimed at creating a new business inside the organization (Kuratko *et al.*, 2011).

A careful synthesis of the definitions of corporate entrepreneurship given by different authors reveals that corporate entrepreneurial activities encompass innovation (process and product), strategic renewal, corporate venturing, proactiveness, competitive aggressiveness, and risk-taking (Antoncic & Hisrich, 2004; Wang & Zhang, 2009). *Innovation* involves introducing something new (products or services) into the market whereas *strategic renewal* entails undertaking major improvements to existing products or services, processes, and administrative practices. *Corporate venturing* refers to creation of new business (within or outside) existing organizations through entrepreneurial efforts while *proactiveness* describes a situation where organizations anticipate opportunities in the marketplace and marshal out resources for their exploitation (Lumpkin & Dess, 1996). *Competitive aggressiveness* is the willingness of an organization to change its methods of competing in the marketplace rather than relying on the old ones (Lumpkin & Dess, 1996) whereas *risk-taking* means committing a huge amount of resources to a project or venture without having an assurance of success. To put it succinctly, corporate entrepreneurial activities lead to either creation of a new business or innovative improvements in certain features of the organization (Antoncic & Hisrich, 2004; Wang & Zhang, 2009).

Although the concept of entrepreneurship has existed decades ago, but conceptualizing and operationalizing it has been a herculean task to entrepreneurship scholars. Numerous typologies have been advanced by entrepreneurship scholars to explain different perspectives of the concept of entrepreneurship. But despite the typologies developed to describe entrepreneurship, there are still inconsistencies among entrepreneurship scholars as to what constitutes entrepreneurship and the various dimensions of organizational entrepreneurial process, and this accounts for why up till now there is no strong, reliable, and testable theory of entrepreneurship (Lumpkin & Dess, 1996). All effort made to operationalize the concept of entrepreneurship end up describing the entrepreneurship process (Lumpkin & Dess, 1996). That is, the process that leads to creation of a new firm or strategic rejuvenation of existing organizations (Dess & Lumpkin, 2005; Lumpkin & Dess, 1996). Nevertheless, entrepreneurship scholars have made appreciable effort in conceptualizing and operationalizing the concept of entrepreneurship at organizational level, even though they end up describing entrepreneurial processes within existing organizations (Lumpkin & Dess, 1996). The result of their effort is what brings about *entrepreneurial orientation* and *entrepreneurial management* today.

2.3.3 Entrepreneurial Orientation and Entrepreneurial Management

Entrepreneurial orientation and entrepreneurial management are the two leading constructs that explain the entrepreneurship process in existing organizations (Gurbuz & Aykol, 2009; Hameed & Ali, 2011). They define entrepreneurial posture or behavior of an existing organization.

1. Entrepreneurial Orientation (EO)

Entrepreneurial orientation describes the extent of entrepreneurial activities that an organization undertakes (Covin & Wales, 2012). It is the driving force that explains how entrepreneurial an organization behaves (Lumpkin & Dess, 1996). Many scholars have described entrepreneurship as the process of starting (creating) a new business (enterprise) (Lumpkin & Dess, 1996). This definition seems to be in line with behavioral approach to entrepreneurship, which emphasizes entrepreneurship process that leads to creation of an enterprise, and entrepreneurial orientation describes the entrepreneurial process. Entrepreneurial orientation defines the entrepreneurial behavior of an organization as reflected in its strategies, activities, processes, and practices (Lumpkin & Dess, 1996). EO can be described as a unidimensional construct as well as a multidimensional construct (Covin & Wales, 2012). The assumption is that EO is a continuous variable, which implies that all business organizations exhibit one form of EO or the other, depending on where they fall on the continuum (Covin & Wales, 2012). It applies to all organizations irrespective of their sizes (small or large), status (private or public), and nature (profit or not-for-profit) (Antoncic & Hisrich, 2004; Brown *et al.*, 2001; Covin & Wales, 2012). Different authors have defined the concept or construct of EO in various ways. Table 2.1 summarizes definitions of EO by different authors in the past.

Table 2.1
Definitions of Entrepreneurial Orientation (EO)

Author(s)	Year	Definition of Entrepreneurial Orientation (EO)
Mintzberg	1973	Defines an entrepreneurial firm as one that actively searches for new opportunities and takes bold steps in exploring the opportunities in the face of environmental uncertainties.
Miller & Friesen	1982	Sees an entrepreneurial firm as one that innovates boldly and regularly while taking calculated risks in implementing its strategies.
Miller	1983	Defines an entrepreneurial organization as one that innovates, takes risks and engages in proactive behaviors in competing with rivals.
Covin & Slevin	1998	Define entrepreneurial firms as those whose management styles are entrepreneurial as reflected in their operating philosophies and strategic decisions.
Lumpkin & Dess	1996	Define EO as organizational processes, activities, and practices that lead to new entry as reflected by one or a combination of the following: autonomy, innovativeness, risk taking, proactiveness, and competitive aggressiveness.
Avlonitis & Salavou	2007	EO reflects a managerial ability where firms take proactive and aggressive steps in order to change the exiting competition landscape to their advantage.
Cools & Van den Broeck	2007/2008	Define EO as an organization's management style which involves risk taking, proactiveness, and innovativeness.
Pearce, Fritz & Davis	2010	Define EO as a set of different but similar behaviors which possess the qualities of autonomy, risk taking, proactiveness, innovativeness, and competitive aggressiveness.

Source: Covin and Wales (2012). The Measurement of Entrepreneurial Orientation, *Entrepreneurship Theory and Practice*, p. 679

The definition of entrepreneurial orientation given by Miller (1983) is conceptualized and operationalized by Covin and Slevin in 1989 (Lumpkin & Dess, 1996). Covin and Slevin identified EO as a three dimensional construct, which consists of innovativeness, proactiveness, and risk-taking (Abebe, 2014; Brown *et al.*, 2001; Covin & Wales, 2012; Lumpkin & Dess, 1996; Wong, 2014). Lumpkin and Dess (1996) in their study identified additional two dimensions: autonomy and competitive aggressiveness, thereby bringing the dimensions of EO to five. Thus, EO of an organization consists of innovativeness, proactiveness, risk taking, autonomy, and competitive aggressiveness (Covin & Wales, 2012; Lumpkin & Dess, 1996). Lumpkin and Dess posit that the five dimensions of EO are important in describing the entrepreneurial process of an organization. For the purposes of clarity, Miller and Covin & Slevin conceptualized and operationalized EO as a unidimensional construct with three sub-dimensions which covary while Lumpkin and Dess see EO as a multidimensional construct (Covin & Wales, 2012). Contrary to Miller's proposition, Lumpkin and Dess argue that the dimensions of EO do not need to covary, and that no one among the dimensions should be said to be stronger than the other in determining the EO of an organization (Covin & Wales, 2012). They further argue that the dimensions of EO vary independently with organizational performance and also dependent on how supportive organizational and environmental factors are in their interactions with performance (Covin & Wales, 2012). It implies that the impact of EO on organizational performance is contingent on how favourable or unfavourable organizational and external environmental factors are. Below are the explanations of the dimensions of EO:

i. Autonomy

Creative and innovative ideas come from people (Covin & Wales, 2012; Rutherford & Holt, 2007). In existing business organizations, it is the creative and innovative ideas of employees that translate into organizational entrepreneurial and innovative behaviors (Hameed & Ali, 2011; Olakitan & Charles, 2012; Rutherford & Holt, 2007). Corporate entrepreneurship is all about the roles of entrepreneurs (usually referred to as intrapreneurs) within an existing organization which translate into organizational level of entrepreneurship (Jones, 2005; Rutherford & Holt, 2007). As one of the characteristics of the entrepreneurial process of an organization, autonomy presumes that if creative and innovative ideas come from the people (the employees), therefore, these individuals or groups within the organization should be given room to bring their creative and innovative ideas to bear without being obstructed by protocols, policies, structures, and bureaucratic procedures (Lumpkin & Dess, 1996). Autonomy means allowing individuals or group of individuals within the organization to independently bring into realization their innovative ideas or vision (Lumpkin & Dess, 1996).

In order to promote entrepreneurial activities, organizations must make changes to existing structural arrangements that may impede individuals or groups from taking initiatives in exploring and exploiting identified opportunities. The extent of autonomy granted to individuals or groups depends on the level of centralization and the extent of delegation of authority that exist in the organization. Research findings show that flexibility of organizational structure allows easy adaptation to situational forces, and determines how entrepreneurial an organization could be (Bhardwaj & Momaya, 2006; Covin & Slevin, 1991; Ireland *et al.*, 2006; Lassen, Gertsen, & Riis, 2006; Lau, Chan, Tai, & Ng, 2010).

ii. Innovativeness

Creativity and innovativeness are very important when describing individual or organizational entrepreneurial behavior. They are important characteristics that distinguish entrepreneurs from non-entrepreneurs (Olakitan & Charles, 2012).

Creative thinking that results in new ideas precedes innovativeness, and innovative acts bring creative ideas into realities. Therefore, innovation plays a significant role in the exploration and exploitation of opportunities (Covin & Wales, 2012). The term *innovation* was first mentioned by Joseph Schumpeter in 1942 when he described an economic process as a "creative destruction", which disrupts the existing markets in order to create a new one (Barringer & Bluedorn, 1999; Covin & Wales, 2012; A. Sharma & Dave, 2011). It also means shifting resources away from existing organization in order to cause a new organization to grow.

According to Schumpeter, innovative acts should lead to new products, processes, markets, sources of supply, and new forms of organization (Olakitan & Charles, 2012). Innovation can be classified in different ways: We have product-market and technological innovation (Covin & Wales, 2012). Product-market innovation could mean taking entirely new product into a new market or taking an existing product into an entirely new market. Technological innovation, on the other hand, could mean inventing an entirely new technology or making some significant improvements to existing technology. Innovation can also be classified into radical and incremental innovation (Lassen *et al.*, 2006). Radical innovation means a total breakthrough, a break away from the traditional way or method to entirely new way or method while incremental innovation represents making strategic improvements to existing products or processes (Lassen *et al.*, 2006).

Appreciable effort has been made to measure organization's innovative efforts. Some researchers said the total amount of money made available to and expended by R&D determines whether an organization is innovative or not (Covin & Wales, 2012).

Others also said that the quality of human resource of the organization shows whether the organization is innovative or not (Covin & Wales, 2012). Their argument is that the more specialists or experts an organization has, the more entrepreneurial the organization becomes (Covin & Wales, 2012). Existing literature confirms a positive and significant relationship between innovation and organizational performance (Barringer & Bluedorn, 1999; Covin & Wales, 2012; Kuratko, Ireland, & Hornsby, 2004; Lassen *et al.*, 2006; Lassen & Nielsen, 2009; Odumeru, 2013; Olakitan & Charles, 2012; Rutherford & Holt, 2007).

iii. Risk-Taking

Entrepreneurship scholars describe an entrepreneur as one who takes calculated risks (Olakitan & Charles, 2012). It is Richard Cantillon who first mentions risk-taking as one of the key features of entrepreneurship (Lumpkin & Dess, 1996). He argues that risk-taking is one of the things that distinguish entrepreneurs from non-entrepreneurs (Lumpkin & Dess, 1996). The term *risk* has been variously defined. It means going into a venture where probability of success is not guaranteed (Lumpkin & Dess, 1996). It also means committing a huge amount of resources to a project or venture without having an assurance of success. It is the willingness to commit resources to a venture which is not certain whether profit will be made or not that defines risk-taking (Lumpkin & Dess, 1996).

Entrepreneurial organizations are usually described as risk-takers or -bearers. Such organizations commit, and can even borrow, a huge amount of resources for the purposes of exploring and exploiting market opportunities (Lumpkin & Dess, 1996).

All businesses, small or large, new or old, take one form of risk or the other. There is no business that does not take risk, as there is nothing like "completely no risk" (Lumpkin & Dess, 1996). Measuring risk has been a difficult task to many researchers. Various terms have been used to describe risk behavior of an organization. These include: risk propensity, risk preference, and risk perception (Lumpkin & Dess, 1996; Olakitan & Charles, 2012). The more risk an organization takes, the more entrepreneurial the organization becomes (Lumpkin & Dess, 1996; Olakitan & Charles, 2012). Existing literature shows that risk-taking is related to organizational performance (Hameed & Ali, 2011; Olakitan & Charles, 2012).

iv. Proactiveness

This is also considered as one important feature of entrepreneurship. Entrepreneurship is concerned with identification and exploitation of opportunities (Olakitan & Charles, 2012). Proactiveness describes a situation where organizations anticipate opportunities in the marketplace and marshal out resources for their exploitation (Lumpkin & Dess, 1996). For an organization to be proactive, it must have a foresight to be able spot future opportunities and be prepared to exploit the opportunities before other organizations notice the presence of the opportunities (Lumpkin & Dess, 1996). To be proactive is to be forward-looking (Jalali, 2012). It is being able to anticipate future needs and taking actions to exploit the opportunities, by being the first or among the first organizations to introduce products or services that will satisfy the needs. A proactive organization is a leader and not a follower. This is because a proactive organization has the ability to foresee and seize future opportunities (Olakitan & Charles, 2012). Entrepreneurship entails having an ability to see opportunity where others see none (Olakitan & Charles, 2012). Available research findings show that proactiveness is related to organizational performance (Lumpkin & Dess, 1996).

v. Competitive Aggressiveness

Competitive aggressiveness is one of the characteristics of young firms or new entry firms; old organizations can equally be competitively aggressive. It is germane for the survival and success of business organizations, especially in a highly competitive business environment. Competitive aggressiveness as one of the characteristics of entrepreneurship stems from the desire of an organization to outshine others in the marketplace (Lumpkin & Dess, 1996). Competitive aggressiveness is the willingness of an organization to change its methods of competing in the marketplace rather than relying on the old ones (Lumpkin & Dess, 1996). It refers to the use of different tactics or strategies to outperform competitors in the marketplace and gain a competitive edge over them (Lumpkin & Dess, 1996). Some organizations achieve this by identifying weaknesses in the products of their competitors, and therefore, launch a superior product with superior value for customers (Lumpkin & Dess, 1996). Previous studies reveal that competitive aggressiveness is related to organizational performance (Lumpkin & Dess, 1996).

2. Entrepreneurial Management (EM)

The term *entrepreneurship* is usually defined as the creation of a new business organization (Stevenson & Jarillo, 1990; Thornberry, 2001) while the term *corporate* *entrepreneurship* has been described as entrepreneurial activities within an existing business organization (Stevenson & Jarillo, 1990; Thornberry, 2003). Considering the above definitions of entrepreneurship and corporate entrepreneurship, one may be tempted to say that the two concepts are opposite (Phan, Wright, Ucbasaran, & Tan, 2009; Thornberry, 2001). The definition of entrepreneurship puts it outside the mainstream of corporate management, as if existing organizations are not involved in entrepreneurial processes. Thus, in order to establish a link between the two concepts, Stevenson and Jarillo (1990) examined the definitions of entrepreneurship that support the connection of entrepreneurship and corporate entrepreneurship.

From the review of the definitions of entrepreneurship given by different authors, and in order to link the two concepts, they define entrepreneurship as a process whereby individuals either within or outside existing organizations explore and exploit opportunities without recourse to the resources they possess and control (Stevenson & Jarillo, 1990). Based on this proposed definition of entrepreneurship, they look at corporate entrepreneurship not only as corporate venturing but also as the ability of an existing organization to act or behave entrepreneurially (Stevenson & Jarillo, 1990). Therefore, entrepreneurial management is defined as the ability of an existing organization to act or behave entrepreneurially in exploring and exploiting opportunities without recourse to available organizational resources (Stevenson & Jarillo, 1990). This means entrepreneurial management is management practices that are opportunity-based rather than resource-based as postulated by some researchers (Hameed & Ali, 2011).

The concept of entrepreneurial management is operationalized by Brown *et al* (2001). Based on the conceptualization of EM by Stevenson and Jarillo (1990), there are eight dimensions of EM, but after a critical review of the concept and the dimensions proposed by Stevenson and Jarillo (1990), Brown *et al* concluded that the dimensions of EM are six on the grounds that there are similarities among the initial eight dimensions proposed by Stevenson and Jarillo. Also, comparing the dimensions of EO and EM, Brown *et al* concluded that they partially overlap. The dimensions of EM as operationalized by Brown *et al* (2001) are as follows:

i. Strategic Orientation/ Resource Orientation

Strategic orientation with regard to EM implies that the existence of opportunities necessitates the development of strategies and marshalling of resources for their exploitation (Brown *et al.*, 2001). This means existence of opportunities precedes the development of strategies, and once an opportunity is identified then the resources to exploit it will be marshaled (Brown *et al.*, 2001). Simply put, strategies are driven by perception of opportunities. Resources are needed for exploration and exploitation of opportunities but promoter organization's orientation differs from trustee organization's orientation to resources. While promoter organization maximizes opportunity and minimizes resources invested, trustee organization thoroughly analyses identified opportunity in order to assess the risk involved before investing resources, and once the decision to invest is reached, it will not be reversed.

ii. Management Structure/ Reward Philosophy

The resources needed for exploitation of identified opportunities may not be owned by the organization. This means resources can be sourced from outside the organization. Therefore, organizations must be structured in such a way that they will be able to coordinate the resources they do not own. Also, the structure should not be rigid so that employees will be free to seek opportunities and pursue them to fruition. To this end, organizational structure should be flat with multiple internal networks (Brown *et al.*, 2001). In addition, since the aim of an organization is to create wealth, it means compensation or reward should be based on what individual employee contributes to value creation (Brown *et al.*, 2001).

iii. Growth Orientation/ Entrepreneurial Culture

All organizations, small or large, desire to grow (Brown *et al.*, 2001). According to Stevenson and Jarillo (1990), promoter organizations want to grow rapidly while trustee organizations believe in slow organizational growth (Brown *et al.*, 2001). Also, since entrepreneurship is opportunity-based, it means organizations must encourage creative and innovative ideas within the organization so that employees will be able to identify opportunities and exploit them (Brown *et al.*, 2001).

2.3.4 Antecedents to Corporate Entrepreneurship

Certain factors within and outside organizations can facilitate or impede the rate of entrepreneurial activities that existing organizations undertake (Covin & Slevin, 1991;

Kuratko *et al*, 2004). The factors are generally referred to as antecedents to corporate entrepreneurship, and they play an important role in the models and theories of entrepreneurship (Covin & Slevin, 1991). Researchers have identified a good number of the antecedents, and they can broadly be divided into two: internal or organizational antecedents and external or environmental antecedents (Antoncic & Hisrich, 2004; Bhardwaj, Sushil, & Momaya, 2011; Bhardwaj & Sushil, 2011; Covin & Slevin, 1991; Ireland, Kuratko, & Morris, 2006; Kuratko, Ireland, & Hornsby, 2004; Lau, Chan, Tai, & Ng, 2010). From available literature, there seems to be an agreement among researchers concerning what constitutes internal and external antecedents to corporate entrepreneurship. The general conclusion is that the effects of the antecedents on organizational entrepreneurial behavior depend on whether they are favourable (supportive) or unfavourable (unsupportive).

1. Internal or Organizational Antecedents to Corporate Entrepreneurship

Internal antecedents to corporate entrepreneurship are organizational variables that have the potential of facilitating or hampering entrepreneurial activities within existing organizations. Examples of internal or organizational antecedents to corporate entrepreneurship include: reward systems or incentives, top management support, organizational structure, organizational resources and capabilities, and organizational culture.

i. Organizational Reward Systems or Incentives

Entrepreneurial activities within an existing organization can either be encouraged or discouraged, depending on the reward systems or incentive plans of the organization (Bhardwaj & Sushil, 2011; Bhardwaj, Sushil & Momaya, 2011; Ireland *et al.*, 2006). As pointed out earlier, creative and innovative ideas come from the people (Kuratko, 2009), that is, the employees of an organization. It is their creative and innovative effort that translates into organizational entrepreneurial behavior. When employees are adequately rewarded for their creativity and innovativeness, they tend to behave in a way that will be consistent with entrepreneurial posture of the organization (Bhardwaj & Sushil, 2011). Research findings reveal that when employees are motivated, it will impact positively on their performances, and this contributes to greater performance of the organization as a whole (Bhardwaj & Sushil, 2011).

ii. Organizational Culture

The culture of an organization affects its entrepreneurial positioning or posture (Bhardwaj & Sushil, 2011; Covin & Slevin. 1991; Ireland *et al.*, 2006). Entrepreneurial activities within an organization are contingent on organizational cultures (Covin & Slevin. 1991). Organizational culture must support risk-taking, creativity and innovativeness, and proactiveness for the organization to exhibit entrepreneurial behavior (Covin & Slevin. 1991). In addition, organization's creative and innovative capabilities depend on its culture. This implies that organizational culture of innovation and change promote entrepreneurial activities within the organization (Ireland *et al.*, 2006). Also, the culture of an organization can encourage or discourage risk-taking which is an essential element of entrepreneurial behavior (Covin & Slevin. 1991).

iii. Organizational Structure

Organizational structure is a network of relationships which defines the flow of authority, information, and communication; and how individuals relate with one another within the organization (Covin & Slevin. 1991). Extant literature shows that organizational structure affects entrepreneurial activities (Covin & Slevin. 1991). Appropriate or supportive organizational structure for entrepreneurial activities is that one which decentralizes decision making authority, has few layers or levels, and allows free flow of information and communication (Covin & Slevin. 1991; Bhardwaj & Sushil, 2011). The extent of delegation of authority determines whether an organization is centralized or decentralized, and also determines the extent to which employees are allowed to take certain decisions or actions using their own initiatives (Bhardwaj & Momaya, 2006). The flexibility of organizational structure is important, as its rigidity discourages free flow of information which is necessary for entrepreneurial activities to thrive (Bhardwaj, Sushil & Momaya, 2011; Bhardwaj & Sushil, 2011; Bhardwaj & Momaya, 2006; Ireland etal., 2006; Lau *et al.*, 2010). Organizational flexibility defines the extent to which an organization can adapt its administrative practices to situational forces (Bhardwaj & Momaya, 2006). It is argued that strict adherence to organizational processes, procedures, and rules do not encourage entrepreneurial behavior (Antoncic & Hisrich, 2004).

iv. Top Management Support (TMS)

Top executives or managers play important roles in organizations. Their values and philosophies reflect organizational values and philosophies (Covin & Slevin, 1991). Top management values and philosophies affect their decisions concerning choice of strategies (Covin & Slevin, 1991). Also, top management's perception of how an organization should be managed affects entrepreneurial behavior or posture of the organization (Covin & Slevin, 1991). Top management support helps to promote entrepreneurial activities within the organization (Bhardwaj & Sushil, 2011). For top management to be supportive, it must encourage creative and innovative ideas by training organizational staff with a view to increasing their knowledge and expertise, thereby enhancing their creative thinking abilities (Bhardwaj & Sushil, 2011). Also, top management support may be in the form of making resources available for exploration and exploitation of opportunities, and tolerance for failures that may result from such actions (Bhardwaj & Sushil, 2011). Top management should allow employees or groups within the organization to take initiative in championing entrepreneurial processes, give room for mistakes or failures, and see failures as opportunities to learn and make progress (Antoncic & Hisrich, 2004).

v. Organizational Resources and Capabilities

Organizational resources and capabilities determine the extent to which an organization can be entrepreneurial (Covin & Slevin, 1991; Wiklund & Shepherd, 2005). Organizational resources and capabilities that are being referred to include: financial resources, human resource, machinery, functional-level capabilities, organizational-level capabilities, and organizational systems (Covin & Slevin, 1991). The availability or otherwise of these resources and capabilities can encourage or hamper organizational entrepreneurial behavior (Covin & Slevin, 1991). This is because even if the willingness to be entrepreneurial is there, resource constraints can act as impediments to organizational entrepreneurial behavior. This supports the fact that entrepreneurship, to some extent, is resource-based.

2. External Environmental Antecedents

External environment is defined as those forces, elements, or factors outside the organization that influence and are affected by organizational activities and performances over which organizations or managers have no control (Covin & Slevin, 1991; Kuratko *et al.*, 2004). External environment plays a significant role in entrepreneurship process. It is a strong component in entrepreneurship models and theories (Covin & Slevin, 1991; Miller, 1983). External environmental conditions can facilitate or impede entrepreneurial activities in an organization (Covin & Slevin, 1991). Various dimensions of external environment have been identified. These include technological sophistication, environmental hostility, environmental dynamism, environmental munificence, industry life cycle stages, fiscal and regulatory environments, and political cum legal forces. Literature review reveals the moderating role of external environment in the relationship between corporate entrepreneurship and organizational performance (Covin & Slevin, 1991). For example, research findings show that environmental dynamism, complexity, and hostility encourage entrepreneurial behavior (Covin & Slevin, 1991; Ireland *et al.*, 2006; Kuratko *et al.*, 2004; Mohamad *et al.*, 2011). Organizations respond to changes in the environment by taking risks through innovative and proactive actions (Covin & Slevin, 1991).

In a highly dynamic and competitive environment, entrepreneurial positioning or posture enhances organizational performance (Covin & Slevin, 1991). For instance, proactiveness favours organizations in a dynamic environment, where changes take place rapidly; and competitive aggressiveness favours organizations in a hostile environment, where competition is intense (Covin & Slevin, 1989; Lumpkin & Dess, 2001). In the same vein, industry life cycle stages affect entrepreneurial behavior of an organization, whether new or old (Covin & Slevin, 1991). For instance, new organization benefits more in an emerging industry by being entrepreneurial than in a mature industry (Covin & Slevin, 1991). Also, fiscal and regulatory frameworks and political cum legal forces have impact on the activities and success of an organization (Covin & Slevin, 1991). For example, government regulatory activities may prevent new firms from entering a market.

Figures 2.1 and 2.2 illustrate the explanations of entrepreneurial behavior of an organization as well as organizational and external environmental antecedents to corporate entrepreneurship as discussed above.

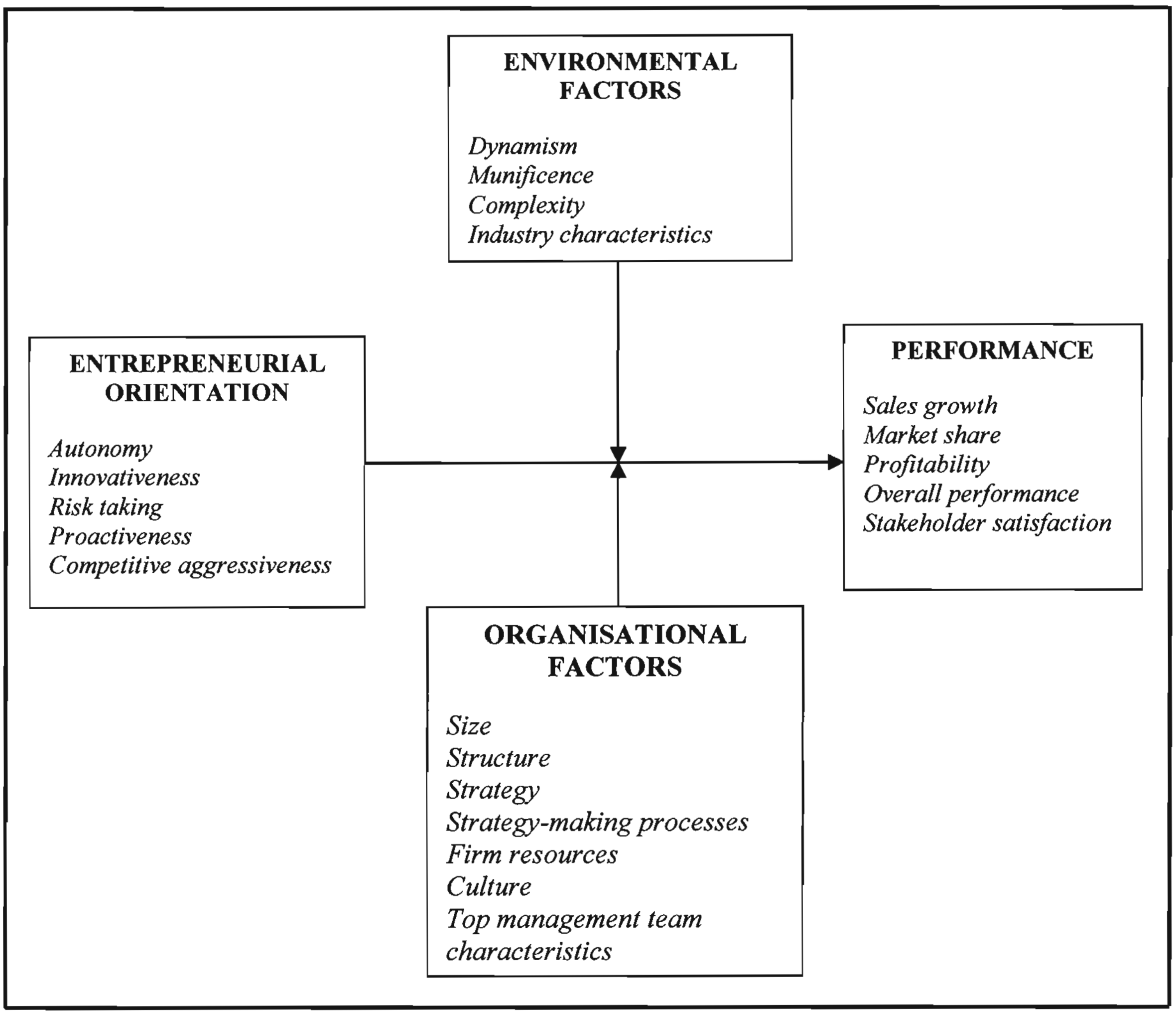


Figure 2.1
Conceptual Framework of Entrepreneurial Orientation
Source: Adapted from "Clarifying the Entrepreneurial Orientation Construct and Linking it to Performance" by G. T. Lumpkin and G. G. Dess, 1996, *Academy of Management Review,* 21, p.152

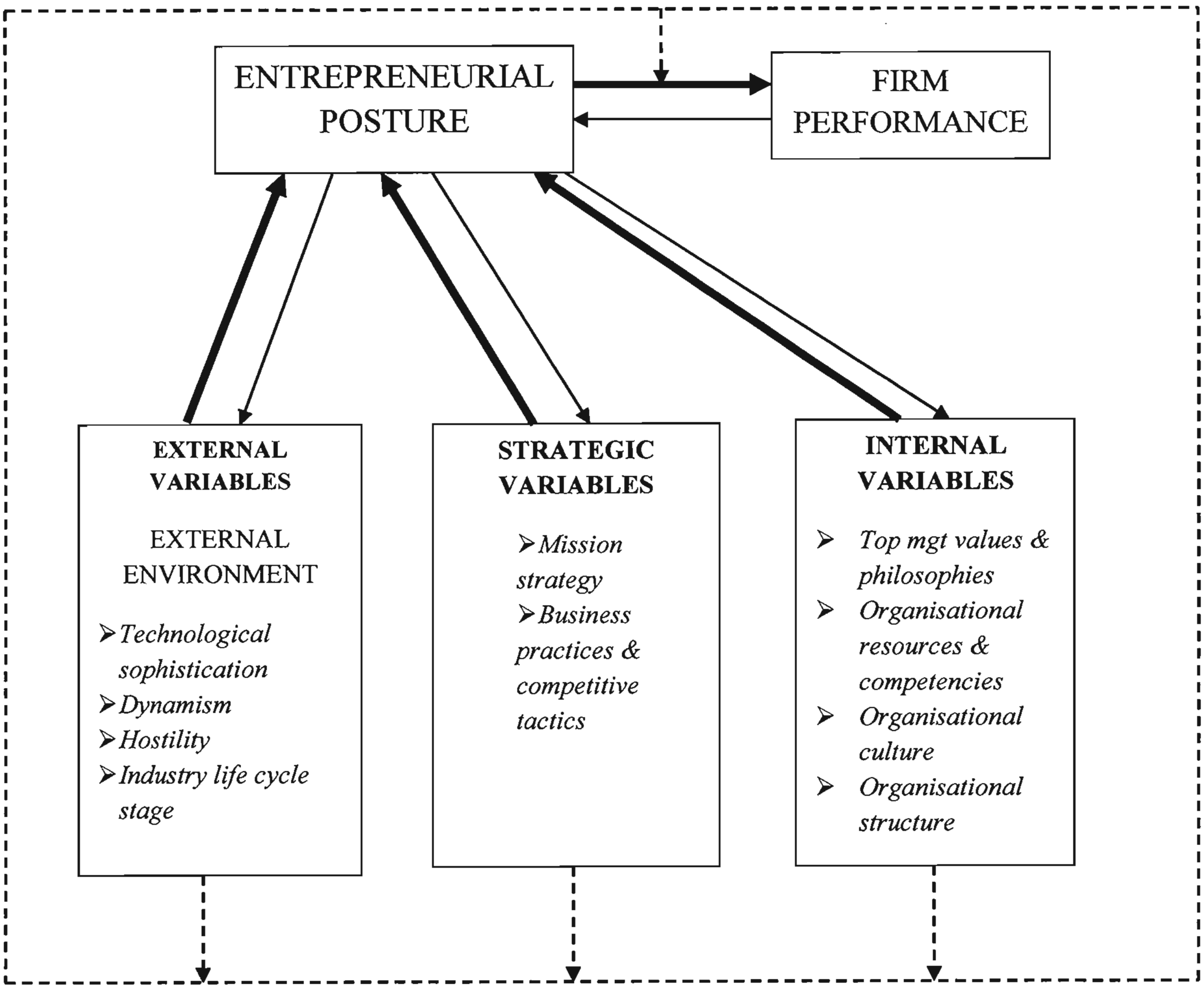
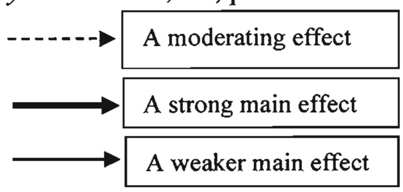


Figure 2.2

Conceptual Model of Entrepreneurship as Firm Behavior

Source: Adapted from "A Conceptual Model of Entrepreneurship as Firm Behavior", by J. G. Covin and D. P. Slevin, 1991, *Entrepreneurship Theory & Practice,* 15, p.10



2.3.5 Corporate Entrepreneurship and Organizational Performance

Entrepreneurship is vital to all organizations (service or manufacturing), irrespective of their sizes, and whether it is a profit or not-for-profit organization (Antoncic & Hisrich, 2004; Covin & Wales, 2012; Gurbuz & Aykol, 2009; Zampetakis & Moustakis, 2010). Existing literature has acknowledged that entrepreneurship is a source of revitalizing existing organizations (Kuratko *et al.*, 2004; Zahra & Covin, 1995). Entrepreneurial activities are necessary ingredients for organizational success, and they are means for gaining a competitive advantage and achieving superior organizational performance in today's global market that is highly dynamic and competitive (Antoncic & Scarlet, 2006; Wang, 2008; Wang & Zhang, 2009; Zampetakis & Moustakis, 2010). Researchers have posited that organizations that are proactive, innovative, and take calculated risks in exploring and exploiting opportunities perform better than organizations that are less proactive, innovative, and are averse to risk-taking (Lumpkin & Dess, 1996).

Conceptually, entrepreneurship scholars have opined that entrepreneurial activities are positively related to certain organizational performance measures such as profitability, market share, sales growth, and overall organizational performance (Covin & Slevin, 1991; Lumpkin & Dess, 1996). Nevertheless, empirical findings concerning the relationship between corporate entrepreneurship and organizational performance are mixed (Antoncic & Hisrich, 2004; Antoncic & Prodan, 2008; Rauch *et al.*, 2009; Wang & Zhang, 2009; Wiklund & Shepherd, 2005; Yang *et al.*, 2007). On the one hand, some studies have confirmed a positive relationship between corporate entrepreneurship and organizational performance (Hult, Snow, & Kandemire, 2003;

Karacaoglu, Bayrakdaroglu, & San, 2012; Mahmood & Wahid, 2012; Mokaya, 2012). On the other hand, some other studies have affirmed a negative relationship between corporate entrepreneurship and organizational performance (Covin, Slevin, & Schultz, 1994; George, Wood & Khan, 2001; Shamsuddin, Othman, & Shahadan, 2012; Slater & Narver, 2000).

In addition, some researchers have argued that the relationship between corporate entrepreneurship and organizational performance is contingent on the favourableness or unfavourableness of organizational and external environmental factors such as organizational structure, organizational resources and competencies, top management support, organizational culture, environmental dynamism and munificence, competitive intensity, and industry life cycle stage (Antoncic & Hisrich, 2004; Mohamad *et al.*, 2011; Rauch *et al.*, 2009; Wang, 2008; Wiklund & Shepherd, 2005). Some other researchers have equally argued that entrepreneurial orientation will have more impact on organizational performance when it is combined with other organizational orientations such as learning orientation, innovation orientation, and market orientation (Kwak, Jaju, Puzakova, & Rocereto, 2013; Wang, 2008; Zhao, Li, Lee, & Chen, 2011). From the above, it can be concluded that the relationship between corporate entrepreneurship is more complex than a simple direct relationship.

Furthermore, contrary to the assumption that entrepreneurial activities lead to better organizational performance, Tang *et al.*, (2008) found that continuous engagement in entrepreneurial activities does not guarantee continuous superior organizational performance, using institutional theory to support their argument. They argued that the relationship between entrepreneurial activities and organizational performance may be linear at some points, but that it will reach a point of saturation where additional entrepreneurial activities will no longer lead to greater organizational performance, and at this state, the entrepreneurial orientation-performance relationship will assume a curvilinear shape (Tang *et al.*, 2008; Tang & Tang, 2010). This happens, especially in emerging economies like China, where business organizations with higher entrepreneurial orientation suffer a lot of limitations in their environment for lack of organizational formalization, experienced and knowledgeable managers, and institutional support (Tang *et al.*, 2008; Tang & Tang, 2010).

From the above discussion, it can be concluded that the relationship between corporate entrepreneurship and organizational performance is unclear and needs to be further tested. Thus, the following testable hypothesis is developed:

Hypothesis One: There is a positive relationship between corporate entrepreneurship and organizational performance

2.3.6 Empirical Studies on Corporate Entrepreneurship and Organizational Performance

A lot of empirical studies have been conducted on corporate entrepreneurship - performance relationship (Yang *et al.*, 2007). Table 2.2 summarizes previous empirical studies on CE-performance relationship. Column (1) shows names of the authors and years of publication; column (2) shows organizational performance measures considered in the studies; column (3) indicates dimensions of CE considered in the studies; column (4) shows moderating or mediating variables (if any) considered in the studies; column (5) shows the countries/sectors from where samples for the studies were taken; and column (6) shows major findings of the studies.

Table 2.2
Summaries of Previous Empirical Studies on Corporate Entrepreneurship and Organizational Performance

Author(s)/ (Year) (1)	**OP Measures (2)**	**CE/EO Measures (3)**	**Moderator/Mediator (4)**	**Country/Sector (5)**	**Major Findings (6)**
Filser & Eggers (2014)	Sales growth & employment growth	Innovativeness, risk-taking & proactiveness		Austria, Liechtenstein, & Switzerland	Firm performance was dependent on each of the dimensions of EO investigated.
Jalali, Jaafar, & Ramayah (2014)	Growth & profitability	Innovativeness, risk-taking & proactiveness	Customer capital	Iran/ SMEs	Customer capital moderated the relationship between the dimensions of EO and performance but at different degrees.
Jia, Wang, Zhao, & Yu (2014)	Growth & profitability	Innovativeness, risk-taking & proactiveness	Executive competencies	North China	Executive competency partially mediated EO-corporate performance relationship and fully mediated innovation-corporate performance relationship.
Kollmann & Stöckmann (2014)	Subjective performance measures	Innovativeness, risk-taking & proactiveness	Exploratory & exploitative innovations	German ICT companies	Exploratory & exploitative innovations mediated EO-performance relationship.
Arief *et al* (2013)	Sales growth, profit level & ROI relative to competitors	Innovativeness, risk-taking & proactiveness	Strategic flexibility	Indonesia/ SMEs Cluster	EO had a positive relationship with organizational performance, and strategic flexibility mediated the relationship.

Table 2.2 (Continued)

Author(s)/ (Year) (1)	**OP Measures (2)**	**CE/EO Measures (3)**	**Moderator/Mediator (4)**	**Country/Sector (5)**	**Major Findings (6)**
Lotz & Van der Merve (2013)	Business development and improvement & business growth	Innovativeness, Autonomy, Competitive Aggressiveness, Risk-taking & Proactiveness		South Africa/ Agribusiness	The EO dimensions of autonomy, risk-taking, and proactiveness influenced business development and improvement. Competitive aggressiveness had no relationship with business development and improvement while risk-taking had a negative relationship with business growth.
Martins & Rialp (2013)	Profitability (ROA, ROS & FCF)	Innovativeness, proactiveness & risk taking	Environmental hostility	Spain/ SMEs	The effect of entrepreneurial orientation on SMEs profitability was more when there was a proper alignment between EO and external environment.
Jalali (2012)	Export sales, profitability, market share and expansion	Innovativeness, proactiveness & risk taking	Environmental dynamism, uncertainty & hostility	Iran/ Different SMEs in export business	Innovativeness dimension was found most significant in dealing with turbulent environmental forces and also contributed most to export performance.
Wahid & Mahmood (2012)	Overall performance & sales growth	Innovativeness, risk-taking & proactiveness		Malaysia/ Banking industry	There was a significant relationship between corporate entrepreneurship and organizational performance

Table 2.2 (Continued)

Author(s)/ (Year) (1)	OP Measures (2)	CE/EO Measures (3)	Moderator/Mediator (4)	Country/Sector (5)	Major Findings (6)
Karacaoglu *et al* (2012)	ROA, ROE, NPM, EBITDA/S, EBIT/A & net sales revenue/assets	Innovativeness, autonomy, competitive aggressiveness, risk-taking & proactiveness		Turkey/ Different industries	The dimensions of innovativeness, proactiveness, & risk-taking had a positive relationship with firm's financial performance but there was no positive relationship between autonomy & competitive aggressiveness and firm's financial performance.
Shamsuddin *et al* (2012	Sales growth, ROA & ROE	Proactiveness, risk taking, innovation & self renewal	Resource availability, organizational structure & reward	Malaysia/ Different industries	Resource availability, supportive organizational structure, and reward moderated the relationship between CE and performance. There was a direct relationship between proactiveness and financial performance while there was no direct relationship between risk-taking and financial performance. Innovation and self renewal had negative relationships with financial performance.
Zhang & Zhang (2012)	Growth indicators	Innovativeness, risk-taking & proactiveness	Network capabilities	China/ Different industries	EO had a positive relationship with business performance, and network capabilities moderated the relationship between EO and business performance.

Table 2.2 (Continued)

Author(s)/ Year (1)	**OP Measures (2)**	**CE/EO Measures (3)**	**Moderator/Mediator (4)**	**Country/Sector (5**	**Major Findings (6)**
Hameed & Ali (2011)	Sales growth & profitability relative to competitors	Innovativeness, risk-taking & proactiveness	Environmental dynamism & entrepreneurial mgt.	Pakistan/ Different industries	Confirmed a direct and positive relationship between innovativeness, risk-taking, & entrepreneurial mgt. Also, the moderating effect on the relationship between EO and organizational financial performance was not established.
Kraus *et al* (2011)	Sales growth, cash flow, profitability, employee growth & gross margin	Innovativeness, risk-taking & proactiveness	Perceived market turbulence	Netherlands/ Different industries	Risk-taking and innovativeness were not positively related to organizational performance, but proactiveness was positively related to performance.
Madhoushi *et al* (2011)	Innovation performance (product & process)	Innovativeness, autonomy, competitive aggressiveness, risk-taking & proactiveness	Knowledge management	Iran/ Different industries	Knowledge management mediated the relationship between entrepreneurial orientation and innovation performance.
Nkosi (2011)	Financial & non-financial performance	Innovativeness, risk taking, proactiveness & entrepreneurial culture		South Africa/ ICT sector	Corporate entrepreneurship had a positive and significant relationship with organizational performance.

Table 2.2 (Continued)

Author(s)/ Year (1	OP Measures (2)	CE/EO Measures (3)	Moderator/Mediator (4)	Country/Sector (5)	Major Findings (6)
Sharma & Dave (2011)	Average sales, growth and profit	Innovativeness, proactiveness & risk taking		Chhattisgarh/ Small scale family business	There was a positive and significant relationship between entrepreneurial orientation and firm performance. Among the three dimensions of EO, risk-taking was the one that affected performance most.
Su, Xie & Li (2011)	ROA, market share, net profit, sales & return on sales	Innovativeness, risk-taking & proactiveness	Environment	China/ Different industries	The relationship between EO and organizational performance was negative for new ventures and positive for established firms.
Zhao *et al* (2011)	Market share, sales volume, market reputation & operating profit	Innovativeness, risk-taking & proactiveness	Experimental & acquisitive learning	China/ Different industries	EO had a positive relationship with experimental learning (EL), but had a negative relationship with acquisitive learning (AL). Both EL & AL had impact on firm performance, but the effect of AL was weak and nonsignificant when external knowledge was implanted into organization's internal knowledge.
Zampetakis *et al* (2011)	Sales & market share	Innovativeness, proactiveness & risk taking		Greece/ TV industry	Access to financial resources mediated the relationship between EO and product performance.

Table 2.2 (Continued)

Author(s)/ Year (1)	OP Measures (2)	CE/EO Measures (3)	Moderator/Mediator (4)	Country/Sector (5)	Major Findings (6)
Davis *et al* (2010)	Net profit	Innovativeness, proactiveness & risk taking	Managerial power	MBA students	Managerial power had a direct relationship with organizational performance, and it also moderated the relationship between entrepreneurial orientation and organizational performance.
Tang & Tang (2010)	Profitability, ROI, cash flow, sales growth, market share, net & gross profit, product & process innovation	Innovativeness, risk-taking & proactiveness	Strategies (prospector, defender & analyzer)	China/ Different industries	Prospector and analyzer strategies moderated the relationship between entrepreneurial orientation and organizational performance.
Awang *et al* (2009)	ROS, ROA & ROC	Innovativeness, autonomy, risk-taking & proactiveness	Environment	Malaysia/ Different industries	Perceived external environmental conditions moderated the relationship between entrepreneurial orientation and SMEs performances.
Gurbuz & Aykol (2009)	Sales growth & employment growth	Innovativeness, risk-taking & proactiveness	Entrepreneurial management	Turkey/ Manufacturing SMEs	EO had effect on organizational growth, but the effect was more when EO was supported with entrepreneurial management.

Table 2.2 (Continued)

Author(s)/ Year (1)	OP Measures (2)	CE/EO Measures (3)	Moderator/Mediator (4)	Country/Sector (5)	Major Findings (6)
Wang & Zhang (2009)	Sales, market share, profit & new product introduction relative to competitors	New business venturing, innovativeness, self renewal & proactiveness		China/Different industries	Not all dimensions of CE had positive and significant relationships with firm performance. No positive and significant relationship between new business venturing and performance, but found a positive and significant relationship between innovativeness and firm performance.
Antoncic & Prodan (2008)	Growth & profitability	Technological & process innovation	Alliances	Slovenia/ Manufacturing industry	Strategic alliances contributed to corporate technological entrepreneurial activities, which, in turn, led to improved organizational performance
Lee & Lim (2008)	Subjective measures	Autonomy, innovativeness, risk-taking & competitive aggressiveness		Japan/ Hospitality industry	The dimensions of EO mentioned in column 3 had positive relationships with performance. Also, personal qualities of the business owner had positive relationship with performance.
Stam & Elfring (2008)	Sales growth, employment growth, market share, customer satisfaction, etc	Innovativeness, proactiveness & risk taking	Intra- & extra-industry social capital	Netherlands/ Software industry	Extensive bridging ties and network centrality strengthened the relationship between EO and performance and few centrality and bridging ties weakened the relationship between EO and performance.

Table 2.2 (Continued)

Author(s)/ Year (1)	OP Measures (2)	CE/EO Measures (3)	Moderator/Mediator (4)	Country/Sector (5)	Major Findings (6)
Moreno & Casillas (2008)	Growth (both subjective & objective measures)	Innovativeness, risk-taking & proactiveness	Strategy, environment & resources availability	Spain/ Different industries	The relationship between EO, strategies, resources, & firm growth was complex. Strategies of product-market expansion contributed to firm growth. Direct relationship between EO & firm growth was not significant but moderated by environment.
Tang *et al* (2008)	Sales growth rate, market share, pretax profit growth rate & overall performance	Innovativeness, risk-taking & proactiveness	Location, industry & firm size	China/ Different industries	The relationship between EO and organizational performance was not necessarily linear but assumed a curvilinear relationship in that negative outcomes resulted from continuous engagement in entrepreneurial activities by an organization.
Wang (2008)	Returns on capital employed, earnings per share & sales growth	Innovativeness, risk taking, aggressiveness & proactiveness	Learning orientation & strategy type	UK/ Different industries	Learning orientation moderated the relationship between EO and organizational performance, and the relationship between EO, LO, and organizational performance was stronger for prospector organizations than analyzers.
Yang, Li-Hua & Wang (2007)	Increment in sales growth, market share & profit relative to competitors	New business, venturing, innovativeness, self renewal & proactiveness		China/ Different sectors	The dimensions of corporate entrepreneurship had different impact on market performance of organizations in China.

Table 2.2 (Continued)

Author(s)/ Year (1)	**OP Measures (2)**	**CE/EO Measures (3)**	**Moderator/Mediator (4)**	**Country/Sector (5)**	**Major Findings (6)**
Keh, Nguyen & Ng (2007)	Profitability, market share, sakes growth & overall performance	Innovativeness, risk-taking & proactiveness	Marketing information	Singapore/ Different industries	Marketing information affected organizational performance and partially mediated the relationship between EO and organizational performance.
Antoncic & Scarlet (2006)	Growth & profitability	New businesses, new ventures & product/service innovation	Alliance	Slovenia & Romania/ Different industries	Established a positive and significant relationship between CE and performance. Also, alliance was positively related to CE.
Wiklund & Shepherd (2005)	Growth, gross margin, profitability & cash flow relative to competitors	Innovativeness, risk-taking & proactiveness	Access to resources & environment	Sweden/ Different industries	Access to capital & environmental dynamism when combined with EO affected performance more. Also, configuration approach explained variations in performance than a contingency approach.
Antoncic & Hisrich (2004)	Growth, profitability & wealth creation	New business creation, product/service & process innovativeness, self renewal, risk-taking & competitive aggressiveness	Environmental and organizational factors	Slovenia/ different industries	Corporate entrepreneurship contributed to wealth creation, profitability, & growth; and organizational and environmental factors had influence on CE-performance relationship.

Table 2.2 (Continued)

Author(s)/ Year (1)	OP Measures (2)	CE/EO Measures (3)	Moderator/Mediator (4)	Country/Sector (5)	Major Findings (6)
George *et al* (2001)	Average ROA & ROE	Innovativeness, autonomy, competitive aggressiveness, risk-taking & proactiveness	Environmental hostility, network strategy & board activities	USA/ Banking industry	Confirmed a relationship between networking strategy and firm's financial performance. Found a negative relationship between networking strategy and environmental hostility, and EO had no significant relationship with organizational performance.
Lumpkin & Dess (2001)	Sales growth, return on sales & profitability	Competitive aggressiveness & proactiveness	Environment & industry life cycle	USA/ Different industries	External environmental conditions moderated the relationship between entrepreneurial orientation and firm performance.
Zahra & Covin (1995)	Growth & profitability	Innovation, risk-taking and proactiveness	Environmental hostility	USA/ Different industries	Confirmed a positive relationship between corporate entrepreneurship and organizational financial performance measures. Also, organizations benefited more from corporate entrepreneurial activities in a hostile environment.
Covin *et al* (1994)	Sales level, sales growth rate, ROI, cash flow, gross profit margin, etc	Innovativeness, proactiveness & risk taking	Strategic mission, organization structure & competitive marketing tactics	Pennsylvania/ Manufacturing industry	Found no significant relationship between entrepreneurial posture and organizational performance.

2.4 Marketing and Market Orientation

In order to understand market orientation and how it evolves, this section highlights different definitions of marketing and explains various marketing concepts and philosophies that have evolved over time. It further examines the meaning and definition of market orientation, how it is conceptualized and operationalized, its antecedents, and its relationship with organizational performance.

2.4.1 What is Marketing?

Although marketing is acknowledged as an important feature of trade even in the period of trade by barter, but historically, the term *marketing* gained prominence in the early part of 20th century (Fernando, Saad, & Haron, 2012; Wilkie & Moore, 2011). Many marketing scholars and practitioners have made effort in explaining and defining marketing and its domain. However, there is no agreement among marketing scholars on the definition of marketing that is universally acceptable (Fernando *et al*., 2012). One notable body that has been in the forefront of offering definitions of marketing is American Marketing Association (AMA). The Association has offered several definitions of marketing as a result of constructive criticisms from different marketing scholars and continuous refinements with a view to suiting present realities. However, because the focus of this study is not on definition clarifications, few definitions of marketing are only highlighted.

Before AMA, there was National Association of Marketing Teachers which gave the definition of marketing that AMA in its inception adopted (Gundlach & Wilkie, 2009;

Gundlach, 2007). The Association defines marketing as business activities which are involved in the production and movement of goods and services from the producers to the consumers (Gundlach, 2007). In 1985, AMA defines marketing as planning and execution processes involved in the conception, pricing, promotion, and distribution of products in order to create exchanges that will lead to the satisfaction of both individual and organizational objectives (Darroch, Miles, Jardine, & Cooke, 2004; Fernando *et al.*, 2012; Gundlach & Wilkie, 2009; Gundlach, 2007; Zinkhan & Williams, 2007). In 2004, AMA gave another definition of marketing which says marketing is an organizational function and a set of activities that creates, communicates, and delivers goods and services of value to customers and the management of relationships in a way that is beneficial to the organization and other interested parties (Darroch *et al.*, 2004; Fernando *et al.*, 2012; Gundlach & Wilkie, 2009; Gundlach, 2007; Zinkhan & Williams, 2007). Also in 2007, AMA defines marketing as an activity or a set of activities involved in the creation, communication, delivering, and exchange of values (goods and services) for both customers and society as a whole (Darroch *et al.*, 2004; Fernando *et al.*, 2012; Gundlach & Wilkie, 2009; Gundlach, 2007; Zinkhan & Williams, 2007).

Apart from the definitions given by AMA, several authors have also defined marketing. The following are some of their definitions as summarized by Gilmore and Durkan (2011). Kotler *et al* (2009) define marketing as a societal process whereby people, institutions, or groups obtain their needs and wants by creating, offering, and willingly exchanging goods and services of value with others. Shultz (2007) also defines marketing as an engagement for the creation, communication, and delivering of values to consumers and the management of the relationships in a way that will be beneficial to all stakeholders involved in the process. Webster (1992) sees marketing as a management role that is responsible for making sure that all aspects of the organization focus on customer satisfaction through the delivery of better value. According to Baker (1991), marketing refers to a business philosophy that requires business organization to identify and define customer needs and wants and gather organizational resources necessary to accomplish goals of the parties involved in the process through exchange relationship. Madall and Rosenberg (1981) define marketing as an exchange process between a producer and a consumer in which a producer offers a matching product to meet the needs and wants of a consumer.

Synthesizing the definitions of marketing given by AMA and several authors, it can be implied that marketing is a managerial, an individual, and an organizational function and a business activity aimed at creating value that will satisfy customers' needs and wants through the process of exchange that will be beneficial to customers, organizations, and society at large; and the management of relationships that result from the processes (Darroch *et al.*, 2004). From the definitions of marketing, it can be said that marketing is not limited to profit-oriented organizations alone; even not-for-profit organizations are also involved in marketing activities (Cano *et al.*, 2004; Hashim, Rahim, & Bakar, 2011; Modi & Mishra, 2010).

Marketing scholars view the development of marketing from different perspectives: economic utilities perspective, consumers' (buyers') perspective, societal perspective, and managerial perspective (Cooke, Rayburn, & Abercrombie, 1992; Darroch *et al.*, 2004). The economic utilities perspective views marketing as a set of activities involved in the flow or movement of goods and services from producers to final consumers (Cooke *et al.*, 1992; Darroch *et al.*, 2004). The emphasis is on how goods and services are distributed and the institutions involved in the storage, distribution, and transfer of ownership in respect of the products. From consumers' perspective, marketing activities are centered on customers' satisfaction (Cooke *et al.*, 1992; Darroch *et al.*, 2004). It is concerned with the identification of consumers' needs and wants, and how these needs and wants can be met satisfactorily. The emphasis here is that business organizations should first of all identify specific target market and learn about their needs and wants before designing, producing, and persuading consumers to buy their products. Customer satisfaction should be a priority for production and selling of goods and services. Marketing, from the societal point of view, means that marketing activities have impact on the society; and managerial viewpoint sees marketing from the perspective of management, organizational objectives, and strategies (Cooke *et al.*, 1992; Darroch *et al.*, 2004).

2.4.2 Marketing Concepts and Philosophies

In the field of marketing, many concepts have evolved over the years (Andreasen, 1994). They are: production concept, product concept, selling concept, marketing concept, societal marketing concept, social marketing concept, and relationship marketing concept. The concepts represent different organizational cultures or business philosophies at a particular time in the development of the field of marketing (Andreasen, 1994). They represent various evolutionary processes or transitions that marketing has undergone (Harker, 1999). Each philosophy has its own weakness, and the weakness of each philosophy or concept leads to the evolvement of the next concept in transition.

1. Production Concept

This is the first marketing orientation or philosophy in the evolution of marketing (Andreasen, 1994). It is a business philosophy that is based on mass production of inexpensive products and making them available to consumers. A production-oriented organization produces whatever they can produce without taking into consideration customers' needs and wants (Dixon-Ogbechi, Ighomereho, & Jagun, 2013).

2. Product Concept

The emphasis of this philosophy is on the products rather than consumers (Andreasen, 1994). It is a business philosophy that is based on building aesthetic features or attributes into the products so as to make them attractive to consumers. The assumption here is that consumers will buy any product that has attractive features (Andreasen, 1994).

3. Selling Concept

An organization that adopts this philosophy depends on promotional means to sell its products (Dixon-Ogbechi *et al.*, 2013). This philosophy is based on the extensive use of promotional techniques in selling products with the objective of increasing sales volume and profit irrespective of customer satisfaction. An organization that is selling-oriented embarks on massive advertisement in order to sell its products to customers. The industrial revolution, occasioned by advancements in technology, makes supply of goods to outweigh demand for goods, and this makes the need to persuade consumers necessary.

4. Marketing Concept

The weaknesses of the previous philosophies coupled with increased consumers' awareness about their needs and how to go about them led to the evolvement of marketing concept. One weakness that is common to the concepts that evolved before marketing concept is the fact that they are not customer-focused, and this is what marketing concept addresses. For instance, production concept is based on producers' capability (that is, whatever the producer can produce), product concept is product focused (that is, building attractive features to attract customers), and selling concept is focused on sales volume (that is, intensive promotion to persuade customers to buy). Marketing concept, therefore, is a business philosophy which states that for a business organization to make profit, it must be capable of identifying and satisfying consumers' needs and wants by offering superior values more efficiently and effectively than its competitors (Darroch *et al.*, 2004). An organization that is market-oriented is customer-oriented. Marketing concept presupposes that for a business organization to achieve its goals in the long run, it must first of all determine the needs and wants of its target market, and then produce goods and services that can satisfy the identified needs and wants profitably. Market-oriented business organizations put the needs and wants of consumers into consideration before new products are developed. Such organizations have a clear understanding of the market they serve and match their products with consumers' needs. Marketing concept places marketing before and after production. The basic elements of marketing concept are:

it is a business philosophy or an organizational culture, profit driven, market- or customer-focused, and it involves coordinated marketing effort of individuals and units within an organization (Sin, Tse, Yau, Chow, & Lee, 2003).

5. Societal Marketing Concept

The emphasis here is on the impact of marketing activities on the society at large. Marketing activities undertaken to satisfy customers' needs and wants should not be detrimental to the society. This implies that business organizations must be ethical in carrying out their marketing functions (Dixon-Ogbechi *et al.*, 2013).

6. Social Marketing Concept

This is an extension of societal marketing concept (Dixon-Ogbechi *et al.*, 2013). This philosophy is about how marketing activities can be used to influence behavior. It consists of the tools used by not-for-profit organizations to influence behavior. It is the application of commercial marketing techniques for the purposes of influencing voluntary behavior and for the benefit of individuals and society (Dixon-Ogbechi *et al.*, 2013).

7. Relationship Marketing Concept

The core of this concept is relationship. It is based on how an organization can proactively create, develop, and maintain a relationship that is anchored on trust, commitment, communication, and profitable exchanges. Relationship marketing involves identification and establishment, maintenance and enhancement, and when necessary, termination of relationships with stakeholders usually at a profit, and the achievement of goals of stakeholders through mutual exchange (Harker, 1999).

2.4.3 What is Market Orientation (MO)?

Marketing concept is one of the core concepts that have evolved in the field of marketing over the years (Modi & Mishra, 2010). Existing literature has acknowledged its relationship with greater organizational performance (Modi & Mishra, 2010). But despite its acknowledgement as an important aspect of business management practices which ensures superlative organizational performance by focusing and embarking on market-oriented activities, assessing the extent of its application by business organizations has been a difficult task to many marketing scholars and practitioners (Chao & Spillan, 2010). It is in a bid to overcome this difficulty that market orientation evolved.

From the meaning and definition of marketing concept, many marketing scholars have described the concept or construct of market orientation as an application of marketing concept (Chang & Chen, 1998; Modi & Mishra, 2010; Ramayah, Samat, & Lo, 2011; Tse, Yau, Lee, & Chow, 2004). Market orientation, therefore, refers to marketing concept in practice or the practical application of marketing concept by organizations (Dixon-Ogbechi *et al.*, 2013; Mahmoud, 2011; Tse *et al.*, 2004). Market orientation is defined as a business philosophy or an organizational culture of delivering superior values for customers, which, in turn, leads to superior organizational performance (Grinstein, 2008). It means that for an organization to be market-oriented, its marketing activities must be supported by relevant organizational cultures.

Just like its parent concept (marketing concept), market orientation is viewed from different perspectives. Traditionally, market orientation is described as a business philosophy of customer orientation (Varela & Río, 2003). It is also viewed from behavioral and cultural perspectives. Market orientation is a set of organizational behaviors which are reflected in marketing activities that organizations undertake in their effort to provide superior values for customers (Varela & Río, 2003). Market orientation is seen as an organizational culture representing the values and beliefs that top management share about customer satisfaction as a way of achieving superior organizational performance (Varela & Río, 2003). Market orientation as an organizational culture enables an organization to be sensitive to the market it serves, by gathering relevant information about specified customers' needs and competitors' strategies and capabilities for the purpose of continuously offering superior values for customers (Varela & Río, 2003). Market-oriented business organizations have capabilities of being sensitive to what happens in the marketplace.

2.4.4 Conceptualization and Operationalization of Market Orientation

The conceptualization and operationalization of market orientation gained wide acceptance from two popular perspectives (Cano *et al.*, 2004; Ellis, 2006; Farrell *et al.*, 2008; Keelson, 2014; Shoham, Rose, & Kropp, 2005). One group that conceptualized and operationalized market orientation was Narver and Slater in 1990 (Farrell *et al.*, 2008). Narver and Slater describe the concept of market orientation as an organizational culture that is based on providing better values for customers (Fang, Chang, Ou, & Chou, 2014). Narver and Slater operationalized market orientation as a unidimensional construct with three components: customer orientation, competitor orientation, and interfunctional coordination (Kumar *et al.*, 1998; Narver & Slater, 1990).

Customer orientation and competitor orientation consist of the activities involved in gathering information about customers and competitors in the specified target market and passing the same information gathered to all units or departments within the organization (Narver & Slater, 1990). This means for an organization to achieve a sustainable competitive edge over competitors in the marketplace, it must create better values for its customers, and it must also be informed about its competitors' activities (Narver & Slater, 1990). Interfunctional coordination, on the other hand, refers to the creation of superior values for customers through the coordinated effort of not just the marketing department alone but of all the units or departments within the organization (Narver & Slater, 1990). This means market-oriented activities are not the responsibility of the marketing department alone, but a collective responsibility of all departments in the organization. All units or departments within the organization should be customer-focused in all their activities and operations, and they must also be sensitive to the activities of competitors (Narver & Slater, 1990). Narver and Slater (1990) developed an instrument (MKTOR) for measuring market orientation of an organization (Narver & Slater, 1990).

Another group of people that conceptualized and operationalized the concept of market orientation was Kohli and Jaworski in 1990. Having observed a lack of clear definition and dearth of empirical findings on the application of the concept of market orientation, Kohli and Jaworski provided an operational definition of market orientation and developed an instrument for measuring market orientation of a business organization in relation to its performance. They define market orientation as the organization-wide gathering and processing of market information (intelligence) about the present and future needs of customers, passing the same information to all units or departments within the organization, and the organization's response to the information generated. It implies that market orientation involves generation, dissemination, and responsiveness of the organization to the information (intelligence) concerning the present and future needs of customers (Farrell *et al.*, 2008).

Like Narver and Slater (1990), Kohli and Jaworski (1990) also operationalized market orientation as a three dimensional construct. The first dimension is generation of market information (intelligence), which deals with collection and processing of information relevant to the market the organization serves. It encompasses information about customers' needs and wants as well as information about the organization's external environment, which includes competitive and other environmental forces (Gaur *et al.*, 2011; Pieters, 2014). The second dimension is dissemination or passage of the market information gathered and processed to all stakeholders, units, or levels within the organization (Gaur *et al.*, 2011). The third dimension is drawing up and execution of marketing actions that an organization adopts in responding to the information gathered and processed about the market (Gaur *et al.*, 2011). Kohli and Jaworski developed an instrument (MARKOR) for measuring market orientation of an organization based on their conceptualization and operationalization of the construct of market orientation (Kohli, Jaworski, & Kumar, 1993).

Customer needs and expectations are dynamic, and business organizations are expected to deliver superior values at all times (Narver & Slater, 1990). This can only be achieved by keeping track with the changes in the marketplace, and by responding appropriately through the delivery of quality products (Narver and Slater, 1990); that is when an organization can be said to be market-oriented. This means for an organization to achieve superior performance and have a competitive edge over its rivals in the marketplace, such organization must have a clear understanding of the market it serves and the environment in which it operates (Gaur *et al.*, 2011).

Although the two instruments for measuring market orientation developed by Narver and Slater (1990) and Kohli and Jaworski (1990) (MKTOR and MARKOR respectively) may be similar, but research findings reveal that they are different, and they also have their weak and strong points (Farrell & Oczkowski, 1997). While MKTOR relates to employee behavior, MARKOR relates to organizational behaviors (Cano *et al.*, 2004). Hence, Narver and Slater look at market orientation from cultural and behavioral perspectives (Shoham *et al.*, 2005) while Kohli and Jaworski (1993) see market orientation from behavioral perspective (Cano *et al.*, 2004). Empirically, the strength of MO-performance relationship varies using either MKTOR or MARKOR, especially when organizational performance is measured using objective or subjective measures (Cano *et al.*, 2004). An in-depth literature review shows that MKTOR is better than MARKOR when one is considering subjective performance measures while MARKOR is better than MKTOR when one is considering objective performance measures (Rojas-Méndez & Rod, 2013).

2.4.5 Antecedents to Market Orientation

The impact of market-oriented activities on organizational performance could be facilitated or impeded by certain factors, depending on how supportive or unsupportive they are (Jaworski & Kohli, 1993). These factors that affect organizational market-oriented activities are regarded as antecedents to market orientation. Some of these antecedents are within the organization and could be controlled by the managers (Jaworski & Kohli, 1993). Thus, they are referred to as internal antecedents to market orientation. On the other hand, there are factors that are outside the organization that affect organizational market-oriented activities which managers cannot control. They are called external antecedents to market orientation. Examples of internal antecedents to market orientation are: top management factors, interdepartmental dynamics, and organizational systems (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990).

Top or senior managers play a significant role in actualizing organizational goals. Their orientations, decisions, values, or beliefs about how organizations should be managed affect organizational performance in one way or the other. Also, their dispositions or attitudes towards market-oriented activities affect organization's market orientation. In the same vein, their commitment to generating, processing, disseminating, and responding to market intelligence affects market-oriented activities of the organization. For an organization to be market-oriented, its top managers should have the right attitudes, values, and beliefs that support market-oriented activities. Furthermore, top management's attitude to risk-taking and undertaking changes in the organization affects market orientation of the organization. This is because market orientation involves taking risks and undertaking certain changes in the organization. When top managers become averse to risks and changes, it becomes difficult for the organization to undertake market-oriented activities (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990).

Another important antecedent to market orientation is interdepartmental dynamics. This refers to a network of relationships, whether official or unofficial, that exists among the departments in an organization. The level of conflict and connectedness among the departments in the organization determines whether they will be able to work together as a team or not. Interdepartmental conflicts can prevent successful implementation of marketing concept. Recall that market-oriented activities require a collaborative effort of all the units or departments in the organization. Interdepartmental conflicts prevent members of the departments and even the departments themselves from working cooperatively for the actualization of common organizational goals. Also, the degree of closeness or connectedness of the departments affects market orientation of an organization. Interdepartmental closeness facilitates sharing of market intelligence or information among departments, thereby engendering organization's market orientation. Succinctly, the level of interdepartmental conflict or connectedness determines the flow of ideas, information, and communication among the departments. Hence, for an organization to be market-oriented, the level of interdepartmental conflict should be low, and the level of interdepartmental closeness should be high (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990).

The third internal antecedent is organizational systems. This consists of organizational structure, degree of formalization, and centralization of decision making powers or authority in an organization. Extant literature shows that the structure of an organization plays an important role in the achievement of organizational goals. Organizational structure can affect the degree of market orientation of an organization. The flexibility of the structure is crucial to the flow of information and communication within an organization. Rigidity of organizational structure hampers free flow of market intelligence, and this affects market orientation. Another aspect of organizational systems is reward systems. It entails the kind of rewards that organizations give to their managers. When managers are adequately and equitably rewarded or motivated, they will be disposed to and be committed to undertake market-oriented activities (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990).

Furthermore, environmental factors are important moderators of MO-performance relationship. Certain environmental conditions affect the strength of MO-performance relationship. Examples of environmental contingencies that can affect market orientation are: market turbulence (the rate of change in customers' needs and wants including change in the composition of customers), technological turbulence (the degree of changes in technology), competitive intensity (the degree of competition among organizations), and the state of the economy (weak or strong). All these environmental conditions affect market orientation in one way or other, depending on whether they are favourable or unfavourable. For example, business organizations benefit more for engaging in market-oriented activities when customers' needs and preferences change frequently, and when the competitive environment is hostile (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990).

Apart from organizational and environmental factors that can act as antecedents to market orientation, some marketing scholars have also postulated that market orientation alone may not be able to affect performance without other organizational orientations like entrepreneurial orientation (Kwak *et al.*, 2013), innovation orientation (Agarwal *et al.*, 2003), and learning orientation (Farrell *et al.*, 2008). To corroborate their claims, Grinstein (2008) in his meta-analysis study on the relationship between market orientation and other organizational orientations and their impact on organizational performance concluded that market orientation when combined with other organizational orientations such as entrepreneurial orientation, innovation orientation, learning orientation, and employee orientation will lead to greater superior organizational performance than market orientation alone. This implies that other organizational orientations can moderate MO-performance relationship.

2.4.6 Market Orientation and Organizational Performance

Existing literature acknowledges market orientation as a predicator of or as an antecedent to organizational performance (Cano *et al.*, 2004; Ellis, 2006). Marketing scholars have posited that organizations that engage more in market-oriented activities perform better and gain a sustainable competitive edge in the marketplace than organizations that engage less in market oriented activities (Farrell *et al.*, 2008). The assumption here is that an increase in market-oriented activities will lead to improved organizational performance (Ellis, 2006). Available literature on market orientation-performance relationship reveals that market orientation is positively related to certain performance measures like profitability (return on assets and return on investment); customer loyalty and retention; sales revenue and sales growth; employees' satisfaction, commitment and trust; new product success; project and innovation performance; interdepartmental teamwork (*esprit de corps*); and overall organizational performance (Ellis, 2006; Farrel & Oczkowski, 1997; Rodriguez Cano *et al.*, 2004; Shoham *et al.*, 2005).

The relationship between market orientation and organizational performance has been empirically investigated (Cano *et al.*, 2004). On the one hand, some studies have confirmed a positive relationship between market orientation and organizational performance (Barnabas & Mekoth, 2010; Charles *et al.*, 2012; Eris *et al.*, 2012; Idar & Mahmood, 2011; Jyoti & Sharma, 2013; Kara *et al.*, 2005; Kumar *et al.*, 1998; Kwon, 2010; Najaf *et al.*, 2013; Narver & Slater, 1990; Ngai & Ellis, 1998; Oudan, 2012; Slater & Narver, 1994, 2000). On the contrary, other studies have found a negative relationship between market orientation and organizational performance (Greenley, 1995; Harris, 2001; Jaworski & Kohli, 1993; Ngai & Ellis, 1998).

Also, some researchers argued that the relationship between market orientation and organizational performance is not direct but contingent on or being moderated by several organizational and environmental factors such as top management, interdepartmental dynamics, organizational systems, competitive intensity, service quality, availability of resources, innovation orientation, technological turbulence, industry type, profit orientation, economic ideology, and corporate social responsibility (Cano *et al.*, 2004; Gaur *et al.*, 2011; Jyoti & Sharma, 2013; Kohli and Jaworski 1990; Mahmoud, 2011; Qu, 2009; Ramayah *et al.*, 2011; Tse *et al.*, 2005; Vega-Vázquez, Cossío-Silva, & Martín-Ruíz, 2012). Additionally, some other researchers have posited that market orientation-performance relationship is dependent on other organizational orientations such as entrepreneurial orientation (Kwak, Jaju, Puzakova, & Rocereto, 2013), learning orientation (Farrell *et al.*, 2008), and innovation orientation (Agarwal, Erramilli, & Dev, 2003). In view of the above, it can be deduced that MO-performance relationship could be better understood by considering other related and important variables.

Furthermore, some researchers have established empirically that continuous investment in market-oriented activities does not guarantee continuous improvement in organizational performance (Dokic, Fitzgerald, & Sullivan, 2011). They found that increased expenditure on market-oriented activities reduces profitability because it is expensive for an organization to remain market-oriented (Dokic *et al.*, 2011).

Meta-analysis research findings also reveal that the relationship between market orientation and organizational performance depends on the measuring instrument used, whether MKTOR or MARKOR, and the organizational performance measures considered, whether objective or subjective performance measures (Cano *et al.*, 2004; Ellis, 2006; Shoham *et al.*, 2005). For example, while the two instruments are good in assessing market orientation of an organization, MKTOR outperforms MARKOR when one is considering subjective organizational performance measures, and MARKOR does well more than MKTOR when one is considering objective performance measures (Rojas-Méndez & Rod, 2013). Also, it is found that the relationship between market orientation and organizational performance is positively stronger when one is considering subjective performance measures than when one is considering objective performance measures (Ellis, 2006; Shoham *et al.*, 2005).

From the above discussion, it can be deduced that the relationship between market orientation and organizational performance is not clear and needs further examination. Therefore, the following testable hypothesis is developed:

Hypothesis Two: There is a positive relationship between market orientation and organizational performance

2.4.7 Empirical Studies on Market Orientation and Organizational Performance

The relationship between market orientation and organizational performance has been studied considerably. Table 2.3 summarizes previous empirical studies on market orientation-performance relationship. Column (1) shows names of the authors and years of publication; column (2) shows market orientation instrument used in the studies, whether MKTOR or MARKOR; column (3) indicates dimensions of organizational performance measures considered in the studies; column (4) shows moderating or mediating variables (if any) considered in the studies; column (5) shows the countries/industries from where samples for the studies were taken; and column (6) shows major findings of the studies.

Table 2.3
Summaries of Prior Empirical Studies on Market Orientation and Organizational Performance

Author(s)/Year (1)	**MO/ Instrument** (2)	**Organizational Performance** (3)	**Moderator/ Mediator** (4)	**Country/ Industry** (5)	**Major Findings** (6)
Ghanavati (2014)	MKTOR	Sales growth, profit, market share, & ROI	Corporate culture	Iran/ industrial SMEs	Found no direct relationship between MO and financial performance, but found MO-customer performance relationship.
Pantouvakis (2014)	MARKOR	Judgmental performance measures	Service quality	Piraeus & Greece/ Shipping companies	MO, SQ, and performance were found to be related.
Pinho, Rodrigues, & Dibb (2014)	MARKOR	Volume of gross income, size of profit, income growth, & financial equilibrium	Corporate culture & organizational commitment	Portugal/ Health sector	MO had a significant relationship with both organizational commitment & performance.
Racela & Thoumrungroje (2014)	MARKOR	Sales, market share, profits, & rate of new market entry	Inter-firm communication & cooperation	Thailand/ Exporting firms	Export MO was positively related to communication frequency & quality.
Sanuri, Mokhtar, & Ahmad (2014)	MARKOR/ MKTOR	Subjective measures		Malaysia/ SMEs	Customer orientation & market intelligence were significantly related to performance. Responsiveness & market intelligence were not significantly related to performance.
Lan, Bi, & Symrnios (2014)	MKTOR	Sales volume & market development	Supply chain capabilities	Australia/ Family SMEs	Supply chain mediated MO-sales performance relationship.
Wilson, Perepelkin, Zhang, & Vachon (2014)	MKTOR	Subjective measures	Alliance orientation	Canada/ Biotechnology companies	Found a significant relationship between MO & performance. AO mediated MO-performance relationship.

Table 2.3 (Continued)

Author(s)/Year (1)	**MO/ Instrument** (2)	**Organizational Performance** (3)	**Moderator/ Mediator** (4)	**Country/ Industry** (5	**Major Findings** (6)
Najaf *et al* (2013)	Desphande *et al* (1993)	Profitability, market share, growth, business size & overall performance		UAE/ Financial sector	Confirmed a positive and significant MO-performance relationship.
Rojas-Mendex & Rod (2013)	MKTOR & MARKOR	Subjective & objective performance measures		Chile/ Beverage industry	MARKOR & MKTOR had similar predictive power when considering subjective performance measures but MARKOR predicts better when considering objective performance measures than MKTOR.
Jyoti & Sharma (2013)	MARKOR	Sales growth & profits in percentage	Employee satisfaction & customer satisfaction	Automobile industry	There was a significant relationship between market orientation and business performance. Also, market orientation affected business performance through customer and employee satisfaction.
Charpavang (2012)	MKTOR	Customer loyalty, sales growth, profit growth, and market share	Corporate social responsibility	Thailand/ Manufacturing industry	Market orientation was positively and significantly related to corporate social responsibility, and CSR had a positive and significant relationship with marketing performance.

Table 2.3 (Continued)

Author(s)/Year (1)	**MO/ Instrument** (2)	**Organizational Performance** (3)	**Moderator/ Mediator** (4)	**Country/ Industry** (5)	**Major Findings** (6)
Eris *et al* (2012)	MKTOR	Subjective performance measure	Innovativeness & learning orientation	Turkey/ Logistics sector	Market orientation had a significant relationship with organizational performance. Also, innovativeness & learning orientation mediated MO-performance relationship.
Vega-Vazquez *et al* (2012)	MARKOR	Market & project performance	Degree of product newness	Spain/ Different industries	Affirmed a positive relationship between MO and new product success. Product newness moderated the relationship between MO and new product performance.
Dokic *et al* (2011)	MKTOR	Total assets, total capital & profit after tax		USA/ Banking industry	Continuous engagement in market-oriented activities did not guarantee continuous improvement in organizational performance.
Gaur *et al* (2011)	MKTOR	Manufacturing performance	Firm resources & environmental factors	India/ Different industries	Customer orientation and interdepartmental coordination had positive and significant relationships with manufacturing performance while competitor orientation did not have. Also, competitive intensity and firm resources moderated the relationship between some dimensions of MO and performance.
Mahmoud (2011)	Both MKTOR & MARKOR	Sales turnover	Competitive intensity, market & technological turbulence	Ghana/ Different industries	Market orientation had a positive and significant impact on organizational performance, most especially when the environment is highly competitive.

Table 2.3 (Continued)

Author(s)/Year (1)	**MO/ Instrument** (2)	**Organizational Performance** (3)	**Moderator/ Mediator** (4)	**Country/ Industry** (5)	**Major Findings** (6)
Idar & Mahmood (2011)	MKTOR	Profitability & market share	Entrepreneurial orientation	Malaysia/ Different industries	Both EO and MO had positive relationships with organizational performance, and MO partially mediated the relationship between EO and organizational performance.
Ramaya *et al* (2011)	MKTOR	No of complaints, ROI, sales growth, productivity, customer & employee satisfaction	Service quality	Malaysia/ Different industries	Market orientation had a significant effect on performance & service quality. Service quality had a significant effect on performance. Also, MO-performance relationship was partially mediated by service quality.
Barnabas & Mekoth (2010)	MARKOR	Sales growth, market share & overall performance	Autonomy	India/ Banking industry	Market orientation had a positive relationship with organizational performance. Also, higher personnel autonomy had impact on market orientation. MO also mediated autonomy-performance relationship.
Chao & Spillan (2010)	MARKOR	Customer retention, business reputation, product quality, effective in NPD		USA/Taiwan/ Different industries	Intelligence generation and dissemination had a negative relationship with performance, but responsiveness had a positive and significant relationship with performance.
Kwon (2010)	MKTOR	Sales volume, sales growth, profitability, market share, etc	Technology advantages & network relationships	China/India/ Different industries	There was a positive relationship between market orientation and foreign subsidiary performance.

Table 2.3 (Continued)

Author(s)/Year (1)	MO/ Instrument (2)	Organizational Performance (3)	Moderator/ Mediator (4)	Country/ Industry (5)	Major Findings (6)
Zhang & Duan (2010)	MKTOR	New product performance/success	Environmental variables & innovation orientation	China/ Different industries	Market orientation and innovation were positively and significantly related to new product success. Also, innovation orientation and technological turbulence moderated the relationship between MO and new product performance.
Taghian (2010)	MARKOR	Market share & financial performance	Marketing planning	Australia/ Different industries	There was a close relationship between marketing planning and market orientation. Both marketing planning and market orientation had almost the same relationship with organizational performance.
Qu (2009)	MARKOR	Sales growth, ROE & Overall performance	Corporate social responsibility	China/ Hospitality industry	Although both MO and corporate social responsibility had effects on performance but the effect of MO alone on performance diminished. CRS mediated MO-performance relationship.
Silva *et al* (2009)	MARKOR	Innovation performance, loyalty performance & economic performance	Neural network	Portugal/ Different industries	Confirmed a relationship between MO and organizational performance, but the impact of MO was poor based on market intelligence generation.

Table 2.3 (Continued)

Author(s)/Year (1)	MO/ Instrument (2)	Organizational Performance (3)	Moderator/ Mediator (4)	Country/ Industry (5)	Major Findings (6)
Farrel *et al* (2008)	MKTOR	Customer retention, new product success, sales growth, ROI & overall performance	Learning orientation	Malaysia/ Different industries	Market orientation had a positive and significant impact on organizational performance than learning orientation.
Tse *et al* (2005)	MKTOR	Sales growth, customer retention, ROI & market share	Relationship marketing orientation (RMO), industry type & economic ideology	China/ Different industries	MO & RMO had positive and significant relationships with business performance, but the impact of MO was greater than RMO. Also, industry type and economic ideology moderated the relationship between market orientation, RMO, and business performance.
Hooley *et al* (2003)	MKTOR	ROI	Market environment & market strategy making	Hungary, Poland & Slovenia/ Different industries	Confirmed that MKTOR was valid and reliable in measuring MO in service organizations in transition economies. Also, MO benefited organizations in turbulent transition economies; and MO with other business orientations had rich impact on business performance.
Varela & Rio (2003)	MARKOR		Top mgt's MO culture, decision making centralization, market & technological turbulence	Spain/Different industries	Market orientation was related to business performance; and Top mgt's MO culture, decision making centralization, market & technological turbulence moderated the impact of MO on business performance.

Table 2.3 (Continued)

Author(s)/Year (1)	MO/ Instrument (2)	Organizational Performance (3)	Moderator/ Mediator (4)	Country/ Industry (5)	Major Findings (6)
Sin *et al* (2003)	MKTOR	Sales growth, customer retention, ROI & market share		Hong Kong& China/ Different industries	Confirmed a positive and significant relationship between market orientation and organizational performance. Country or economic context did not affect organizational levels of market orientation.
Agarwal *et al* (2003)	MKTOR	Gross operating profit, occupancy rate & market share	Innovation and judgmental performance	USA/ Hospitality industry	Market orientation was positively related to both objective and subjective organizational performance measures. Also, market orientation spurred innovation, which, in turn, enhanced both objective and subjective performance measures.
Maydeu-Olivares & Lado (2003)	MOS-R	Market share, premium growth & profitability	Innovation degree, innovation performance & customer loyalty	EU/ Insurance industry	Innovation degree, innovation performance, & customer loyalty mediated the relationship between market orientation and organizational performance.
Pulendran *et al* (2003)	MARKOR	Five subjective measures	External environment & marketing planning	Australia/ Different industries	A high marketing planning had the potential of affecting performance positively but not directly. It did that through market orientation.
Matear *et al* (2002)	MKTOR	Financial & market performance	Innovation	New Zealand/ Different industries	Market orientation had a direct impact on organizational performance. Also, innovation mediated the relationship between market orientation and organizational performance.

Table 2.3 (Continued)

Author(s)/Year (1)	MO/ Instrument (2)	Organizational Performance (3)	Moderator/ Mediator (4)	Country/ Industry (5)	Major Findings (6)
Ramaseshan *et al* (2002)	Reukert's scale	Market & project performance		Singapore/ Different industries	Market orientation was positively and significantly related to overall performance of new products. MO also had a positive and significant relationship with both market and project performance.
Harris (2001)	MKTOR	Sales growth & profitability measured both objectively and subjectively	Market turbulence, technological turbulence & competitive intensity	UK/ different industries	Found no direct relationship between MO and both objective & subjective performance measures, but market turbulence moderated the relationship between MO and profitability. Competitive intensity moderated MO-sales growth relationship.
Taghian & Shaw (2001)	MARKOR	Gained market share & overall financial performance	Implementation excellence, cost leadership, market strength, market volatility & anticipated competitive reaction	Australia/ Different industries	All the variables mentioned in column 4 contributed positively to market orientation effectiveness except competitive reaction. Also, market orientation and market orientation effectiveness had impact on marketing performance measures than financial measures.
Slater & Narver (2000)	MKTOR	ROI	Relative size, cost position, competitor concentration, market growth & buying power and entrepreneurial orientation	SBUs from different western cities	Affirmed a positive and significant relationship between market orientation and business profitability. Found no positive relationship between EO & profitability.

Table 2.3 (Continued)

Author(s)/Year (1)	MO/ Instrument (2)	Organizational Performance (3)	Moderator/ Mediator (4)	Country/ Industry (5)	Major Findings (6)
Chang & Chen (1998)	MKTORN	Profitability	Service quality	Taiwan/ Brokerage industry	Market orientation was positively related to both service quality and business performance. Also, service quality mediated MO-performance relationship.
Kumar *et al* (1998)	MKTOR	ROA/ROI, new product success & sales growth	Competitive hostility, market turbulence & supplier power	USA/ Hospitals	Confirmed a positive and significant relationship between market orientation and performance. Also, competitive hostility, market turbulence, & supplier power moderated MO-performance relationship.
Ngai & Ellis (1998)	MKTOR	ROA, ROE, net income & market share		Hong Kong/ Textile	Affirmed a positive relationship between MO and organizational performance.
Greenly (1995)	MKTOR	ROI, new product success rate & sales growth	Market turbulence, technological turbulence & customer power	UK/ Different industries	Market orientation did not have a direct relationship with new product success rate, ROI, & sales growth. Market turbulence, technological turbulence, & customer power moderated MO-performance relationships at different levels.
Slater & Narver (1994)	MKTOR	ROA, sales growth & new product success	Competitive environment	SBUs/ Manufacturing industry	Affirmed a positive and significant relationship between market orientation and ROA, sales growth, and new product success.

Table 2.3 (Continued)

Author(s)/Year (1)	**MO/ Instrument** (2)	**Organizational Performance** (3)	**Moderator/ Mediator** (4)	**Country/ Industry** (5)	**Major Findings** (6)
Narver & Slater (1990)	MKTOR	Profitability	Business specific factors & market level factors	SBUs/ Different industries	Confirmed a positive relationship between MO and business performance for both commodity and non-commodity businesses.
Jaworski & Kholi (1993)	MARKOR	Both subjective & objective performance measures	Top mgt, formalization & centralization, departmentalization, market & technological turbulence, market intensity, organizational commitment & esprit de corps	SBUs from different companies	Market orientation was related to the overall subjective organizational performance, but not related to objective performance measure of market share. Also, the moderating effect of market turbulence, technological turbulences, and competitive intensity on MO-performance relationship was not significant.

2.5 Strategy and Strategic Orientation

For better understanding of the term *strategic orientation* and its relationship with organizational performance, this section discusses strategy, how it is developed, types of strategy, and antecedents to strategic orientation.

2.5.1 What is Strategy?

Today's business environment is highly competitive and dynamic in nature. Globalisation, trade liberalisation, and advancements in the technological world have all widened the scope of competition. Business organizations no longer compete within their localities but compete with competitors beyond their national boundaries. Technology has made the whole world to become a global market. Thus, in order to cope with the ever-changing and highly competitive business environments and gain a sustainable competitive advantage over competitors in today's global market, business organizations must continuously develop strategies that are both organizationally and environmentally fit (Griffith, Jacobs, & Richey, 2006). This is because strategy is an important tool for surviving in a highly competitive business environment (Chung, *et al.*, 2008).

The term *strategy* is a Greek word called "*strategos*" which means "general or commander of an army" (Ronda-pupo & Angel, 2012). Originally, it is a military parlance which encompasses specific and conscious action-plans and techniques employed in engaging opponents in a battle field. The concept of strategy found its way into the business world during the 2nd industrial revolution, which saw growth in the number of business organizations. The springing up of these business organizations widened the competition landscape. Consequently, business organizations started competing for customers and available resources such as raw materials, financial resources, and human resources. They began to search for ways to survive, gain a competitive advantage, increase market share, and make more profits. This brings about the development of business strategies. As a result, business organizations developed different strategies with a view to gaining a competitive advantage and outperforming competitors in the marketplace.

Given the 2nd industrial revolution and the growth in the number of business organizations, the need for managers to think strategically became imperative. Hence, the establishment of business schools such as Harvard Business School, and the development of courses such as strategic management and business policy became very important. The business schools were established majorly for the purpose of teaching and equipping business managers with strategy formulation, implementation, and evaluation skills. Prominent scholars that contributed to early development of strategy both in the academic and business world include John Commons, Chester Barnard, Edith Penrose, John Smith, Roland Christensen, and Igor Ansoff.

The concept of strategy defies a consensus definition (Racelis, 2006; Ronda-pupo & Angel, 2012). This might be because of its usage and application in diverse areas. Strategy is used and applied in games or sports, business management, and military. In addition, different scholars have defined strategy concept from different perspectives (Tuma, 2013). Strategy is defined as the pattern of relationship between an organization and its environment, and the necessary actions taken by the organization in improving its performance through efficient and effective deployment of resources (Ndubisi & Agarwal, 2014; Ronda-pupo & Angel, 2012). Strategy is also defined as the matching of organizational resources and capabilities (strengths) to the opportunities and threats presented by external environment (Chung *et al.*, 2008). Strategy deals with how an organization configures its activities in order to gain competitive advantage (Chung *et al.*, 2008). Strategy is what an organization uses to compete with other organizations within the industry, and how it aligns its internal processes with its external environment (Andrews, Boyne, Law, & Walker, 2009; Aragón-Sánchez & Sánchez-Marín, 2005; Chung *et al.*, 2008). This implies that strategies must be properly aligned with both organizational processes and external environmental conditions (Hambrick, 1983). In summary, strategy, whether in business, sports, or military is described as deliberate action-plans, decisions, and guidelines formulated in advance for the purpose of gaining a sustainable competitive advantage.

Organizational strategies help strengthen the competitive position of an organization (Wheelen & Hunger, 2012). A good strategy must integrate, in the light of realities, organizational goals, policies, and activities into a whole (Ghobadian, James, Liu, & Viney, 1998). Strategy helps an organization to accomplish its mission, vision, and objectives effectively and efficiently (Chung *et al.*, 2008). It must be able to connect the present to the future. A good strategy should take into consideration available organizational resources, prevailing environmental forces, and core objectives of the organization (Chung *et al.*, 2008).

Strategy formulation encompasses development of organizational mission and vision statements; establishment of long-term objectives; and generation, evaluation, and selection of strategies for actualizing stated organizational mission, vision, and long-term objectives (Slater, Olson, & Hult, 2006). Formulating a business strategy involves a series of tasks. It begins with analysis or evaluation of present situation of an organization, followed by establishment of long-term objectives, development of alternative strategies, and adoption of best strategy or strategies for achieving stated objectives (Slater *et al.*, 2006). Specifically, it requires analysis of strengths and weaknesses (internal factors) of an organization as well as opportunities and threats presented by external environment that may affect the organization's competitive posture (Wheelen & Hunger, 2012). This is what is described as SWOT analysis. SWOT is an acronym that stands for strengths, weaknesses, opportunities, and threats. It is conducted with a view to ascertaining strengths and weaknesses of an organizations as well as identifying opportunities and threats presented by external environment (Wheelen & Hunger, 2012).

Strengths are positive internal organizational factors that facilitate the accomplishment of organizational strategic objectives. Organizational strengths include: marketing expertise; new innovative product or service; customer loyalty; friendly, cooperative and supportive staff; and well-trained staff. Weaknesses are negative internal organizational factors that hinder the accomplishment of organizational strategic goals or objectives. Examples of organizational weaknesses are: poor quality goods and services, damaged reputation, lack of marketing expertise, poor competitiveness and higher prices, a declining market for the product, lack of new products or services, weak managerial skills, and poorly trained staff. Threats are negative external environmental factors that could prevent an organization from achieving its strategic goals. Examples are: a new entrant into the market, stiff competition, political instability, increased interest and foreign exchange rates, and economic recession. Opportunities are positive external environmental factors that could help an organization in actualizing its strategic goals. Example include: availability of new technology, new markets, an aging population, weaknesses of competitors, and increased demand for products. In evaluating organization's internal and external factors, there must be a continuous monitoring and scanning of the environment in order to keep abreast with what happens in the environment (Slater *et al.*, 2006).

For a strategy to be effective, it must be properly managed. Managing strategy goes beyond mere formulation of strategy. This is because a mere formulation of strategy does not lead to achievement of stated organizational objectives, and it does not give an organization the needed competitive advantage, if the strategy is not properly executed and evaluated (Buul, 2010). Thus, an effective strategy also involves strategy implementation and evaluation. Strategy implementation is usually described as an action stage. It encompasses breaking down of long-term objectives into medium- and short-term objectives; mobilization and deployment of organizational resources such as human, materials, and financial; developing supportive organizational culture; and establishing adaptive organizational structure necessary for actualizing stated organizational mission, vision, and objectives. Strategy evaluation, on the other hand, involves reviewing internal and external factors; monitoring and measuring the level of progress made in relation to the strategy formulated to actualize stated mission, vision, and objectives; and taking corrective actions (when necessary) with a view to correcting mistakes or deviations and ensuring that stated organizational goals or objectives are achieved.

2.5.2 Levels of Strategies

There are different levels of business strategies. They are: corporate-level strategy, business-level strategy, and functional-level strategy (Beard & Dess, 1981; Wheelen & Hunger, 2012).

1. Corporate-Level Strategy

Corporate-level strategy refers to the overall strategic posture of an organization relative to competitors. Corporate strategy defines what business the organization is in, and the selection of the market or industry in which the organization competes (Beard & Dess, 1981; Hambrick, 1983). It entails setting up the overall structure, systems, and processes; and the deployment of resources required to compete favourably in the marketplace (Beard & Dess, 1981). Corporate- level strategy addresses the following questions: What business or businesses are we in? What business or businesses should we be in? And what portion of the organizational resources should we devote to the business or businesses in order to accomplish stated organizational goals and objectives?

2. Business-Level Strategy

Business-level strategy relates to how an organization competes with rivals in a particular industry (Beard & Dess, 1981; Hambrick, 1983). It involves identifying organization's competitive advantage and selecting important success factors or competencies that could give the organization the needed competitive edge over others. The major point that business-level strategy addresses is: how to gain a sustainable competitive advantage. It supports corporate-level strategy by implementing organizational strategic decisions.

3. Functional-Level Strategy

There are different functional areas of business. They are: marketing, production, financial, and personnel. These functional areas or departments within the organization have their specific objectives, and strategies are developed to help achieve these objectives. The types of strategies developed at the departmental-level are called functional-level strategies. Functional-level strategies help in the actualization of business-level strategies and corporate-level strategies. For instance, we have marketing strategy, operations strategy, financial strategy, and purchasing strategy. Functional-level strategies consist of different operational methods or tactics that help the organization to compete with competitors.

2.5.3 What is Strategic Orientation?

Strategic orientation is the strategic posture or positioning of an organization relative to other competitors (Slater *et al.*, 2006). It is a competitive strategy that an organization adopts in adapting to the changes and developments in the marketplace. Strategic orientation is also defined as the pattern of organization's responses to its external environment in order to gain a competitive edge over rivals in the marketplace as well as achieving superior performance (Dimara, Skuras, Tsekouras, & Goutsos, 2004). Strategic orientation mirrors an organization's positions or directions that are created in order to gain a competitive advantage and achieve improved organizational performance (Liu & Fu, 2011; Weinzimmer *et al.*, 2012). In a nutshell, the type of strategy that an organization adopts defines its strategic orientation.

In the past, researchers in attempts to gauge organization's strategic orientation adopted different business orientations such as entrepreneurial orientation, market orientation, employee orientation, customer orientation, competitor orientation, product orientation, innovation orientation, technology orientation, and learning orientation (Gatignon & Xuereb, 1990; Griffith *et al.*, 2006; Herath & Mahmood, 2013; Liu & Fu, 2011; Mu & Di Benedetto, 2011; Rosa, Spanjol, & Qualls, 2011; Voss & Voss, 2000; Yang, Wang, Zhu, & Wu, 2012; Zhou & Tse, 2005). However, it is argued that depending on these orientations alone does not define the strategic posture of an organization, as they can only create temporary competitive advantage which may be difficult to sustain (EscribÃ¡-Esteve, SÃ¡nchez-Peinado, & SÃ¡nchez-Peinado, 2009). Hence, the need for business organizations to develop strategies becomes imperative. Moreover, understanding the differences among business organizations in terms of their vision of the future and the processes through which they develop and sustain their competitive advantages will be difficult (EscribÃ¡-Esteve *et al.*, 2009). Furthermore, for the purpose of classifying organizations on the bases of their strategies, the above orientations may not be appropriate.

2.5.4 Different Organizational Strategies/Strategic Dimensions

There are different ways an organization could respond to its external environment (Kumar, Boesso, Favotto, & Menini, 2012). In other words, organizations adopt different strategic behaviors in their bids to compete with their rivals in the marketplace (Chung *et al.*, 2008). This means there are different typologies of strategies that business organizations could adopt to gain a competitive advantage and achieve better performance. Furthermore, in order to achieve organizational mission, vision, and objectives, an organization requires different strategies or different strategic postures (Chung *et al.*, 2008). Although many researchers have identified different types of strategies but the works of Miles and Snow (1978) and Porter (1985) seem to be very popular (Slater *et al.*, 2006). Venkatraman (1989) equally identifies dimensions of strategic orientation as a single construct.

1. Miles and Snow's (1978) Strategy Typologies

Miles and Snow (1978) identified four typologies of business strategies, namely prospector, defender, analyzer, and reactor. *Prospector* organizations continuously search for new market opportunities through innovation and development of new products (Andrews *et al.*, 2009; Aragón-Sánchez & Sánchez-Marín, 2005; Christiansen & Higgs, 2008; Ghobadian *et al.*, 1998; Slater *et al.*, 2006). They create changes and uncertainties for their rivals to react to, and they operate a wide product-market domain. Prospectors tend to be market leaders, and they are aggressive in nature (Morgan & Strong, 1998). *Defender* organizations have limited product-market domains; they maintain and protect aggressively their chosen market segments (Ghobadian *et al.*, 1998). They safeguard their market share (Aragón-Sánchez & Sánchez-Marín, 2005). *Analyzer* organizations operate in a hybrid product-market domains, with one comparatively stable (Andrews *et al.*, 2009; Morgan & Strong, 1998; Pleshko & Nickerson, 2008; Rajagopalan, 1997). They possess the features of both prospector and defender. Analyzers defensively analyse their environment with a view to matching their capabilities with the environmental forces (Aragón-Sánchez & Sánchez-Marín, 2005). Such organizations imitatively follow changes in the industry. Analyzer organizations watch closely the developments in the industry as initiated by competitors, and they rapidly adopt those ideas that are most promising (Ghobadian *et al.*, 1998; Storey & Hughes, 2013). *Reactor* organizations hardly make adjustments in their internal processes and structures until they are forced by environmental forces (Storey & Hughes, 2013). Such organizations perceive changes and uncertainties in their environments but rarely respond. Reactor organizations do not have a specific strategy (Pleshko & Nickerson, 2008). They are unstable and inconsistent as a result of their inabilities to respond to environmental changes swiftly (Andrews *et al.*, 2009; Aragón-Sánchez & Sánchez-Marín, 2005).

2. Porter's (1985) Strategy Types

Porter's (1985) strategy typologies consist of cost leadership, differentiation, and focus. *Cost leadership strategy* entails producing products at low possible cost and offering the products at the prevailing industry or market prices (Sumer & Bayraktar, 2012). Organizations that adopt this strategy have cost advantage over competitors, increase market share by fixing lower prices for their products and still make profits. The risk in this strategy is that it can be imitated by competitors, most especially if they have knowledge of the sources of cost reduction of the cost leader organizations. *Differentiation strategy* involves offering a product that is different from the competitors' products (Sumer & Bayraktar, 2012). For this strategy to be effective, the product must have certain attractive and distinct features which differentiate it from other products in the marketplace. In this strategy, organizations search for and select product qualities that appeal to prospective customers, and then distinctively position themselves by offering products that satisfy those qualities that customers want. For this strategy to be successful, the organization must be above average performer in the industry, and the price of the product must be greater than the cost of being unique. It is also not easy to sustain because it can be imitated by rivals. While cost leadership and differentiation strategies seek broad competitive advantage within the entire industry, *focus strategy* only seeks narrow competitive advantage within selected industry segments (Sumer & Bayraktar, 2012). Focus strategy is divided into two: cost focus and differentiation focus strategies. Both strategies depend on the differences that exist in certain segments of the industry, either in the selected segment or in other segments within the industry. Cost focus seeks cost advantage in the selected market segment, and differentiation focus seeks differentiation in the targeted market segment. Specifically, cost focus strategy takes the advantage of the distinctions in cost behavior in certain segments of the industry while differentiation focus strategy takes the advantage of some peculiar needs of customers in some industry segments.

3. Venkatraman's (1989) Strategic Orientation Dimensions

Venkatraman's (1989) strategic orientation dimensions encompass aggressiveness, analysis, defensiveness, futurity, proactiveness, and riskiness. *Aggressiveness* trait relates to the posture that an organization adopts in its deployment of resources for the purpose of competing with rivals (Venkatraman, 1989). It defines the propensity of an organization to challenge and outperform competitors. It involves investing huge amount in product innovation in order to enhance market share relative to competitors. An organization that is aggressive strives to improve its market share as a means for achieving profitability. *Analysis* trait relates to problem-solving or decision-making characteristic of an organization (Venkatraman, 1989). Analysis involves critical examination of problems with a view to identifying the root causes of the problems, and also generating alternative solutions to resolve the identified problems. It refers to the extent to which internal consistency is achieved in the deployment of resources for accomplishment of objectives as well as utilization of management systems. For the purposes of clarifications, Venkatraman's (1989) *analysis* is conceptually different from the *analyzer* trait conceptualized by Miles and Snow (1978) (Morgan & Strong, 1998). Mile and Snow's *analyzer* behavior is conceptualized as a balance between *prospector* and *defender* behaviors, which implies that *analyzer* lies between prospector and defender behaviors (Morgan &

Strong, 1998). Venkatraman considers prospecting and defending behaviors independently. *Defensiveness* is the same as Miles and Snow's *defender* behavior. This involves seeking ways to reduce cost and at the same time achieve efficiency. An organization that adopts this strategy protects certain competencies it already possesses (Morgan & Strong, 1998). These competencies could be in the areas of products, technologies, or markets.

Futurity dimension implies that strategies are futuristic in nature in that they are action-plans devised to achieve desired future goals or objectives (Morgan & Strong, 1998). This trait is shown in the degree of futurity that is reflected in certain strategic decisions that an organization makes in terms of emphasis on effectiveness or efficiency considerations. This is evident from the emphasis an organization places on projecting future sales, customers' needs as well as keeping abreast of changes in its environment. *Proactiveness* trait relates to organization's proactive disposition in exploring and exploiting emerging or future opportunities in the marketplace (Basu & Gupta, 2013). An organization that is proactive is not only interested in current opportunities but also interested in future opportunities (Morgan & Strong, 1998). This behavior is reflected in organization's quest for new and profitable opportunities (Basu & Gupta, 2013). Proactive organizations strive to be the first or among the first organizations to explore and exploit new market opportunities (Basu & Gupta, 2013). *Riskiness* refers to the extent to which an organization takes risks in exploring and exploiting opportunities. It is reflected in the willingness and readiness of an organization to commit own or borrowed resources to future projects (Basu & Gupta, 2013).

2.5.5 Antecedents to Strategic Orientation

Contingency theory stipulates that there must be congruence among important organizational variables for them to have positive impact on organizational performance (Lumpkin & Dess, 1996). This means organizational strategies alone may not be able to impact positively on organizational performance without other organizational variables. Thus, for organizational strategies to be effective, other organizational variables must be supportive and favourable too. Also, there must be a fit between organizational strategies and external environmental forces for positive results to be achieved (Griffith *et al.*, 2006). A good strategy must be properly aligned with both internal organizational factors and external environmental forces (Griffith *et al.*, 2006). Therefore, the following antecedents to organizational strategies are identified and explained.

1. Organizational Structure

Organizational structure has a significant effect on the type of strategy that an organization adopts (Andrews *et al.*, 2009). It also plays a key role in strategy implementation. Organizational structure can either facilitate or hinder implementation of organizational strategies. For organizational strategies to be well implemented, the right structure must be put in place. Generally, a flexible and adaptive organizational structure is required for effective implementation of strategies. In other words, organizational strategy needs to be consistent with organizational structure for it to be effective. Organizational structure stipulates the nature of relationships that exist in an organization, and it defines how authority and communication flow in an organization. One major aspect of organizational structure that has relationship with organizational strategies is the degree of centralization or decentralization in an organization (Andrews *et al.*, 2009). Some form of structures may not be consistent with certain types of organizational strategies. For example, a defender strategy will be effective in a bureaucratic organizational structure where operations are centrally controlled by the top-level managers (Andrews *et al.*, 2009). By contrast, a prospector strategy will be effective in a decentralized and flexible organizational structure where individual employees are allowed freedom to experiment their initiatives, and where they can explore and exploit opportunities in their organization's external environment (Andrews *et al.*, 2009).

2. Organizational Culture

Organizational culture is crucial when organization is formulating strategies. It is an important element of an organization. Organizational culture defines how organization functions and relates with its external environment. A strong organizational culture allows effective integration of organizational tasks. Also, adaptive culture enhances adaptation of organizational strategies to the external environmental forces. There must be proper alignment between organizational culture and organizational strategies for an organization to be successful. Organizational culture influences the strategic orientation of an organization (Chuang, Morgan, & Robson, 2012; Storey & Hughes, 2013). Research findings show that entrepreneurial culture is positively related to Miles and Snow's (1978) prospector strategy (Storey & Hughes, 2013). A prospector strategy could only be effective if the organization has a strong and entrepreneurial culture (Storey & Hughes, 2013). In the same way, analyzer strategy could only be effective when the organization has a learning culture (Storey & Hughes, 2013). This is because analyzer strategy demands that an organization monitors and gathers relevant information about customers' needs and competitors' strategies. All this requires a learning culture for it to be successful.

3. Organizational Resources and Capabilities

Organizational resources and capabilities are necessary ingredients for effective formulation and implementation of organizational strategies (Basu & Gupta, 2013; Sinkovics, 2004). They are necessary for an organization to be able to explore and exploit market opportunities (Storey & Hughes, 2013). Resource-based view (RBV) theory states that possession of resources and capabilities or competencies that are rare, valued, and difficult to duplicate and substitute gives an organization a competitive advantage, which, in turn, leads to superior organizational performance (Barney, 1991). This implies that in-between organizational resources and capabilities and competitive advantage lies organizational strategies. This is because organizational strategies are formulated for the purpose of gaining a competitive advantage over competitors in the marketplace. Also, organizations formulate strategies so as to outperform competitors and achieve superior performance. Existing literature reveals that superior organizational performance is a product of organizational resources and strategies (Basu & Gupta, 2013). Organizational resources include financial, material, and human resources. Organizational capabilities refer to the collection of skills and knowledge that enable organizations to carry out their functions, and they also enable organizations to make effective and efficient use of their assets (Desarbo, Benedetto, & Song, 2005; Song, Benedetto, &

Nason, 2007). Organizational capabilities could be: possession of modern technology or engagement of employees that possess specialized or expertise skills and knowledge. They also include production capability such as having production efficiency, and marketing capability which is the ability of an organization to market its products competitively (Desarbo *et al.*, 2005; Song *et al.*, 2007). In a nutshell, organizational resources and capabilities are sources of competitive advantages, and they are required for effective formulation and implementation of organizational strategies such as being able to market organizational products.

4. External Environment

External environmental conditions have a lot of implications for operating business organizations (Luo & Park, 2001). Organizational strategies are formulated in order to respond to external environmental forces. In other words, external environment determines the type of strategy that an organization adopts. Researchers posit that a good strategy must be properly aligned with the organization's external environment (Aragón-Sánchez & Sánchez-Marín, 2005; Hambrick, 1983; Hung, 2007). The environmental conditions that necessitate formulation and implementation of organizational strategies are competitive intensity and environmental dynamism. Competition puts pressure on business organizations. Therefore, in order to cope with competition, appropriate strategies must be formulated and implemented (Griffith *et al.*, 2006). Furthermore, for any business organization to survive, gain a competitive advantage, and achieve superior performance; it must respond as quickly as possible to certain changes in its external environment with effective and efficient strategies. In addition, different environmental conditions require different organizational strategies (Desarbo *et al.*, 2005). For instance, a prospector strategy is deemed appropriate when: the industry is in its early stage of product life cycle, the market is not fully developed, there are few known rivals, and the structure of the industry is still evolving (Desarbo *et al.*, 2005). By contrast, a defender strategy is considered appropriate when the above conditions for a prospector strategy are reversed (Desarbo *et al.*, 2005). Analyzer strategy favours the middle ground. For example, an analyzer strategy is considered appropriate when: there are many competitors, the structure of the industry is still evolving, and a shake-out is unavoidable (Desarbo *et al.*, 2005).

2.5.6 Strategic Orientation and Organizational Performance

Organizational strategies have been adjudged as a source of competitive advantage, which, in turn, leads to superior organizational performance (Hung, 2007). The type of strategy that an organization adopts defines its strategic orientation. Research findings reveal that there is a relationship between organization's strategic orientation and performance (Hung, 2007; Storey & Hughes, 2013; Pleshko & Nickerson, 2008; Tuma, 2013). It is argued that organizations that exhibit more proactive strategic behaviors are likely to be profitable and productive than those that are less proactive in their strategic behaviors (Aragón-Sánchez & Sánchez-Marín, 2005). Researchers have examined empirically the relationship between strategic orientation and organizational performance. Findings from their studies concerning the relationships between certain types of strategies and organizational performance are mixed (Aragón-Sánchez & Sánchez-Marín, 2005).

For example, Miles and Snow (1978) proposed that organizations that adopt prospector, analyzer, and defender strategies are likely to perform better than those that adopt reactor strategy (Aragón-Sánchez & Sánchez-Marín, 2005). Some studies confirmed the proposition. Their findings confirmed that organizations that adopt prospector, analyzer, and defender strategies perform better than those that adopt reactor strategy (Aragón-Sánchez & Sánchez-Marín, 2005; Conant, Mokwa & Varadarajan, 1990; Smith, Guthrie & Chen, 1986; Wright *et al.*, 1991;). On the contrary, Snow & Hrebiniak (1980) found that organizations that adopt reactor strategy perform better than organizations that adopt prospector and defender strategies, especially in air transportation sector. Also, some studies established that prospector organizations perform better than either analyzer or defender organizations (Segev, 1987; Veliyath & Shortell, 1993) while other studies affirmed that defender organizations outperform prospector organizations (Hambrick, 1983). However, some other studies established that analyzer organizations perform better than prospector, defender, and reactor organizations (Pleshko & Nickerson, 2008).

Furthermore, it is argued that the relationship between strategic orientation and organizational performance depends on other organizational variables and external environmental factors. Research findings show that strategic orientation-performance relationship depends on organizational culture (Storey & Hughes, 2013), organizational resources and capabilities (Basu & Gupta, 2013; Desarbo *et al.*, 2005; Sinkovics & Roath, 2004; Slater *et al.*, 2006; Storey & Hughes, 2013), organizational size (Smith *et al.*, 1986), industry type (Snow & Hrebiniak, 1980), and organizational structure (Andrews *et al.*, 2009). Extant literature also reveals that strategic orientation moderates the relationship: 1) between top management teams and organizational performance (EscribÃ¡-Esteve *et al.*, 2009); 2) between entrepreneurial orientation, learning orientation, and organizational performance (Wang, 2008), and 3) between external environmental conditions and organizational performance (Desarbo *et al.*, 2005; Efrat & Shoham, 2013; Luo & Park, 2001).

From the above discussion, it can be inferred that the relationship between strategic orientation and organizational performance is unclear and needs to be further investigated. Thus, the following testable hypothesis is developed:

Hypothesis Three: There is a positive relationship between strategic orientation and organizational performance

2.5.7 Empirical Studies on Strategic Orientation and Organizational Performance

Researchers have investigated empirically the effect of organizational strategies on organizational performance. Table 2.4 summarizes past empirical studies on strategic orientation-performance relationship. Column (1) indicates names of the authors and years of publication; column (2) shows strategy typologies considered in the studies; column (3) indicates dimensions of organizational performance measures considered in the studies; column (4) indicates moderating or mediating variables (if any) considered in the studies; column (5) indicates the countries/sectors from where samples for the studies were taken; and column (6) shows major findings of the studies.

Table 2.4

Summaries of Past Empirical Studies on Strategic Orientation and Organizational Performance

Author(s)/Year (1)	Strategy Typologies Considered (2)	Organizational Performance Measures (3)	Moderator/ Mediator/Others (4)	Country/ Sector (5)	Major Findings (6)
Efrat & Shoham (2013)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Entry modes: low-high commitment	Environment	Israel/ Different sectors	Strategic orientation moderated the interaction between country/market factors and born Globals' choice of entry modes.
Storey & Hughes (2013)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Number of new services, success rate & financial contribution of NSD	Culture & capability	UK/ Different sectors	An organization's strategic orientation directly affected the financial contribution of new service development.
Tuma (2013)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Return on total assets		Kenya/ Banking sector	Organizations that adopted prospector strategy performed better than those that adopted other strategies; and privately owned banks preferred defender strategy to other strategy typologies.
Chuang *et al* (2102	Aggressiveness, defensiveness & analysis	Performance relative to competitors	Clan culture, marketing venture type & product development strategy	China/ Marketing ventures	Analysis and defensiveness were positively related to new product performance.

Table 2.4 (Continued)

Author(s)/Year (1)	Strategy Typologies Considered (2)	Organizational Performance Measures (3)	Moderator/ Mediator/Others (4)	Country/ Sector (5)	Major Findings (6)
Kumar *et al* (2012	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Sales volume, sales revenue, price & type of product innovation	Innovation patterns	Italy/ Different sectors	Large-scale business organizations operated with prospector's orientation while small-scale business organizations operated with either defender's or reactor's orientation. Strategic orientation influenced how organization responds to its environment.
Escriba-Esteve *et al* (2009)	Aggressiveness, futurity, analysis, proactiveness & riskiness	ROA	Top management team	Spain/ Different sectors	Strategic orientation mediated the relationship between top management characteristics and SMEs performance.
Chung *et al* (2008)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Quality, sales volume, profit & market share	HRM systems	Korea/ Different sectors	Strategy typologies moderated the relationship between HRM systems and organizational performance.
Christiansen & Higgs (2008)	Multi-scale instrument of Conant *et al* (1990)	EXCEL scale	HR strategy		Organizational performance was best explained when there was a proper alignment between business strategy and HR strategy.

Table 2.4 (Continued)

Author(s)/Year (1)	Strategy Typologies Considered (2)	Organizational Performance Measures (3)	Moderator/ Mediator/Others (4)	Country/ Sector (5)	Major Findings (6)
Pleshko & Nickerson (2008)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Profitability Vs potential growth of profitability, market share Vs potential growth of market share, adapting to changing environment, competitive activities and customer needs	Organizational structure	United States/ Different sectors	Strategic orientation had a positive relationship with performance; analyzers performed better than others; and analyzers and defenders adapted quickly to the environment than reactors.
Yeung *et al* (2006)	Pure differentiation & cost differentiation	Overall financial performance, average growth in annual sales & market share, percentage growth in ROA & ROS	Operational priorities	Hong Kong/ Different sectors	Organization with pure differentiation performed better financially, had higher growth rate, market share, and better ROI compared to an organization with cost differentiation.
Aragon-Sanchez & Sanchez-Marin (2005)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	ROI & average value of knowledge and experience in business, ability to provide quality products, capacity to develop new products, ability to manage and work in group, workforce productivity & firm's responsibility to environment	Management characteristics	Spain/ Different sectors	Confirmed significant differences between prospector and defender SMEs, and that each dimension of strategic orientation had a different relationship with performance.

Table 2.4 (Continued)

Author(s)/Year (1)	Strategy Typologies Considered (2)	Organizational Performance Measures (3)	Moderator/ Mediator/Others (4)	Country/ Sector (5)	Major Findings (6)
Dimara *et al* (2002)	Porter's typologies: Cost leadership strategy, market differentiation strategy & focus strategy	GROCE, GROI, GPROF, GLIAB, GSALES & GEQUITY		Greece/ Different sectors	Strategy types influenced the registration and implementation of quality scheme and its relationship with organizational financial performance.
Luo & Park (2001)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	ROS, competitive position & market share	External environment	China/ Different sectors	Prospector and defender orientations were negatively related to financial performance because of the nature of China market, which is highly dynamic and complex.
Rajagopalan (1997)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Return on capital employed, return on total assets & return on stock holders' equity	Incentive plans	United States/ Utility firms	Adopting annual cash bonus plans led to better performance, especially among organizations with defender strategies when performance was evaluated using financial measures. Also, adopting stock-based incentive plans led to better performance among organizations with prospector strategies when performance was evaluated using market measures.
Veliyath & Shortell (1993)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Profitability	Strategic planning system characteristics	United States/ Hospitals	Significant differences between prospector and defender organizations in strategic planning system characteristics. Findings also revealed negative performance implications among prospectors for deviating from the defined ideal strategic planning system characteristics.

Table 2.4 (Continued)

Author(s)/Year (1)	Strategy Typologies Considered (2)	Organizational Performance Measures (3)	Moderator/ Mediator/Others (4)	Country/ Sector (5)	Major Findings (6)
Conant *et al* (1990)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Profitability relative to competitors & ROI	Distinctive marketing competencies	USA/ Single industry	While a prospector performed better than analyzer and defender in terms of marketing competencies, the three strategies outperformed reactor.
Segev (1987)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Market share & profit	Strategy-making	USA	Reactors were negatively related to performance. Prospectors were positively and significantly related to performance while defenders were marginally related to performance. Also, prospectors were entrepreneurial in nature while defenders were adaptive in nature.
Smith *et al* (1986)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Profits, sales growth, return on total assets & overall organizational performance	Organizational size	USA	Prospector, defender and analyzer were superior to reactor on performance. Also, the relationship between strategy and organizational performance depended on organizational size.
Hambrick (1983)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Return of investment (ROI), market share & cash flow on investment (CFOI)	Environment (product life cycle stage & industry new product innovation)	PIMS	Defenders performed better than prospectors on ROIs and CFOIs, but prospectors performed better than defenders on market share.

Table 2.4 (Continued)

Author(s)/Year (1)	Strategy Typologies Considered (2)	Organizational Performance Measures (3)	Moderator/ Mediator/Others (4)	Country/ Sector (5)	Major Findings (6)
Snow & Hrebiniak (1980)	Miles & Snow's typologies: prospector, defender, analyzer & reactor	Ratio of total income to total assets	Distinctive competencies	Different sectors	Prospector, defender, and analyzer strategies outperformed reactor strategy in a highly competitive sector, but not in a highly regulated industry. Also, reactor strategy performed better than prospector, defender, and analyzer strategies in air transportation industry

2.6 Organizational Culture

This section discusses organizational culture, its types, and its relationship with corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Thereafter, summaries of past studies on organizational culture and organizational performance are presented in a tabular form.

2.6.1 What is Organizational Culture?

Culture is one of the distinguishing features of a group of people is culture (Sokro, 2012). A group or an organization is formed when two or more people come together to achieve common goals. When people come together to achieve common goals, there must be certain things that bind them together. These could be common values, practices, assumptions, beliefs, norms, philosophies, ideologies, or principles. Generally, culture describes the way of life of a group of people (Sokro, 2012). Culture is the assumptions, values, norms, and beliefs shared by a group of people, which guide their behaviors and conducts over a period of time; and it could be transferred from one generation to another generation (Hartnell, Ou, & Kinicki, 2011; Sokro, 2012; Willcoxson & Millett, 2000). Culture differentiates one organization from another organization, one society from another society, and one nation from another nation (Sokro, 2012). For example, Japanese are known for the culture of collectivism while the Americans are known for the culture of individualism (Rose, 2008). This is what is referred to as national culture. Existing literature on culture reveals that national culture robs off on organizations (Rose, 2008; Van den Berg & Wilderom, 2004). Most organizational cultures are similar to the national cultures of their countries of origin (Rose, 2008). Culturally, Japanese companies like Sony, Nissan, and Hittachi are different from American companies like Exxon Mobil and IBM (Rose, 2008).

It has received much attention from researchers and scholars in the recent past (Denison & Mishra, 1995; Kuofie, Khan, Usoro, & Majewski, 2010). This might be because of certain assumptions that are widely held about its influence on organizational performance and effectiveness (Rose, 2008). Scholars have postulated that organizational culture could be responsible for the successes or failures that some organizations have recorded (Ahmad, 2012; Rashid & Sambasivan, 2003). Organizational culture is also believed to be responsible for why some organizations perform better than others in the marketplace (Ojo, 2005; Rose, 2008). Besides, different scholars view organizational culture from different perspectives. Some scholars see organizational culture as something that is completely abstract while others see organizational culture as something concrete (Geldenhuys, 2006). Organizational culture is viewed as an internal organizational variable, which has influence on organizational performance; it can be observed, managed, and measured (Geldenhuys, 2006).

Despite the attraction it has received from different scholars, there is still no universally acceptable definition of organizational culture today (Davidson, 2003; Geldenhuys, 2006; Konteh, Mannion, & Davies, 2011). There are disagreements among scholars on what constitutes organizational culture, how it can be measured, and how it relates to other organizational theories (Davidson, 2003). As a result, different scholars have defined organizational culture in different ways.

Organizational culture is defined as the perception of organizational members about how work should be performed in the organization (Van den Berg & Wilderom, 2004). Schein defines culture as artefacts, norms, values, and basic assumptions that are shared by organizational members, which define how an organization functions (Geldenhuys, 2006). *Artefacts* refer to the aspect of organizational culture that can be visualized. It is the most tangible aspect of culture. The mode of dressing of employees of an organization is an example of artefact as an organizational culture. *Norms* refer to behaviors that are considered appropriate for a particular situation. That is, an ideal employee behavior as stipulated by the organization. *Values* are guiding principles that determine whether a particular action or behavior is right or wrong. *Assumptions*, on the other hand, are certain beliefs about how things should be done in the organization (Geldenhuys, 2006). This means organizational activities, strategies, behaviors, and decisions are a reflection of organizational culture as defined by the leadership of the organization (Ahmad, 2012; Sokro, 2012).

Culture plays a significant role in an organization. Researchers have opined that organizational culture has impact on employee motivation and organizational performance (Rose, 2008; Sokro, 2012). Entrepreneurial, innovative, and adaptive culture serve as a source of competitive advantage to an organization, which, in turn, enhances organizational performance and effectiveness (Nazir & Lone, 2008; Rose, 2008). Organizational culture facilitates internal coordination among various units and individuals within an organization (Davidson, 2003). It increases the degree of cohesiveness among organizational units and members. Organizational culture also helps in reducing organizational conflicts (Davidson, 2003). This is because organizational culture binds organizational units or members together, thereby helping to reduce destructive conflicts in an organization, since all units and individuals share common assumptions, norms, and values about their organization (Van den Berg & Wilderom, 2004). Furthermore, organizational culture is transferable and can be learnt. It, therefore, affords new members of an organization the opportunity to get acquainted with the norms and values of the organization. This helps to reduce the initial anxieties that new members of the organization usually experience whenever they are newly engaged (Rashid & Sambasivan, 2003). Organizational culture guides and shapes the behaviors and conducts of organizational members, and it determines how an organization integrates its internal processes in order to respond to the challenges posed by the external environment (Davidson *et al.*, 2007; Ojo, 2005; Rashid & Sambasivan, 2003; Sokro, 2012; Willcoxson & Millett, 2000).

Although organizational culture involves basic assumptions, norms, values, and principles shared by organizational members, it is still described as a multilayered and complex concept. Also, organizational culture is viewed as a multidimensional variable, which can be observed and measured (Ahmad, 2012; Kaufman, 2013; Kuofie, *et al.*, 2010). This is because within a particular organization there are different subcultures. These subcultures define and represent different orientations that are held about how certain things should be done in an organization, and how an organization responds to its external environment. In addition, even departments within the same organization have different cultures. This is because different departments have different orientations about what should be done, and how it should be done in the organization. Some of their interests or cultures may conflict because every department wants to protect its own interest or culture. But in all, organizational culture acts as a cohesion that integrates all units and organizational members, irrespective of their peculiarities.

2.6.2 Types of Organizational Culture

Different typologies of organizational cultures have been identified by different researchers. Handy (1985) identified four classes of organizational cultures: power culture, role culture, task culture, and person culture (Davidson, 2003). *Power culture* relates to the extent to which a central figure (a leader) influences others in the organization. *Role culture*, bureaucratic in nature, relates to how work should be structured and procedures to be followed in accomplishing tasks. This type of organizational culture does not encourage the use of initiative in carrying out one's duties. *Task culture* is job-centered. This is because influence in the organization is based on the level of expertise of the central figure as opposed to personal authority. *Person culture* is individual centered. In this type of culture, organization exists to help individuals and not the individuals helping the organization.

In the same way, Hofstede (1980) classified organizational cultures into four: power distance, uncertainty avoidance, individualism-collectivism, and masculinity-femininity (Davidson, 2003; Hofstede, 2011; Wu, 2006). *Power distance* is a type of organizational culture that relates to unequal distribution of power among organizational members. It refers to the extent to which there are power differences between superior officers and their subordinates. Larger power distance organizations are characterized by centralized authority and decision making, autocratic leadership, paternalistic style of management, many supervisory staff, and inequality and power difference while small power distance organizations have features of decentralized authority and decision making power, consultative style of leadership, flat organizational structures, fewer number of supervisors, and equal distribution of power. *Uncertainty avoidance* relates to the extent to which organizational members tolerate or cope with ambiguities. Organizations with weak uncertainty avoidance take risks, tolerate different behaviors or opinions, have flexible and few rules while organizations that have strong uncertainty avoidance are averse to risky situations, highly structured with many rules and procedures, do not tolerate deviant behaviors, and respect authority. *Individualism* versus *collectivism* relates to the degree of importance that people attach to themselves or their organizations. Individual culture focuses more on self, values independence and self-sufficiency, and places personal interest above group or organizational interest. Collective culture, on the other hand, emphasizes teamwork, places group interest above personal interest, controls individual behaviors through group norms, shares available resources, and emphasizes hierarchy and harmony among group members. *Masculinity versus femininity* relates to the role of gender in the allocation of responsibilities in an organization. Organizations where masculine cultures dominate allocate more positions to men more than women and vice versa.

Desphande and Farley (1999) categorized organizational cultures into competitive culture, entrepreneurial culture, bureaucratic culture, and consensual culture. *Competitive culture* refers to the extent to which organizations want to gain a competitive advantage and outperform competitors while *entrepreneurial culture* focuses on creativity and innovativeness. *Bureaucratic culture* favours hierarchical organizational structure while *consensual culture* relates to loyalty and commitment of organizational members (Desphande & Farley, 1999).

Cameron and Freeman (1991) also classified organizational cultures as clan culture, adhocracy culture, hierarchy culture, and market culture. *Clan culture* relates to personnel development, employees commitment and morale, and emphasizes teamwork and cohesiveness among employees while *adhocracy culture* is creative, innovative, entrepreneurial, and adaptive. *Hierarchy culture* relates to how organization carries out its activities smoothly and integrates its various functional units. It emphasizes order, rules and regulations, and uniformity. *Market culture* relates to how organization can gain a competitive edge over rivals in the marketplace (Cameron & Freeman, 1991). Like Cameron and Freeman (1991) and Desphande and Farley (1999), Wallach (1983) categorized organizational cultures as bureaucratic, innovative, and supportive (Wallach, 1983).

Van den Berg and Wilderom (2004) identified five typologies of organizational cultures, namely autonomy, external orientation, interdepartmental coordination, human resource orientation, and improvement orientation. *Autonomy culture* refers to the degree of freedom given to employees to use their discretions in performing their duties while *external orientation* relates to how organizations align their internal processes to their external environment. *Interdepartmental coordination* is the degree of interconnectedness among departments within an organization while *human resource orientation* refers to how an organization improves the quality and welfare of organizational members. *Improvement orientation* refers to the degree of proactive actions an organization takes in achieving superior organizational performance and effectiveness (Van den Berg & Wilderom, 2004).

Denison (1990) classified organizational cultures into involvement, consistency, adaptability, and mission (Denison & Mishra, 1995). *Involvement* consists of empowerment (which relates to the degree of freedom given to the employees to use their initiatives and authority in performing their jobs), team orientation (which relates to the degree at which organizational units or members work together as a team), and capability development (which captures the degree of importance that an organization attaches to investment in enhancing the skills and knowledge of employees in order to be competitive). *Consistency* comprises core values (which is a set of values shared by organizational members which define their identities and expectations), agreement (which relates to different units or organizational members agreeing on issues that are important to the organization), and coordination and integration (which means different departments working cooperatively to accomplish common organizational goals). *Adaptability* encompasses creating change (which means adapting internal processes and practices to both current and future changes in the environment), customer focus (which means understanding the market an organization serves), and organizational learning (which involves gathering, processing, and interpreting information from the environment). *Mission* comprises vision (which relates to organization's shared view of its preferred future state), strategic direction and intent (which relates to the strategic focus of an organization in an industry), and goals and objectives (which relate to organizational mission, vision, and strategy).

2.6.3 Organizational Culture as a Mediator

2.6.3.1 Organizational Culture and Corporate Entrepreneurship

The culture of an organization affects its entrepreneurial positioning or posture (Bhardwaj & Sushil, 2011; Covin & Slevin. 1991; Ireland *et al.*, 2006). Entrepreneurial activities within an organization are contingent on organizational cultures (Covin & Slevin. 1991). Organizational culture must support risk-taking, creativity and innovativeness, and proactiveness for the organization to exhibit entrepreneurial behavior (Covin & Slevin. 1991). In addition, organization's creative and innovative capabilities depend on its culture. This implies that organizational culture of innovation and change promote entrepreneurial activities within the organization (Ireland *et al.*, 2006). Also, the culture of an organization can encourage or discourage risk-taking which is an essential element of entrepreneurial behavior (Covin & Slevin. 1991).

In addition, researches have proven that organizational culture is related to organizational performance (Fard, Asghar, Rostamy, & Taghiloo, 2009; Mathew, 2007; Nazir & Lone, 2005; Ojo, 2005; Racelis, 2010; Rose, 2008; Sokro, 2012; Trivellas & Dargenidou, 2009). Extant empirical evidence confirms a positive and significant relationship between a strong organizational culture and organizational performance (Racelis, 2010). Besides, organizational culture has impact on employee motivation, which, in turn, affects organizational productivity and performance (Mathew, 2007; Sokro, 2012; Trivellas & Dargenidou, 2009). On the whole, organizational culture is positively related to organizational activities and performance.

From the above discussion, it is apparent that organizational culture is important in undertaking entrepreneurial activities and in improving organizational performance. Therefore, the following hypothesis is formulated:

Hypothesis Four: Organizational culture mediates the relationship between corporate entrepreneurship and organizational performance

2.6.3.2 Organizational Culture and Market Orientation

Supportive organizational culture is important for an organization to undertake market-oriented activities. Market orientation is seen as an organizational culture that represents the values and beliefs that top management share about customer satisfaction as a way of achieving superior organizational performance (Varela & Río, 2003). By this definition, it implies that business organizations must develop a culture of being customer-oriented. Also, it is argued that an organization must develop a learning culture in order to be market-oriented (Farrell *et al.*, 2008). Market orientation requires an organization to be sensitive to its customers, competitors, and external environment; this entails gathering of relevant information about customers, competitors, and external environment. Furthermore, entrepreneurial and innovative culture is required for an organization to be market-oriented (Agarwal, Erramilli, & Dev, 2003; Kwak, Jaju, Puzakova, & Rocereto, 2013). This is because a market-oriented organization needs to be innovative and entrepreneurial for new and innovative products to be provided for the customers.

Additionally, studies have shown that organizational culture is related to organizational performance (Fard, Asghar, Rostamy, & Taghiloo, 2009; Mathew, 2007; Nazir & Lone, 2005; Ojo, 2005; Racelis, 2010; Rose, 2008; Sokro, 2012; Trivellas & Dargenidou, 2009). Existing empirical evidence confirms a positive and significant relationship between a strong organizational culture and organizational performance (Racelis, 2010). Also, organizational culture has impact on employee motivation, which, in turn, affects organizational productivity and performance (Mathew, 2007; Sokro, 2012; Trivellas & Dargenidou, 2009). Overall, organizational culture is positively related to organizational activities and performance.

From the above discussion, it is clear that supportive organizational culture is needed for an organization to achieve optimum performance and to remain market-oriented. Thus, the following hypothesis is developed:

Hypothesis Five: Organizational culture mediates the relationship between market orientation and organizational performance

2.6.3.3 Organizational Culture and Strategic Orientation

Organizational culture is crucial when organization is formulating strategies. It is an important element of an organization. Organizational culture defines how organization functions and relates with its external environment. A strong organizational culture allows effective integration of organizational tasks. Also, adaptive culture enhances adaptation of organizational strategies to the external environmental forces. There must be proper alignment between organizational culture and organizational strategies for an organization to be successful. Organizational culture influences the strategic orientation of an organization (Chuang, Morgan, & Robson, 2012; Storey & Hughes, 2013). Research findings show that entrepreneurial culture is positively related to Miles and Snow's (1978) prospector strategy (Storey & Hughes, 2013). A prospector strategy could only be effective if the organization has a strong and entrepreneurial culture (Storey & Hughes, 2013). In the same way, analyzer strategy could only be effective when the organization has a learning culture (Storey & Hughes, 2013). This is because analyzer strategy demands that an organization monitors and gathers relevant information about customers' needs and competitors' strategies. All this requires a learning culture for it to be successful.

Furthermore, researches have proven that organizational culture is related to organizational performance (Fard, Asghar, Rostamy, & Taghiloo, 2009; Mathew, 2007; Nazir & Lone, 2005; Ojo, 2005; Racelis, 2010; Rose, 2008; Sokro, 2012; Trivellas & Dargenidou, 2009). Extant empirical findings confirm a positive and significant relationship between a strong organizational culture and organizational performance (Racelis, 2010). Moreover, organizational culture has impact on employee motivation, which, in turn, affects organizational productivity and performance (Mathew, 2007; Sokro, 2012; Trivellas & Dargenidou, 2009). Taken together, organizational culture is positively related to organizational activities and performance.

From the above discussion, it is clear that supportive organizational culture is required in strategy formulation and implementation and in achieving superior organizational performance. As a result, the following hypothesis is formulated:

Hypothesis Six: Organizational culture mediates the relationship between strategic orientation and organizational performance

Table 2.5 summarizes past studies on organizational culture and organizational performance. Column (1) shows names of the authors and years of publication; column (2) indicates whether organizational culture affects organizational performance directly or indirectly in the studies; column (3) shows source(s) of instrument used in measuring organizational culture; column (4) indicates other variables (if any) considered in the studies; column (5) shows organizational performance measures considered in the studies; and column (6) shows major findings of the studies.

Table 2.5

Summaries of Previous Empirical Studies on Organizational Culture and Organizational Performance

Author(s)/Year (1)	**Organizational Culture (2)**	**Instrument Used (3)**	**Others Variables (4)**	**Performance Measures (5)**	**Major Findings (6)**
Ahmad (2012)	Direct	Denison		Performance management practices	There was a significant relationship between mission & adaptability and performance management practices.
Chuang (2012)	Indirect	Ouchi (1979)/Desphande (1993)	Strategic orientation, marketing venture types & product development strategy	New product performance	Clan culture was positively related to strategic dimensions of analysis and defensiveness.
Sokro (2012	Both direct and indirect	Adopted	Motivation	Overall performance	Organizational culture had a direct influence on employee motivation, and indirect influence on organizational performance.
Shiu & Yu (2010)	Direct	Adapted from Robbins (1996) and Stock *et al* (2007)	Internal marketing, job satisfaction	Financial, service & behavioral performance	Organizational culture was positively related to internal marketing.
Racelis (2010)	Direct	Adapted		Net profits, net profit ratio, ROA, ROE & amount of deposits	Organizational culture was positively related to profitability measures and negatively related to amount of deposits.

Table 2.5 (Continued)

Author(s)/Year (1)	Organizational Culture (2)	Instrument Used (3)	Others Variables (4)	Performance Measures (5)	Major Findings (6)
Trivellas & Dargenidou (2009)	Direct	Competing values model (CVM)	Job satisfaction	Service quality	Confirmed that certain cultural aspects affected service quality.
Nazir & Lone (2008)	Direct	Denison		Sales growth, market share, profitability, product quality, NPD, employee satisfaction & overall performance	Confirmed a significant relationship between organizational culture and certain performance measures.
Rose *et al* (2008)	Direct	Hofstede		Financial, customer, innovation & learning performance	MNCs with high individualism, low power distance, and uncertainty avoidance and femininity achieved greater organizational performance.
Davidson *et al* (2007)	Direct	Denison		Financial ratios	There was a correlation between certain cultural traits and profitability ratios but not statistically significant, with exception to consistency cultural trait.
Rashid *et al* (2003)	Direct	Desphande & Farley	Organizational commitment	ROI, ROA,& current ratio	Organizational culture had influence on organizational financial performance.
Denison & Mishra (1995)	Direct	Denison		ROA, sales growth, profits, quality, employee satisfaction and overall performance	Cultures had a significant impact on organizational performance & effectiveness.

2.7 External Environment

This section explains external environment, its dimensions, and its relationship with corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. It then presents summaries of previous studies on external environment and organizational performance in a tabular form.

2.7.1 What is External Environment?

No organization (profit or not-for-profit) operates in a vacuum. All organizations are established and managed in an environment. An organization is an open system that interacts with its environment (Kumar, Subramanian & Yauger 1998; Racelis, 2010). Thus, the environment in which an organization operates has a lot of influences on organizational performance and activities. Most business planning and decision-making activities are undertaken with due considerations to environmental dictates (Sul, 2002). For business organizations to survive and be successful in today's dynamic and competitive environment, there must be a proper alignment between internal organizational activities and external environmental conditions (Moreno & Casillas, 2008; Sul, 2002). The environment presents opportunities for exploration and exploitation, and also provides the resources needed for operations. Similarly, environment poses threats that act as challenges to organizational success and superior organizational performance. Thus, for a business organization to be successful, it must keep abreast of the necessary information about its environment through continuous environmental scanning (Sul, 2002). What then is business environment?

Business environment has been variously defined. Business environment refers to forces or factors within and outside the business organization which affect business activities and performance (Nasiripour, Raeissi, & Hosseini-Fahraji, 2012; Ting *et al.*, 2012). It is also defined as the sum of factors (physical and social) that directly influence individuals' decision-making behaviors in an organization (Kumar, Subramanian & Yauger 1998; Sul, 2002). Broadly, business environment can be divided into two: internal business environment and external business environment. Internal environmental factors are within the organization, and they are regarded as controllable environmental factors. Because they are factors within the organization, managers can manipulate them to suit present realities. Examples of internal environmental factors include organizational resources such as finance and personnel, organizational structure, organizational leadership style, and organizational culture. External environment, on the other hand, refers to factors, forces, or institutions that exert influences on business activities, which organizations cannot control. External environmental factors are regarded as uncontrollable factors. The internal environmental factors are important, and they are to be considered in planning and decision-making processes, but of more concern are the external environmental factors which organizations cannot control.

The external environmental factors can further be classified into task (micro or direct) factors and general (macro or indirect) factors. The task environmental factors are those forces or institutions whose activities directly affect organizational activities and performance. Examples of task environment are customers, suppliers of raw materials, middlemen, and regulators. For instance, changes in customers' tastes, expectations, and preferences directly affect the products of an organization, and also, increase in prices of raw materials or decrease in supply of raw materials directly affects production activities. Furthermore, the activities of middlemen (retailers, agents, and wholesalers) directly affect distribution of products. The general environmental factors are forces or institutions that indirectly affect organizational activities and performance. Examples of general environmental factors include technological factors such as introduction of new technology; economic factors such as interest and exchange rates, monetary policies, unemployment rate, inflation, purchasing power, and general cost of living; socio-cultural factors such as population growth, shifts, or aging; consumer activism; national culture; and customs and traditions; political/legal environmental factors such as wage/price control, fiscal policies, government stability, licensing, consumer protectionism, and import/export regulations; and ecological factors such as flood disasters, earthquakes, water and air quality, solid waste, and recycling (Sul, 2002).

2.7.2 Dimensions of External Environment

The impact of external environment on organizational performance is examined through its various dimensions. Dimensions of external environment are the patterns used in evaluating and understanding the impact of external environment (Sul, 2002). Various dimensions of external environment have been identified ranging from simple to complex, static (stable) to dynamic (unstable), homogeneity to heterogeneity, organised to unorganized, domain consensus to disconsensus, and concentration to dispersion (Sul, 2002). Specifically, the dimensions of external environment that are always examined by researchers are environmental dynamism, complexity, hostility, and munificence (Alexandrova, 2004; Idris & Momani, 2013; Nasiripour *et al.*, 2012;

Rosenbusch, Rauch, & Bausch, 2011; Sul, 2002; Ting *et al.*, 2012). Industry life cycle stages are also examined as dimensions of external environment (Sul, 2002). That is, whether the industry is emerging or growing, and whether it is in a mature or declining stage.

Environmental dynamism refers to the unpredictability of business environment. That is, the degree of stability or instability of the environment (Idris & Momani, 2013; Rosenbusch *et al.*, 2011; Sul, 2002). It also means the rate at which environment changes and its unpredictability and consequences (Idris & Momani, 2013; Rosenbusch *et al.*, 2011; Sul, 2002). It is usually manifested in the form of changes in customers' needs, expectations, and preferences; changes in competitors' strategies or *modus operandi*; and changes in technology (Rosenbusch *et al.*, 2011). *Environmental complexity* refers to the amount of different information or knowledge that is needed for an organization to understand and operate in an environment (Rosenbusch *et al.*, 2011). It also means the degree of homogeneity (interrelatedness) or heterogeneity of an environment (Rosenbusch *et al.*, 2011). In a complex environmental setting, business organizations lack adequate or accurate information about the environment in which they operate (Nasiripour *et al.*, 2012). *Environmental hostility*, on the other hand, refers to the degree of threats that arise from intense competition among business organizations operating within the same or similar industry (Alexandrova, 2004; Rosenbusch *et al.*, 2011). Hostility among business organizations may be as a result of industrial growth, competition over limited resources, and availability of opportunities in the environment (Alexandrova, 2004; Rosenbusch *et al.*, 2011). *Environmental munificence* refers to the presence of opportunities and availability of resources in the environment (Rosenbusch *et al.*, 2011). It also means the kind of support that an organization gets from the environment (Rosenbusch *et al.*, 2011).

2.7.3 External Environment as a Moderator

2.7.3.1 External Environment and Corporate Entrepreneurship

External environment is defined as those forces, elements, or factors outside the organization that influence and are affected by organizational activities and performances over which organizations or managers have no control (Covin & Slevin, 1991; Kuratko *et al.*, 2004). External environment plays a significant role in entrepreneurship process. It is a strong component in entrepreneurship models and theories (Covin & Slevin, 1991; Miller, 1983). External environmental conditions can facilitate or impede entrepreneurial activities in an organization (Covin & Slevin, 1991). Various dimensions of external environment have been identified. These include technological sophistication, environmental hostility, environmental dynamism, environmental munificence, industry life cycle stages, fiscal and regulatory environments, and political cum legal forces. Literature review reveals the moderating role of external environment in the relationship between corporate entrepreneurship and organizational performance (Covin & Slevin, 1991). For example, research findings show that environmental dynamism, complexity, and hostility encourage entrepreneurial behavior (Covin & Slevin, 1991; Ireland *et al.*, 2006; Kuratko *et al.*, 2004; Mohamad *et al.*, 2011). Organizations respond to changes in the environment by taking risks through innovative and proactive actions (Covin & Slevin, 1991).

In a highly dynamic and competitive environment, entrepreneurial positioning or posture enhances organizational performance (Covin & Slevin, 1991). For instance, proactiveness favours organizations in a dynamic environment, where changes take place rapidly; and competitive aggressiveness favours organizations in a hostile environment, where competition is intense (Covin & Slevin, 1989; Lumpkin & Dess, 2001). In the same vein, industry life cycle stages affect entrepreneurial behavior of an organization, whether new or old (Covin & Slevin, 1991). For instance, new organization benefits more in an emerging industry by being entrepreneurial than in a mature industry (Covin & Slevin, 1991). Also, fiscal and regulatory frameworks and political cum legal forces have impact on the activities and success of an organization (Covin & Slevin, 1991). For example, government regulatory activities may prevent new firms from entering a market.

In addition, studies have shown that external environment is related to organizational performance (Awang *et al.*, 2009; Covin & Slevin, 1991; Mohamad *et al.*, 2011; Wiklund & Shepherd, 2005). Available empirical evidence reveals that external environment is directly and indirectly related to organizational performance. Specifically, studies have established the moderating effect of external environment on organizational performance (Antoncic & Hisrich, 2004; Ireland *et al.*, 2006; Lumpkin & Dess, 2001; Kumar *et al.*, 2011; Lumpkin & Dess, 2001). Taken together, external environment is positively related to organizational activities and performance.

From the above discussion, it is evident that external environment influences entrepreneurial activities and performance of an organization. Thus, the following hypothesis is developed:

Hypothesis Seven: External environment moderates the relationship between corporate entrepreneurship and organizational performance

2.7.3.2 External Environment and Market Orientation

Environmental factors are important moderators of MO-performance relationship. Certain environmental conditions affect the strength of MO-performance relationship. Examples of environmental contingencies that can affect market orientation are: market turbulence (the rate of change in customers' needs and wants including change in the composition of customers), technological turbulence (the degree of changes in technology), competitive intensity (the degree of competition among organizations), and the state of the economy (weak or strong). All these environmental conditions affect market orientation in one way or other, depending on whether they are favourable or unfavourable. For example, business organizations benefit more for engaging in market-oriented activities when customers' needs and preferences change frequently, and when the competitive environment is hostile (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990).

Furthermore, studies have shown that external environment is related to organizational performance (Awang *et al.*, 2009; Covin & Slevin, 1991; Mohamad *et al.*, 2011; Wiklund & Shepherd, 2005). Extant empirical findings reveal that external environment is directly and indirectly related to organizational performance. Specifically, studies have established the moderating effect of external environment on organizational performance (Antoncic & Hisrich, 2004; Ireland *et al.*, 2006; Lumpkin & Dess, 2001; Kumar *et al.*, 2011; Lumpkin & Dess, 2001). Overall, external environment is positively related to organizational activities and performance.

From the above discussion, it is apparent that external environment affects marketing activities and performance of an organization. Consequently, the following hypothesis is formulated:

Hypothesis Eight: External environment moderates the relationship between market orientation and organizational performance

2.7.3.3 External Environment and Strategic Orientation

External environmental conditions have a lot of implications for operating business organizations (Luo & Park, 2001). Organizational strategies are formulated in order to respond to external environmental forces. In other words, external environment determines the type of strategy that an organization adopts. Researchers posit that a good strategy must be properly aligned with the organization's external environment (Aragón-Sánchez & Sánchez-Marín, 2005; Hambrick, 1983; Hung, 2007). The environmental conditions that necessitate formulation and implementation of organizational strategies are competitive intensity and environmental dynamism. Competition puts pressure on business organizations. Therefore, in order to cope with competition, appropriate strategies must be formulated and implemented (Griffith *et al.*, 2006). Furthermore, for any business organization to survive, gain a competitive advantage, and achieve superior performance; it must respond as quickly as possible to certain changes in its external environment with effective and efficient strategies. In addition, different environmental conditions require different organizational strategies (Desarbo *et al.*, 2005). For instance, a prospector strategy is deemed appropriate when: the industry is in its early stage of product life cycle, the market is not fully developed, there are few known rivals, and the structure of the industry is still evolving (Desarbo *et al.*, 2005). By contrast, a defender strategy is considered appropriate when the above conditions for a prospector strategy are reversed (Desarbo *et al.*, 2005). Analyzer strategy favours the middle ground. For example, an analyzer strategy is considered appropriate when: there are many competitors, the structure of the industry is still evolving, and a shake-out is unavoidable (Desarbo *et al.*, 2005).

Additionally, studies have shown that external environment is related to organizational performance (Awang *et al.*, 2009; Covin & Slevin, 1991; Mohamad *et al.*, 2011; Wiklund & Shepherd, 2005). Existing empirical evidence shows that external environment is directly and indirectly related to organizational performance. Specifically, studies have confirmed the moderating effect of external environment on organizational performance (Antoncic & Hisrich, 2004; Ireland *et al.*, 2006; Lumpkin & Dess, 2001; Kumar *et al.*, 2011; Lumpkin & Dess, 2001). On the whole, external environment is positively related to organizational activities and performance.

From the above discussion, it is evident that external environment influences organizational strategies and performance. Consequently, the following hypothesis is developed:

Hypothesis Nine: External environment moderates the relationship between strategic orientation and organizational performance

Table 2.6 summarizes previous studies on external environment and organizational performance. Column (1) showing names of authors and years of publication; column (2) indicates whether external environment affects organizational performance directly or indirectly in the studies; column (3) shows the dimensions(s) of external environment considered in the studies; column (4) indicates other variables (if any) considered in the studies; column (5) shows organizational performance measures considered in the studies; and column (6) shows major findings of the studies.

Table 2.6

Summaries of Previous Empirical Studies on External Environment and Organizational Performance

Author(s)/Year (1)	External Environment (2)	Dimension(S) Considered (3)	Other Variables Considered (4)	Organizational Performance Measures (5)	Major Findings (6)
Sebigunda (2013)	Direct	Hostility	Investment climate	Efficiency	Confirmed a positive relationship between environmental hostility and organizational efficiency.
Garcia-Zamora *et al* (2013)	Indirect	Dynamism & competitive intensity	Innovation & organizational factors	Effectiveness, efficiency & adaptability	Market orientation moderated the relationship between innovation & performance; and environmental constraints had both negative and positive implications on business performance.
Idris & Momani (2013)	Direct	Dynamism	Comprehensiveness marketing strategy	Sales growth, market share, ROI & net profit	Frequent environmental changes affected business performance more than its intensity.
Corina *et al* (2012)	Direct	Competitive intensity, uncertainty, customers, & suppliers		Financial & nonfinancial	External environment was positively related to organizational performance, and customer orientation led to greater organizational performance.
Ting *et al* (2012)	Indirect	Dynamism	Innovation strategy	ROI & ROA	Environmental dynamism moderated the relationship between innovation strategy and organizational performance.

Table 2.6 (Continued)

Author(s)/Year (1)	**External Environment (2)**	**Dimension(S) Considered (3)**	**Other Variables Considered (4)**	**Organizational Performance Measures (5)**	**Major Findings (6)**
Gaur *et al* (2011)	Indirect	Market turbulence & technological turbulence	Market orientation & firm's resources	Manufacturing performance	Competitive intensity moderated the relationship between two dimensions of MO (customer orientation & interdepartmental coordination) and performance.
Ishengoma & Kappel (2011)	Direct	Access to resources, market & investment obstacles		Growth	Environmental constraints inhibited growth.
Regan *et al* (2011)	Direct	Competitive environment	Capabilities	ROA	Competitive intensity was partially related to firm performance.
Pharpruke (2011)	Indirect	Competitive environment	Strategic leadership, organizational learning & innovation	Efficiency, effectiveness, management and customer satisfaction	Competitive intensity did not moderate the relationship between strategic leadership, organizational learning, & innovation.
Rosenbusch *et al* (2011)	Indirect	Munificence, hostility, dynamism & complexity	Entrepreneurial orientation	Profitability, growth & capital market performance	Environmental dimensions mentioned in column (3) mediated the relationship between EO and organizational performance.

Table 2.6 (Continued)

Author(s)/ Year (1)	**External Environment (2)**	**Dimension(S) Considered (3)**	**Other Variables Considered (4)**	**Organizational Performance Measures (5)**	**Major Findings (6)**
Abd & Yassin (2010)	Indirect	Market-technology turbulence & competitive intensity	Market orientation	Business performance	The dimensions mentioned in column 3 did not moderate MO-performance relationship.
Davis-Sramek *et al* (2010)	Indirect	Unpredictability	Supply chain technology	Operational & financial performance	Greater environmental unpredictability had a weaker effect on B2B e-commerce and a stronger effect on supply chain in relation to performance.
Lonial & Raju (2001)	Indirect	Uncertainty	Market orientation	Financial performance, market/product development & quality outcomes	Environmental uncertainty moderated the relationship between MO and organizational performance.
Goll & Rasheed (1997)	Indirect	Munificence & dynamism	Rational decision making	ROA & ROS	The dimensions mentioned in column (3) moderated the relationship between rational decision making and organizational performance.

2.8 Underpinning Theories

In the literature on organizational performance, a lot of theories have been developed to explain the relationship between organizational performance and its antecedents. Examples of such theories include: leadership theories, dynamic capabilities theory, motivational theories, organizational development theory, organizational change management theory, resource-based view theory, and contingency theory. In this part, two theories that best explain the nature of relationships explored among the variables examined in this study are discussed. The two theories are resource-based view and contingency theories. The theories also help to explain the research framework developed for this study.

2.8.1 Resource-Based View (RBV) Theory

The theory of resource-based view, usually abbreviated as RBV or RBT, is a popular theory that is widely referred to and cited in micro economics, strategic management, and other related fields, most especially in the study of organizational performance (Newbert, 2007; Wernerfelt, 1995). A lot of people have contributed to the evolvement and development of the theory. Prominent among them are Edith (1959), Wernerfelt (1984), Rumelt (1984), Dierickx and Cool (1989), Prahalad and Hamel (1990), Amit and Schoemaker (1993), and Mahoney and Pandian (1992). However, extant literature regards Barney (1986, 1991) as the father of resource-based view theory (Newbert, 2007; Wernerfelt, 1995). Despite criticisms levelled against the theory, it is empirically proven to be reliable (Newbert, 2008). The theory addresses a central question of why some organizations are different, and what can organizations do to gain a competitive edge over others and improve their performance in the marketplace?

Resource-based view (RBV) theorizes that for an organization to gain a competitive advantage over its rivals and achieve superior performance, it must possess and control resources and capabilities or competencies which it can use to create value (Newbert, 2007; Wernerfelt, 1995). The theory presupposes that organizational resources and capabilities that enable an organization to gain a competitive edge and achieve superior performance must be valued, not possessed by other organizations, and must not be easily imitated and substituted by other organizations (Barney, 1991; Chien, 2014). Organizational resources referred to include assets such as financial, human, physical, and technological resources that are used for the provision of goods and services for customers (Barney, 1991). Capabilities or competencies refers to the ability of an organization to effectively and efficiently deploy and utilize available resources to achieve stated goals or objectives

The theory goes further to say that these resources and capabilities could either be tangible or intangible (Newbert, 2007; Wernerfelt, 1995). It could be tangible such as finance and machinery, and it could also be intangible such as goodwill, knowledge, and skills possessed by employees. The theory of resource-based view refers to organizational resources and capabilities as a source of competitive advantage and superior organizational performance (Barney, 1991). These organizational resources and capabilities are necessary for the formulation and implementation of strategies that would lead to improved performance (Barney, 1991). A business organization is said to have gained a competitive advantage only if it implements strategies that are not concurrently implemented by other business organizations (Barney, 1991).

Previous researches conducted on corporate entrepreneurship or entrepreneurial orientation (Ferreira, 2011; Martins & Rialp, 2013; Lee, Peris-Ortiz, & Fernández-Guerrero, 2011; Wiklund & Shepherd, 2003), market orientation (Ben Brik, Rettab, & Mellahi, 2010; Farrell *et al.*, 2008; Hult, Ketchen, & Slater, 2005; Morgan, Vorhies, & Mason, 2009; Vega-Vázquez *et al.*, 2012), and strategic orientation (Aragón-Sánchez & Sánchez-Marín, 2005; Grawe, Chen, & Daugherty, 2009; Griffith *et al.*, 2006; Marrewijk, 2010; Mu & Di Benedetto, 2011) have made references to the theory of resource-based view (RBV).

Organizational orientations such as entrepreneurial orientation, market orientation and strategic orientation have been described as organizational resources or capabilities as well as competitive strategies which an organization can use to gain a sustainable competitive edge and achieve greater performance in a highly dynamic and competitive business environment (Aragón-Sánchez & Sánchez-Marín, 2005; Farrell *et al.*, 2008; Hult *et al.*, 2005; Kuratko *et al.*, 2004; Ireland, Kuratko, & Morris, 2006; Karacaoglu, Bayrakdaroglu, & San, 2012; Maydeu-Olivares & Lado, 2003; Wang, 2008). RBV says there is a link between organizational resources, competitive advantage, and organizational performance (Barney, 1991). It means that organizational resources are means for gaining a competitive advantage, which, in turn, leads to superior organizational performance. In the context of this study and in line with the propositions of resource-based view theory, corporate entrepreneurship, market orientation, and strategic orientation are regarded as organizational resources that organizations can use to improve their performances and outperform their rivals in the marketplace. These organizational resources viz. corporate entrepreneurship, strategic orientation, and market orientation are highly valued and difficult for others to duplicate or substitute.

2.8.2 Contingency Theory

Contingency theory is also another popular theory that has been extensively used by researchers or scholars in disciplines such as entrepreneurship, accounting, management, sociology, psychology, in fact, mostly in social and behavioral sciences to explain the relationships that exist among certain variables. Many models developed in social and behavioral sciences apply contingency theory. Contingency theory holds that there is no single best way to doing things such as organizing, leading and decision making (Luthans & Stewart, 1977). At organizational level, the theory holds that the performance or effectiveness of an organization depends on both internal organizational and external environmental contingencies (Rauch *et al.*, 2009; Wang, 2008). This implies that the favourableness or unfavourableness of these organizational and environmental factors determines whether or not an organization will perform well. The theory states that there is no organizational leadership style and decision that is the best. The best leadership style and decision depends on the situational variables (Hopfe, 1970; Rosa, João, Nunes, & Pinheiro, 2011).

There are contingency theories of leadership and decision making. According to Fiedler, the successfulness or effectiveness of a leader depends on the leader himself (his traits or behaviors), the followership (the subordinates), and the situational variables (Rosa, João, Nunes, & Pinheiro, 2011). Specifically, he says the effectiveness of a leader depends on three factors: position-power of the leader (which is the ability of a leader to influence his followers on the basis of his position or authority), task structure (which implies how clearly the subordinates understand their jobs), and leader-member relations (which is the level of cordiality between a leader and his followers) (Vecchio, 1979). He concluded that the successfulness of a leader depends on the favourableness or unfavourableness of the three factors (Mitchell, Biglan, Oncken, & Fiedlers, 1964). In the same vein, Victor Vroom and Philip Yetton in 1973 applied contingency theory to decision making. Contingency theory of decision making states that the effectiveness of a decision or a decision making procedure depends on factors such as the amount of information available, the number of alternatives available, and the probability that the subordinates will accept and implement the decision (Jago & Vroom, 1980).

Available research findings confirm that organizational performance can be enhanced when important variables are properly aligned, and that is the basic assumption underlying contingency theory (Rauch *et al.*, 2009). Contingency theory is about congruence among important variables. It stipulates that the relationship between one variable and another variable depends on the third variable (Rauch *et al.*, 2009). In the context of this study, this assumption applies. In this study, the impact of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance is said to be dependent on the environment in which an organization operates, and also dependent on the culture of an organization. From existing literature, there are contradictory findings concerning the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Some studies found a positive relationship while other studies found a negative relationship. However, this study argues that the relationship can be moderated and mediated, depending on how supportive external environment and organizational culture are. This means corporate entrepreneurship, market orientation, and strategic orientation will affect organizational performance more when organizational culture is supportive, and when external environmental conditions are favourable.

In view of the above, researchers have argued that introduction of mediating and moderating variables can help to clarify the nature of relationship between two variables (dependent and independent variables), thereby helping to reduce misleading conclusions about the relationship (Rauch *et al.*, 2009). Thus, mediators and moderators provide better understanding of the relationship between two variables (Antoncic & Hisrich, 2004).

2.9 Research Framework

Based on the findings from the review and discussions of previous studies, the following research framework is developed. The research framework (Figure 2.3) shows the relationships that exist among the variables examined in this study. The thick lines show the direct relationships between the independent variables (corporate entrepreneurship, market orientation, and strategic orientation) and the dependent variable (organizational performance). It is presumed that corporate entrepreneurship, market orientation, and strategic orientation have a direct impact on organizational performance. The dotted lines depict the moderating effect of external environment on the relationships between the independent variables (corporate entrepreneurship, market orientation, and strategic orientation) and the dependent variable (organizational performance). It is assumed that the impact of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance is contingent on the moderating variable (external environment). The thin lines illustrate the mediating effect of organizational culture on the relationships between the independent variables (corporate entrepreneurship, market orientation, and strategic orientation) and the dependent variable (organizational performance). It is presumed that corporate entrepreneurship, market orientation, and strategic orientation affect organizational performance through the mediating variable (organizational culture).

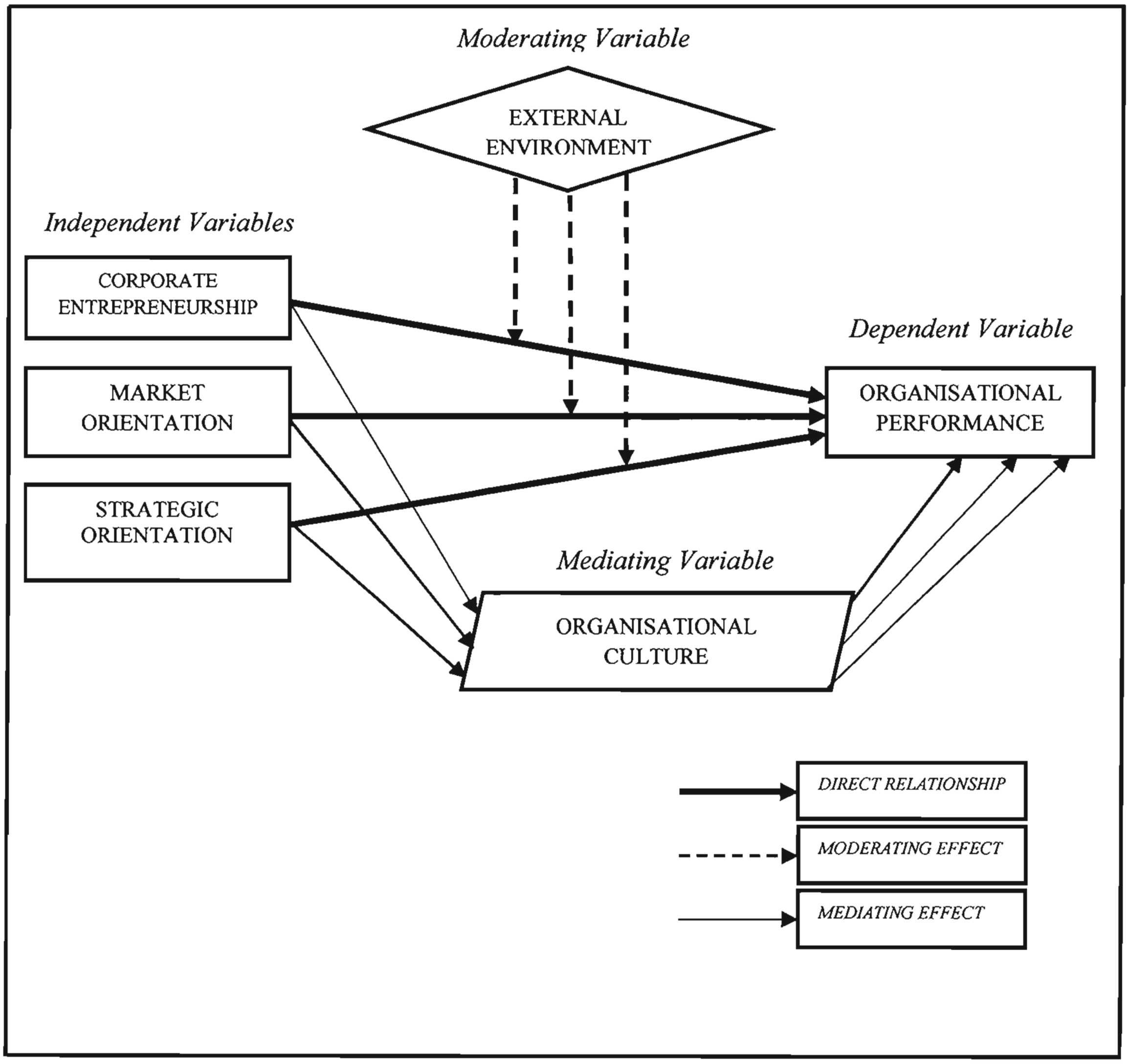


Figure 2.3
Research Framework

2.10 Summary and Conclusion

Considering the challenges posed by today's business environment, there is a need for business organizations to be entrepreneurially inclined, market-oriented, and strategically positioned; and also, there is a need for business organizations to possess and continually develop supportive organizational cultures. Entrepreneurship scholars have postulated that entrepreneurial activities within existing organizations lead to superior organizational performance (Covin & Slevin, 1991; Lumpkin & Dess, 1996). Also, marketing scholars have posited that market-oriented organizations perform better and are likely to gain competitive edges, which, in turn, lead to superior performance (Farrell *et al.*, 2008). Furthermore, strategic management scholars have argued that for business organizations to achieve superior performance today's highly competitive business environment, they must be strategically positioned (Hung, 2007).

To corroborate the above arguments, resource based view (RBV) theory proposes that organizational resources and capabilities that are valued, rare, and difficult to duplicate and substitute are capable of giving an organization a sustainable competitive edge over competitors in the marketplace, which, in turn, leads to superior organizational performance. Also, contingency theory stipulates that there must be congruence among certain organizational and environmental variables for an organization to achieve superior performance. This implies that organizational and environmental variables must be compatible for them to have a positive and significant impact on organizational performance. For instance, no matter how entrepreneurial, market-oriented, and strategically positioned an organization might want to be, without supportive organizational culture and environment, organizations would not be able to achieve superior performance.

On the other hand, an in-depth literature review reveals that findings concerning the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance are inconclusive. For example, existing findings about the relationship between corporate entrepreneurship and organizational performance are mixed. Some studies confirmed a positive relationship between corporate entrepreneurship and organizational performance (Mokaya, 2012; Zhang & Zhang, 2012), while others affirmed a negative corporate entrepreneurship-performance relationship (Shamsuddin *et al.*, 2012). Similarly, some studies established a positive market orientation-performance relationship (Eris *et al.*, 2012; Jyoti & Sharma, 2013), while other studies confirmed a negative market orientation-performance relationship (Harris, 2001; Jaworski & Kohli, 1993). For strategy typologies, the findings are equally inconclusive. For instance, some studies affirmed that organizations that adopt prospector strategy perform better than those that adopt defender, analyzer, and reactor strategies (Aragón-Sánchez & Sánchez-Marín, 2005), while other studies established that organizations that adopt analyzer strategy outperform those that adopt prospector, defender, and reactor strategies (Pleshko & Nickerson, 2008).

Notwithstanding the above findings, researchers have identified antecedents to corporate entrepreneurship, market orientation, and strategic orientation. This means the impact of corporate entrepreneurial activities, market-oriented activities, and organizational strategies on organizational performance depends on certain factors that are within and outside the organization. From extant literature, the common antecedents to corporate entrepreneurship, market orientation, and strategic orientation are: organizational culture, organizational resources and capabilities, organizational structure, top management support, and external environmental conditions.

From the above, it can be implied that the effects of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance depend on a host of factors. Apart from the internal and external antecedents mentioned above, the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance also depends on factors such as country's cultural setting, the state of the economy of the country where an organization is established, the type of industry (service or manufacturing) in which the organization operates, and whether the organization is a profit or not-for-profit type.

In conclusion, whereas a lot of studies have investigated the direct relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance; few studies have examined the moderating effect of external environment on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Nevertheless, studies on the mediating effect of organizational culture of teamwork on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance are limited, a gap which this study narrows.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses the approach, strategy, and techniques employed in carrying out this study. More specifically, Section 3.2 explains research philosophy and different research philosophies, and thereafter goes further to indicate the research philosophy which guides this study while Section 3.3 explains research design and different types of research design, and then goes further to point out the type of research design adopted for this study. Section 3.4 describes the population of this study, states the sample size, and explains the sampling techniques adopted. Section 3.5 discusses operationalization of the variables examined in this study whereas Section 3.6 describes the questionnaire designed for data collection. Section 3.7 presents results of the pilot study conducted while Section 3.8 discusses sources of data, methods of data collection, and the procedures followed in collecting data for this study. Section 3.9 discusses the techniques employed in data analyses and Section 3.10 summarizes and concludes the chapter.

3.2 Research Philosophy

3.2.1 Nature of Research Philosophy

In the research process, the knowledge of research philosophies or paradigms by the researcher is fundamental. Equally, the knowledge of ontology and epistemology is crucial in understanding research philosophies. This is because the ontological and the epistemological positions of the researcher influence his or her choice of what data to collect, how to collect and analyse the data, the meanings to make of the data, and the extent of the generalizabilty of research findings. Ontology is about people's views of the nature of reality that exists in the world, whether it is an objective reality that exists or a subjective reality formed in people's minds. Ontology describes people's world views. Epistemology, on the other hand, is concerned with the methods of discovering the nature of reality that exists in the world. It describes how to know what reality exists in the world. Research philosophy or paradigm, therefore, is a set of beliefs, perceptions, or assumptions which guide the researcher in investigating and understanding a phenomenon (Holden & Lynch, 2004). There are three existing research philosophies or paradigms: positivism, interpretivism or constructivism, and realism.

Positivists believe that the goal of research is to describe or explain phenomena, which can be observed and measured directly through quantitative means. They believe that an objective truth exists in the world, and that it can be known through the scientific process, by examining systematically and statistically the relationships that exist among variables. Positivists also believe that the world operates by laws of cause-and-effect which can be understood through a scientific approach to research. They follow deductive process of reasoning in understanding phenomena. Thus, they are interested in testing existing theories rather than developing new ones, and so, hypotheses are developed and tested. Through operationalization, positivists reduce concepts or variables into small elements so that they can be observed and measured quantitatively. Positivists are concerned with the rigorousness and the replicability of their research, the reliability of observations, and the generalizabilty of research findings. The research method of positivists is quantitative in nature. They believe that researchers should be independent of the subject being researched (Holden & Lynch, 2004; Sekaran & Bougie, 2013).

Constructivism or interpretivism is concerned with an in-depth understanding of a phenomenon. Constructivists or interpretivists believe that the world is subjectively and socially constructed. They argue that people view the social world based on their experiences and expectations, thereby resulting in different interpretations of a particular phenomenon. Interpretivists believe multiple realities exist about a phenomenon, and that the meanings people ascribe to a particular phenomenon depend on contextual factors, and hence, lead to different interpretations. Rather than testing existing theories, interpretivists are concerned with the development of new theories through inductive process of reasoning. Constructivists believe that researchers should not be independent of the subject being researched. The research methods of constructivists are qualitative in nature. They use research methods such as focus groups and interviews to collect rich data, and they are not interested in the generalization of research findings (Holden & Lynch, 2004; Sekaran & Bougie, 2013).

Positivism and constructivism are two opposing worldviews. While positivists believe in the existence of an objective truth, constructivists believe that the world is mentally and subjectively constructed. Realists, on the other hand, take a middle position between positivism and constructivism. Realists believe in an objective reality (external truth), but they reject the claim that external reality can be measured objectively. They argue that phenomena like satisfaction or motivation which cannot be observed and measured directly will always be subject to interpretation. They further argue that measurement of phenomena is always subjective in nature. Also, while positivists believe that the goal of research is to discover the truth, realists believe that the goal of research is to advance toward this goal, even though it is not possible to reach it. Realists believe that researchers are naturally biased, and therefore, they believe that researchers should use triangulation method for better understanding of phenomena (Holden & Lynch, 2004; Sekaran & Bougie, 2013).

3.2.2 Choice and Rationale of Research Philosophy

Taking into consideration the features of different research philosophies discussed above, this study therefore adopted a positivist view for the following reasons. First, the variables examined in this study have been investigated previously and empirically, thus, this study further explained the nature of relationships that exists among them in a different context. Second, this study was interested in testing existing theories rather than developing new ones, and hence, hypotheses were developed and tested. Third, through operationalization, the variables examined in this study were reduced into small elements so that they could be observed and measured quantitatively, and the researcher was independent of the subject being researched. Finally, this study took large samples for analyses, and its findings were generalizable.

3.3 Research Design

3.3.1 Nature of Research Design

Research design is a plan that details how data can be collected and analysed with a view to resolving the research questions of the study (Sekaran & Bougie, 2013). Also, it is defined as a blueprint for a study that specifies procedures to be followed by a researcher in order to achieve research objectives (Kumar, Talib, & Ramayah, 2013). Aaker *et al.*, (2005) define research design as a plan for collecting the data needed to address research objectives (Kumar *et al.*, 2013). A typical research design defines the purpose of the study, the research strategy, the study's setting, the extent of researcher interference, the research time horizon, and the level at which the data will be analyzed (Sekaran & Bougie, 2013). Furthermore, the type of research design to be adopted depends on the purpose and nature of the study, whether it is exploratory, descriptive, or causal. Basically, there are three types of research design: exploratory research design, descriptive research design, and causal research design.

Exploratory research is conducted when too little or no information is available on how related problems are resolved in the past. It is undertaken when a researcher needs an in-depth knowledge in order to understand and address certain problems. Exploratory research involves gathering of qualitative data through qualitative approaches. It often uses methods such as focus groups, interviews, or case studies. The findings or results of exploratory researches are not generalizable to the whole population. It is less structured and flexible in nature (Kumar *et al.*, 2013; Sekaran & Bougie, 2013).

Descriptive studies are undertaken to describe phenomena. They are designed to collect data that describe the subjects being studied. It could be either quantitative or qualitative in nature. It involves gathering of quantitative or qualitative data. Descriptive research design is considered appropriate when a researcher is interested in investigating relationships among variables to describe population or situations. Such studies are correlational in nature, as they describe the relationships that exist among variables. Descriptive researches could be cross-sectional or longitudinal. It is cross-sectional when data for the study are collected at one spot, and it is longitudinal when data for the study are collected at two or more times (Kumar *et al.*, 2013; Sekaran & Bougie, 2013).

Causal studies are undertaken to determine whether one variable causes another to change. In a causal study, the researcher is interested in delineating the factors that cause the problem. It is conducted to investigate cause-and-effect relationship between variables, where one variable affects another (Kumar *et al.*, 2013; Sekaran & Bougie, 2013).

3.3.2 Choice and Rationale of Research Design

As stated earlier, the choice of a research design is dependent on the purpose and nature of the study undertaken. This study is descriptive in nature. Therefore, a descriptive research design was adopted. First, a descriptive research design was adopted because the purpose of this study was to describe the nature of relationships that exists among corporate entrepreneurship, market orientation, strategic orientation, organizational culture, competitive environment, and performance of commercial banks in Nigeria. Second, this study was correlational in nature, and survey method (questionnaire) was used for data collection. Third, it was a cross-sectional study, as data for this study were collected at one shot. Fourth, probability sampling technique was adopted in order to make the findings of this study generalizable, and the unit of analysis was organization. Finally, the level of researcher's interference was minimal.

3.4 Population, Sample, and Sampling Design of Study

3.4.1 Population of Study

Population is defined as the entire group of people or elements that the researcher wants to study (Sekaran & Bougie, 2013). An element is an individual member of the population. The population of this study consisted of all the branches of the 20 commercial banks in Nigeria. The 20 commercial banks have a total number of 5,225 branches spread across the 36 states plus Abuja, the Federal Capital Territory and six geopolitical zones of the country (NDIC, 2012). Each commercial bank has branches in every major town in the country with a high concentration of branches in the states' headquarters, Federal Capital Territory (FCT), Abuja, and major commercial cities. The 5,225 branches were considered as the population of this study because the bank branches are regarded as strategic business units (SBUs). They are profit centres.

The unit of analysis for this study was organization. This was because banks (organizations) were studied. Although banks (organizations) were studied, but managers were chosen as key informants for their banks since banks could not speak for themselves. Besides, managers are the representatives of their organizations who implement the overall plans, policies, and strategies of their organizations. Also, they are well-informed and most knowledgeable about their organizations' operations.

3.4.2 Sample of Study

A sample may be defined as a subset of the population (Kumar *et al.*, 2013; Sekaran & Bougie, 2013). The need to take sample in a study becomes necessary for the following reasons. First, practically, it is not always possible to study the entire population of the study. Second, samples are taken because of the need to generalize research findings. The Population of this study consisted of all the 5,225 banks branches in Nigeria. All the 5,225 banks branches could not be studied because the number is large, and Nigeria is a vast country (about 923,768 km^2) in terms of land mass. Besides, the bank branches are located in different parts of the six geopolitical zones and 36 states of the country plus Abuja, the Federal Capital Territory. Also, the entire population could not be studied because of the need for generalization of the findings of this study, bearing in mind the research philosophy (positivism) which guided this study. Consequently, the sample size for this study was determined. From Krejcie and Morgan's (1979) population and sample size table, the ideal sample size for a population of 5,225 is 357. But because the actual population of this study was more than the 5,000 in the Krejcie and Morgan's (1979) population and sample size table, the sample size was rounded up to 360. Thus, 360 bank branches were studied.

3.4.3 Sampling Design

3.4.3.1 What is Sampling Design?

Sampling is defined as the process of choosing adequate number of elements from the population, so that a study of the sample and an understanding of its characteristics make it possible to generalize such characteristics to the entire population (Sekaran &

Bougie, 2013). Majorly, there are two types of sampling design, namely probability (random) and non-probability (non-random) sampling. In a probability sampling, every element in the population has a chance of being selected while in a non-probability sampling, every element in the population does not have a chance of being selected. However, the type of sampling design to adopt depends on factors such as the extent of generalizabilty desired, time and other resources required, and the purpose of the study (Sekaran & Bougie, 2013).

Probability sampling can further be classified as simple random sampling, stratified sampling, systematic sampling, and area or cluster sampling. In a simple random sampling, all elements of the population have equal chance of being selected. It is good when the population is small and homogenous. The elements to be selected depend on the random numbers that are generated. It is easy to calculate when the sampling frame is small, but impracticable when the sampling frame is large. In a stratified sampling, population is categorized into distinct groups called strata, and every element in a stratum has a chance of being selected. Each stratum is sampled as a subset of the entire population, and from each stratum individual elements can be selected randomly. It allows for adequate representation of various groups of interest, but it could be cumbersome stratifying the population into different strata. In a systematic sampling, the target population is serially listed, and elements of the population are selected at intervals. It allows for the selection of every nth element, which means the value of the nth element must be determined. It is determined by dividing the population by the sample size. The samples from systematic sampling are evenly spread over the target population, but all the elements do not have the same selection probabilities. In a cluster sampling, the population is divided into clusters, and samples are then selected from such clusters. It is different from stratified sampling. In a stratified sampling, a subset of population within the stratum is taken as the sample whereas in a cluster sampling, a subset of clusters is taken as the primary sampling units (Kumar *et al.*, 2013; Sekaran & Bougie, 2013).

Non-probability (non-random) sampling can also be divided into accidental (convenience) sampling, quota sampling, snowball sampling, and judgmental sampling. In a convenience sampling, information are collected from the available population while in a quota sampling, all groups are represented in the study by assigning a quota based on identified features. Snowball sampling, on the other hand, is a situation where one respondent is used to generate names of other respondents. In a judgmental sampling, also called purposive sampling, elements or subjects are selected based on their ability to provide the information required (Kumar *et al.*, 2013; Sekaran & Bougie, 2013).

3.4.3.2 Sampling Design of Study

This study adopted probability (random) sampling. Probability sampling design was adopted because of the need to generalize the findings of this study. Recall that the population of this study consists of all the 5,225 bank branches in Nigeria, and the sample size is 360. The bank branches were grouped according to their parent names. Thus, in determining the sample size per bank, a disproportionate stratified random sampling technique was adopted. In a disproportionate stratified random sampling, the number of elements to be selected from each stratum is altered while the sample size remains unchanged (Sekaran & Bougie, 2013). A disproportionate stratified random sampling technique was considered appropriate because the population of some bank branches was too large while the population of others was too small (see Table 3.1). Also, it allowed for adequate representation of various groups of interest in this study.

Furthermore, having determined disproportionately the sample size per bank, a systematic random sampling technique was adopted to determine the actual bank branch that was selected from the list of branches per bank. A systematic sampling was adopted because it allowed for the spread of the samples over the target population (Sekaran & Bougie, 2013). This was determined by dividing the total number of bank branches per bank by the sample size per bank. And once the value for the nth element was determined, for example, as in the case of Access Bank, it means every 15^{th} element after the first element was selected from the list of bank branches for Access Bank (see Table 3.1). The same process was applied to all the banks.

Table 3.1

Population, Sample Size, and Sample Selection

S/No	NAME OF THE BANK	NO OF BRANCHES PER BANK (*Population*)	SAMPLE SIZE PER BANK (*Disproportionate Random Sampling*)	SAMPLE SELECTION (*Systematic Sampling)*
1	Access Bank	310	20	15th
2	Citibank	12	06	2nd
3	Diamond Bank	224	17	13th
4	Ecobank	543	28	19th
5	Enterprise Bank Limited	148	15	9th
6	Fidelity Bank Nigeria	182	16	11th
7	First Bank of Nigeria	715	30	23rd
8	First City Monument Bank	257	17	15th
9	Guaranty Trust Bank	219	15	14th
10	Keystone Bank Limited	200	15	13th
11	Mainstreet Bank Limited	221	15	14th
12	Skye Bank	235	17	13th
13	Stanbic IBTC Bank	177	16	11th
14	Standard Chartered Bank	31	13	2nd
15	Sterling Bank	166	15	11th
16	Union Bank of Nigeria	338	20	16th
17	United Bank for Africa	544	28	19th
18	Unity Bank Plc	244	17	14th
19	Wema Bank	126	15	8th
20	Zenith Bank	405	25	16th
	TOTAL	**5,225**	**360**	

3.5 Operationalization of Variables

Operationalization of variables is about measurement of research variables (Sekaran & Bougie, 2013). Through operationalization, research variables are reduced to constructs which can be observed and measured (Sekaran & Bougie, 2013). In this section, the variables examined in this study are operationalized. Thereafter, summaries of operationalization of the variables examined in this study are presented in a tabular form.

3.5.1 Organizational Performance

Organizational performance is a construct with multiple measures. Organizational performance can be assessed using financial and non-financial measures. Financial measures can be determined objectively from archival records, and they can also be measured subjectively through self-reported data. Existing literature acknowledges that financial measures from archival data and through self-reported data are reliable in assessing organizational performance, as they do not produce significantly different results (Rauch *et al.*, 2009).

This study adopted self-reported (subjective) performance measures in assessing the performance of commercial banks in Nigeria. It is argued that self-reported data provides opportunity for researchers to assess multiple organizational performance measures (Rauch *et al.*, 2004, 2009). The performance measures considered in this study were: profitability, return on assets (ROA), market share, growth, and overall business performance. Growth was measured in terms of increase in revenue. Profitability, ROA, growth, and overall business performance were measured in absolute terms while market share was measured in relative terms. A three year average period performance measure was used so as to reduce the impact of decision variation on the bank's yearly financial statement (Antoncic & Hisrich, 2004;

Mahmood & Wahid, 2012). Organizational performance measures were adapted from Antoncic and Hisrich (2004) and Mahmood and Wahid (2012).

Bank managers (respondents) were asked to rate, on average, the performance of their banks in the last three years on a 5-point Likert scale. Each point on the scale represents the extent to which the respondent agrees with each statement. On the scale, "1" means " *Very low*", "2" means "*Low*", "3" means "*Moderate*", "4" means "*High*" and "5" means "*Very high*".

3.5.2 Corporate Entrepreneurship

Corporate entrepreneurship is gauged by assessing entrepreneurial orientation of an organization. Entrepreneurial orientation is conceptualized and operationalized in two ways. Miller (1983)/ Covin and Slevin (1989) see entrepreneurial orientation as a unidimensional construct with three dimensions: risk taking, proactiveness, and innovativeness. They concluded that the three dimensions of EO covary. On the other hand, Lumpkin and Dess (1996) added two dimensions to the three dimensions identified by Miller (1983)/ Covin and Slevin (1989), thereby bringing the dimensions of EO to five. The two dimensions added are: competitive aggressiveness and autonomy. Lumpkin and Dess conceptualized and operationalized EO as a multidimensional construct. They concluded that the dimensions of EO do not covary. They argued that each dimension of EO varies independently with organizational performance, depending on how supportive organizational and environmental factors are.

This study adopted the position of Miller (1983)/ Covin and Slevin (1989) in assessing corporate entrepreneurship of commercial banks in Nigeria. Therefore, the dimensions of EO considered in this study were: risk taking, proactiveness, and innovativeness. This means EO was considered as a unidimensional construct. Existing literature asserts that the three dimensions of EO are adequate in measuring entrepreneurial orientation of an organization (Rauch *et al.*, 2009). In addition, the consideration of the three dimensions of EO to assess corporate entrepreneurship of commercial banks in Nigeria in this study is consistent with past studies that examined corporate entrepreneurship-performance relationship (Arief *et al.*, 2013; Mahmood & Wahid, 2012; Martins & Rialp, 2013; Su, Xie, & Li, 2011; Zhang & Zhang, 2012). The items for measuring corporate entrepreneurship were adapted from Miller (1983)/Covin and Slevin (1989).

On the whole, 9 items were used to measure corporate entrepreneurship on a 5-point Likert scale. Each point on the scale represents the extent to which the respondent agrees with each statement. On the scale, "1" means "*Strongly disagree*", "2" means "*Disagree*", "3" means "*Undecided*", "4" means "*Agree*" and "5" means "*Strongly agree*".

3.5.3 Market Orientation

The conceptualization and operationalization of market orientation gained wide acceptance from two different groups (Farrell *et al.*, 2008). The two groups are Narver and Slater (1990) and Kohli and Jaworski (1990). Both groups conceptualized and operationalized market orientation as a unidimensional construct with three dimensions. The MO instrument developed by Narver and Slater is called MKTOR while the one developed by Kohli and Jaworski is known as MARKOR. This study adopted Narver and Slater's conceptualization and operationalization of MO. Thus, MKTOR was adopted in measuring market orientation of commercial banks in Nigeria.

Although the two instruments are adjudged to be good in capturing market orientation of an organization, but extant literature confirms that MKTOR outperforms MARKOR, especially when one is considering subjective organizational performance measures (Rojas-Méndez & Rod, 2013). Therefore, the choice of MKTOR instead of MARKOR was because this study considered subjective performance measures. Narver and Slater (1990) conceptualized and operationalized MO as a unidimensional construct which consists of three dimensions: customer orientation, competitor orientation, and interfunctional coordination. The items for measuring market orientation in this study were adapted from Zhang and Duan (2010) and Subramanian and Gopalakrishna (2001).

In all, ten items were used to measure market orientation on a 5-point Likert scale. Each point on the scale represents the extent to which the respondent agrees with each statement. On the scale, "1" means "*Strongly disagree*", "2" means "*Disagree*", "3" means "*Undecided*", "4" means "*Agree*" and "5" means "*Strongly agree*".

3.5.4 Strategic Orientation

Strategic orientation is the strategic direction or positioning of an organization. It is the strategic focus or direction of an organization and proper alignment to ensure superior organizational performance (Weinzimmer *et al.*, 2012). In order to capture the strategic orientation of Nigeria's commercial banks, this study adopted the operationalization of strategic orientation (as a unidimensional construct) by Weinzimmer *et al.*, (2012). Thus, the items for measuring strategic orientation were adapted from Weinzimmer *et al.*, (2012).

Strategic orientation was measured with six items on a 5-point Likert scale. Each point on the scale represents the extent to which the respondent agrees with each statement. On the scale, "1" means "*Strongly disagree*", "2" means "*Disagree*", "3" means "*Undecided*", "4" means "*Agree*" and "5" means "*Strongly agree*".

3.5.5 Organizational Culture

Organizational culture is a multidimensional construct. Different researchers have operationalized organizational culture in diverse ways. However, this study adopted the operationalization of organizational culture of teamwork by Denison (1990). The consideration of one dimension in assessing organizational culture in this study is consistent with previous studies that examined the influence of organizational culture on organizational performance (Chuang *et al.*, 2012).

Organizational culture of teamwork was measured with five items on a 5-point Likert scale. Each point on the scale represents the extent to which the respondent agrees with each statement. On the scale, "1" means "*Strongly disagree*", "2" means "*Disagree*", "3" means "*Undecided*", "4" means "*Agree*" and "5" means "*Strongly agree*".

3.5.6 External Environment

External environment is also a multidimensional construct. It is measured through its various dimensions. The dimension of external environment considered in this study was environmental hostility (competitive intensity). The consideration of environmental hostility dimension in this study is consistent with past studies that examined the impact of external environment on organizational performance (George *et al.*, 2001; Martins & Rialp, 2013; Slater & Narver, 1994; Zahra & Covin, 1995). The items for measuring competitive intensity were adapted from Zhang and Duan (2010) and Jaworski and Kohli (1993).

Five items were used to measure environmental hostility (competitive intensity) as a unidimensional construct on a 5-point Likert scale. Each point on the scale represents the extent to which the respondent agrees with each statement. On the scale, "1" means "*Strongly disagree*", "2" means "*Disagree*", "3" means "*Undecided*", "4" means "*Agree*" and "5" means "*Strongly agree*".

Table 3.2 summarizes operationalization of the variables examined in this study. It shows the research variables (constructs), the dimensionality of the constructs in the context of this study, the dimensions considered, number of items per variable (construct), and source(s) of instrument used in measuring each variable (construct).

Table 3.2
Operationalization of Research Variables

Variables/ Constructs	Dimensionality	Dimensions	No of Items	Source(s)
Organizational Performance	Unidimensional	Profitability, market share, growth & overall business performance	05	Antoncic & Hisrich (2004) & Mahmood & Wahid (2012)
Corporate Entrepreneurship	Unidimensional	Risk taking, innovativeness & proactiveness	09	Miller (1983)/Covin & Slevin (1989)
Market Orientation	Unidimensional	Customer orientation, competitor orientation & interfunctional coordination	10	Subramanian & Gopalakrishna (2001) & Zhang & Duan (2010)
Strategic Orientation	Unidimensional	-	06	Weinzimmer *et al.*, (2012)
Organizational Culture	Unidimensional	Teamwork	05	Denison (1990)
External Environment	Unidimensional	Competitive Intensity	05	Jaworski and Kohli (1993) & Zhang & Duan (2010)

3.6 Questionnaire Design

A questionnaire, as a method of data collection, is a set of written pre-developed questions with closely defined alternatives to which respondents record their answers (Sekaran & Bougie, 2013). For the purposes of data collection for this study, a questionnaire was designed based on operationalization of the variables examined in this study. The questionnaire had a covering letter which introduces the researcher and states the purpose of this study. The covering letter was imprinted with the logos of OYAGSB and COB at the top. Furthermore, to make the questionnaire look attractive to the respondents, the questionnaire was coloured and well-formatted in a book-like form.

The questionnaire was divided into sections **1** and **2**. Section **1** captured the demographic data of the respondents such as gender, qualification, banking experience, managerial experience, staff strength of the bank, geographical location of the bank, and years of establishment of the bank. There were 7 items to capture the demographic information of the respondents (See Appendix A, Section 1, p.296). Section **2** measured the variables examined in this study. Section **2** was further divided into six parts - **A** to **F** respectively. Part **A** consisted of five items measuring organizational performance (See Appendix A, Section 2, p.297) while part **B** measured organizational culture of teamwork with five items (See Appendix A, Section 2, p.297). Part **C** consisted of nine items measuring corporate entrepreneurship (See Appendix A, Section 2, p.298) whereas part **D** consisted of six items measuring strategic orientation (See Appendix A, Section 2, p.298). Part **E** consisted of 10 items measuring market orientation (See Appendix A, Section 2, p.299) while part **F** consisted of five items measuring external environment (competitive intensity) (See Appendix A, Section 2, p.300). There were 40 items in Section **2** measuring the variables on a 5-point Likert scale in order to ensure consistency. In all, there were 47 items (questions) in the questionnaire.

3.7 Pilot Study

A pilot study is conducted by administering the study's questionnaire to a limited number of prospective respondents (Kumar *et al.*, 2013; Sekaran & Bougie, 2013). It helps to ascertain whether the items (questions) in the questionnaire are properly worded and well understood by the prospective respondents (Kumar *et al.*, 2013; Sekaran & Bougie, 2013). Also, it is conducted to help determine the reliability of the instruments for measuring research variables before taking the instruments to the field for full-scale data collection.

In order to ensure that the research instruments designed to measure the variables examined in this study passed the reliability test, the designed questionnaire was administered to 30 of the prospective respondents – bank managers. Thereafter, reliability scores (Cronbach's Alpha values) for the constructs were determined using SPSS Version 19. Table 3.3 shows the results of the pilot study conducted. The table shows the constructs measured, the number of items measuring each construct, and the Cronbach's Alpha values extracted for the constructs.

Table 3.3
Pilot Study's Reliability Results

S/No	Constructs	No of Items	Cronbach's Alpha
1	Organizational Performance	05	.90
2	Corporate Entrepreneurship	09	.80
3	Market Orientation	10	.86
4	Strategic Orientation	06	.83
5	Organizational Culture	05	.87
6	External Environment	05	.75

According to Sekaran and Bougie (2013), a Cronbach's Alpha value of .70 is acceptable. From Table 3.3, the Cronbach's Alpha values for all the constructs are above the recommended standard value of .70, which means all the constructs passed the reliability test.

3.8 Data Collection

This section discusses sources of data, methods of data collection, and the procedures followed in collecting data for this study.

3.8.1 Sources of Data

Data for a study can be collected from two sources: primary and secondary sources. Primary data are first-hand information collected by the researcher on the variables examined in the study. Primary data can be obtained from individuals, focus groups, or panels. Primary data can be collected through interviews, questionnaires, or observations. Secondary data, on the other hand, are information obtained from sources that already exist. Secondary data can be obtained from sources like company records, government publications, websites, journals, theses, and the Internet.

Data for this study were obtained mainly from primary source. More precisely, questionnaire was used to collect primary data on variables examined. Also, for the purposes of literature review, articles were reviewed.

3.8.2 Data Collection Methods

Methods of data collection refer to the various ways through which data for a study can be obtained (Sekaran & Bougie, 2013). The methods of data collection that the researcher uses depends on the type of research conducted, whether the study is qualitative or quantitative in nature (Kumar *et al.*, 2013). Qualitative study uses methods such as interviews, observations, and focus groups. Generally, methods of data collection include: interviews (whether face-to-face, telephone, or computer-assisted), observations (with or without audio recording or videotaping), and questionnaires (whether administered personally, through the mail, or electronically) (Kumar *et al.*, 2013; Sekaran & Bougie, 2013).

Interview is a method of data collection through which the researcher gathers information on variables or issues of interest. Interviews may be structured or unstructured. It is a structured interview when there is a predesigned set of questions to be asked of the respondents. In an unstructured interview, there is no predesigned set of questions to be asked of the respondents. Interviews can be conducted face-to-face or personally, by telephone, or online. Generally, interviews, as a method of data collection, is useful mostly when exploratory research is undertaken, where an in-depth or rich information are needed for better understanding of the situations or problems under investigation. However, it is expensive and time consuming (Kumar *et al.*, 2013; Sekaran & Bougie, 2013).

According Sekaran and Bougie (2013), observation is concerned with "the planned watching, recording, analysis, and interpretation of behavior, actions, or events" (p.130). It is conducted in a natural setting, which may be controlled or uncontrolled setting. In observation, the researcher may and may not participate in the actions or events that are being observed. Observational method is good for a research that requires non-self-report descriptive data. It provides rich and uncontaminated data. Through observational method, behavioral data can be gathered without asking questions. However, it is time consuming and requires a specialized skill (Kumar *et al.*, 2013; Sekaran & Bougie, 2013).

Another important method of data collection is questionnaire. A questionnaire is a set of written predesigned questions with closely defined alternatives to which respondents record their answers (Kumar *et al.*, 2013; Sekaran & Bougie, 2013). Generally, questionnaires are designed to gather large numbers of quantitative data, and they are usually used in descriptive studies. Questionnaires can be administered personally, mailed to the respondents, or administered electronically. As a method of data collection, questionnaires are less expensive and do not consume much time compared to interviews and observations (Kumar *et al.*, 2013; Sekaran & Bougie, 2013). However, there may be problem of low response rate.

In view of the data collection methods discussed above, this study used questionnaire to collect data. Questionnaire was used because quantitative data on the variables examined were needed for the purpose of addressing the research questions and objectives of this study. More precisely, the study's questionnaire was administered through the mail. Mailing system was adopted because Nigeria is vast and bank branches are located in different parts of the country.

3.8.3 Data Collection Procedures

Full-scale data collection started one and half month after proposal defence and lasted for five months. Specifically, this study's proposal defence took place on the 5th of May, 2014. The remaining days in the month of May and the first two weeks from the month of June were used to conduct pilot study. More precisely, full-scale data collection started third week of June 2014 and ended in November 2014. As stated earlier, questionnaire was the method used to collect data for this study, and it was administered through the mail. The questionnaire was designed and printed, and envelopes were also printed with the logos of OYAGSB and COB imprinted on them. Thereafter, a copy of the questionnaire, one key holder with the inscription of "UUM 30th Anniversary" as a gift item, and a stamped addressed envelope were enclosed in each of the printed envelopes affixed with ₦50 postage stamp. The key holder enclosed as a gift was meant to seek cooperation and compliance of the respondents, and the enclosed stamped addressed envelope was for the respondents to use in sending completed questionnaires to the researcher. Besides, the enclosed gift item and stamped addressed envelope were the techniques used to enhance response rate.

According to Roscoe (1975), the appropriate sample size for most research should be greater than 30 and less than 500, and for multivariate research, the sample size should be several times, preferably ten times of the number of variables examined in the study (Sekaran & Bougie, 2013). Besides, for the purposes of factor analysis, a sample size of 100 and above is recommended (Coakes, 2013; Pallant, 2007). In order to have enough fully completed questionnaires for data analysis, copies of the questionnaire in excess of the sample size were mailed to the respondents. This is because administration of questionnaire through the mail has a disadvantage of low response rate (Sekaran & Bougie, 2013; Zikmund, Babin, Carr, & Griffin, 2013), and for the purposes of data analysis, a reasonable number of usable questionnaires was needed. Therefore, 1,000 copies of the packaged envelopes were mailed to the respondents – the bank managers.

As a follow-up, after two months, letters were sent to the respondents to remind them of the questionnaire they had to complete and return. This became necessary considering the fact that the respondents were bank managers who were very busy with their job schedule. Also, it was meant to enhance the response rate (Sekaran & Bougie, 2013). Although after a month the researcher was already receiving completed questionnaires from the respondents. Altogether, 220 completed questionnaires were received within two and half months and 102 completed questionnaires were received later.

3.9 Data Analysis Techniques

This section discusses the procedures followed and the methods (techniques) adopted in analyzing the data collected.

3.9.1 Data Preparation and Cleaning

To ensure that the data collected were in good format, enough, and purified for analysis, the following measures were taken: data sorting, coding, and entry; response rate; non-response bias; missing values; and outliers.

3.9.1.1 Data Sorting, Coding, and Entry

Data analysis begins with data sorting, data coding, and data entry (Sekaran & Bougie, 2013). With respect to this study, the researcher went through the returned questionnaires and separated usable from unusable questionnaires. More specifically, out of the 322 completed questionnaires returned, 297 usable copies were selected for analysis. The remaining 25 copies were not usable because they were not fully completed. Thereafter, the items measuring the variables were coded in such a way that each coded item represented the variable it measured and then keyed in into SPSS software package for subsequent data analysis. The items to measure organizational performance were coded "perfl to perf5" respectively while the items to measure corporate entrepreneurship were coded "CorpEnt1 to CorpEnt9" correspondingly. The items to measure market orientation were coded "Mktor1 to Mktor10" in that order whereas the items to measure strategic orientation were coded "Strator1 to Strator6" respectively. Organizational culture items were coded "OrgCul1 to OrgCul5" respectively while external environment items were coded "ExtEnv1 to ExtEnv5 in that order.

3.9.1.2 Response Rate

Response rate is defined as the number of questionnaires returned divided by the total number of questionnaires distributed to respondents in a survey (Zikmund *et al.*, 2013). The calculation of response rate is necessary because it provides information about the adequacy of the returned questionnaires for analysis. According to Roscoe (1975), the rule of thumb for the adequacy of the number of usable questionnaires for multivariate analysis is that the total number of usable questionnaires should be 10 times or more of the total number of variables examined in the study (Sekaran & Bougie, 2013). To determine response rate in this study, the number of questionnaires returned was divided by the total number of questionnaires distributed to the respondents and then multiplied by 100.

3.9.1.3 Non-Response Bias

In social science researches, non-response is usually common. Non-response occurs when some respondents who are given questionnaires do not respond to them in a survey research (Zikmund *et al.*, 2013). Thus, non-response bias refers to a statistical difference between the respondents who responded to questionnaires distributed and those who failed to respond in a survey (Zikmund *et al.*, 2013). To estimate possible non-response bias, it is suggested that the responses of early respondents and late respondents should be compared (Armstrong & Overton, 1977). Armstrong and Overton argue that non-respondents share similar features with late respondents. Therefore, in estimating non-response bias, late respondents should be taken to represent non-respondents (Armstrong & Overton, 1977).

To calculate non-response bias in this study, 205 usable questionnaires out of the 220 questionnaires received within two and half months were categorized as "early response" and 92 usable questionnaires out of the 102 questionnaires received later were regarded as "late response". The "early response" group was coded as "1" and the "late response" group was coded as "2". Thereafter, an independent-sample *t*-test was conducted to determine whether there was a significant difference between the two groups.

3.9.1.4 Missing Data

A case of missing data exists where values on one or more variables are not complete for analysis (Hair *et al.*, 2010). Missing data cases may occur as a result of wrong entries of data by the researcher. It could also be as a result of some respondents who have refused to provide answers to certain questions in the questionnaire. Whenever there are cases of missing data, it is the responsibility of the researcher to identify cause(s) of the missing data and apply appropriate remedy. This is important because performing data analysis with missing data could produce erroneous and misleading results. One notable way of treating missing data is by replacing them with mean values of the other entries through a standardized method.

To check for missing data in this study, descriptive statistics, in particular frequencies for all the data entries were obtained using SPSS. The items with missing data cases were identified and categorized according to the variables they measured. Thereafter, SPSS was commanded to replace missing data with "serial mean".

3.9.1.5 Outliers

Outliers are observations or values which stand out from other observations or values (high or low) (Hair *et al.*, 2010). Outliers affect the accuracy of analysis and are capable of distorting overall results (Hair *et al.*, 2010). Because this study involved multivariate analysis, the data collected were checked for multivariate outliers. The method used was Mahalanobis distance (D^2). Mahalanobis distance values were obtained, and degree of freedom (*df*) was calculated based on the total number of observed variables. Thereafter, Chi-Square value based on the degree of freedom was obtained at p value of .001. Then, the Mahalanobis values obtained were checked against the Chi-Square value. The decision was that any Mahalanobis value greater than the Chi-Square value was regarded as an outlier and deleted.

3.9.2 Multivariate Assumptions Tests

Multiple regression analysis is a technique used to analyze the relationship between many independent variables and a single dependent variable (Hair *et al.*, 2010). The purpose of multiple regression analysis is to predict the value of a dependent variable from independent variables whose values are determined. This study involved six variables altogether, three independent variables: corporate entrepreneurship, market orientation, and strategic orientation; two intervening variables, a mediator (organizational culture), and a moderator (external environment); and one dependent variable (organizational performance). Thus, this study required multiple regression analysis to answer the research questions formulated. Generally, running a multivariate analysis requires certain conditions to be met. As a result, the following multivariate assumptions tests were performed: normality test, linearity test, homoscedasticity test, and multicollinearity test.

3.9.2.1 Normality Test

Data for multivariate analysis must be normally distributed. Normality test is conducted to determine whether the scores for each variable are normally distributed (Hair *et al.*, 2010). To test for normality in this study, two methods were used: statistical method and graphical method. First, the skewness and kurtosis of the distribution for all the variables were calculated and their corresponding z skewness and z kurtosis values were determined. Skewness is the balance (symmetry) of the distribution while kurtosis is the "peakedness" of the distribution. Second, the histogram showing the graphical distribution of the data was obtained.

3.9.2.2 Linearity Test

Linearity refers to the nature of association between variables and the ability of the correlation coefficient to sufficiently represent the relationship (Hair *et al.*, 2010). In this study, linearity test was performed to determine the relationship between the variables examined. To test for linearity, a *Pearson product-moment* correlational analysis was performed.

3.8.2.3 Homoscedasticity Test

Homoscedasticity refers to the degree of variability in scores for one variable to other variables (Hair *et al.*, 2010). To test for homoscedasticity in this study, a *Levene* test was performed by comparing the metric variables: organizational performance, corporate entrepreneurship, market orientation, strategic orientation, external environment, and organizational culture to a non-metric variable, banking experience.

3.9.2.4 Multicollinearity Test

Multicollinearity refers to the degree of correlation among the independent variables. A high degree of correlation among independent variables reduces their predictive power (Hair *et al.*, 2010). To test for multicollinearity in this study, a *Pearson Product-Moment* test was performed. Also, collinearity statistics: tolerance values and variance inflation factor (VIF) for the independent variables were calculated to determine whether there was a multicollinearity problem with the data.

3.9.3 Exploratory Factor Analysis

Exploratory factor analysis is about the validity and reliability of an instrument designed to measure a variable or concept. Validity refers to how well an instrument captures the concept or variable it is designed to measure. Reliability, on the other hand, refers to the internal consistency of the items or scales measuring a variable or concept (Hair *et al.*, 2010; Sekaran & Bougie, 2013).

In order to ensure the adequacy and consistency of the scales measuring each of the variables examined in this study, factor analysis and reliability test were performed. First, factor analysis was carried out on each of the variables to ensure that the items designed to measure them were adequate. Table 3.4 shows the criteria used to assess the factor analysis results. Thereafter, a reliability test was performed on the remaining items measuring each of the variables to determine whether they were internally consistent in measuring the variables. The reliability of the items was determined by extracting Cronbach's Alpha values for all the variables, which should be greater than .70 (Hair *et al.*, 2010; Sekaran & Bougie, 2013).

Table 3.4
Criteria for Assessing Factor Analysis Results

S/No	Factors	Standards
1	Intercorrelation among items	> .30
2	Kaiser-Meyer-Olkin (KMO)	> .50
3	Barlett's Test of Sphericity	< .05
4	Measures of Sampling Adequacy (MSA)	> .50
5	Anti-Image	> .50
6	Eigenvalues	> 1.00
7	Total Variance Explained (TVE)	> .60 (60%)
8	Factor loading	> ±.50
9	Communalities	> .50

Source: Hair *et al.* (2010)

3.9.4 Multivariate Analysis

In order to answer the research questions and test the hypotheses formulated in this study, the following multivariate analyses were performed: multiple regression analysis, test for mediating effect, and test for moderating effect.

3.9.4.1 Multiple Regression Analysis

Multiple regression analysis is a statistical technique used to analyse the relationship between one dependent variable and two or more independent variables (Hair *et al.*, 2010). Multiple regression analysis helps to determine the relative contribution and significance of each independent variable in the prediction of the dependent variable.

In this study, there is one dependent variable, organizational performance, and three independent variables: corporate entrepreneurship, market orientation, and strategic orientation. In order to determine the direct (main) effects of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance, a multiple regression analysis was conducted. The independent variables: corporate entrepreneurship, market orientation, and strategic orientation were jointly regressed against the dependent variable, organizational performance.

The relationship between the dependent variable, organizational performance and the independent variables: corporate entrepreneurship, market orientation, and strategic orientation was modeled in the equation below and was applied in running the multiple regression analysis:

$$OP = \beta_0 + \beta_1 CE + \beta_2 MO + \beta_3 SO + \varepsilon$$

Where,

OP = organizational performance; CE = corporate entrepreneurship; MO = market orientation; and SO = strategic orientation. β_0 is constant while β_1, β_2 and β_3 are regression coefficients.

3.9.4.2 Test for Mediating Effect

Mediating effect is an interaction effect in which an independent variable affects the dependent variable through the mediating variable (Hair *et al.*, 2010; Sekaran & Bougie, 2013). In this study, it is hypothesized that organizational culture mediates the relationship between the independent variables: corporate entrepreneurship, market orientation and strategic orientation; and the dependent variable, organizational performance. This means corporate entrepreneurship, market orientation, and strategic orientation affect organizational performance through organizational culture.

Based on Baron and Kenny (1986) and Judd and Kenny's (1981) guidelines, the following steps were taken in testing for the mediating effect.

Step 1: Dependent variable was regressed on the independent variable.

Step 2: Mediating variable was regressed on the independent variable.

Step 3: Dependent variable was regressed on the mediating variable. But in order to establish whether the mediating variable completely mediated the relationship between the independent and dependent variables, the dependent variable was regressed on both the mediating and the independent variables while controlling the independent variable.

From the above steps, the following equations were derived:

a) Equation 1: $Y = \beta_1 + cX_1 + \varepsilon_1$

b) Equation 2: $M_{ed} = \beta_2 + aX_1 + \varepsilon_2$

c) Equation 3: $Y = \beta_3 + c^1X_1 + bM_{ed} + \varepsilon_3$

Where,

M_{ed} = mediating variable

X_1 = independent variable

Y = dependent variable

β_1, β_2, and β_3 are constants

a, b, and c are paths estimates or correlation coefficients and should be significant

ξ_1, ξ_2, and ξ_3 are standard errors

According to Baron and Kenny (1986), mediation occurs if the beta value in the third equation is less than the beta value in the first equation. He said mediation could either be full mediation, partial mediation, or no mediation effect at all. It is a full mediation if the relationship between an independent variable and a dependent variable becomes nonsignificant after a mediating variable is introduced as an additional independent variable whereas it is a partial mediation if the relationship between an independent variable and a dependent variable is reduced but still significant when a mediating variable is introduced as an additional independent variable (Hair *et al.*, 2010). Also, there is no mediation at all if the beta value in equation 3 is significant and greater than the beta value in equation 1.

Recall that there are three independent variables, one mediator variable, and one dependent variable in this study. The independent variables are: corporate entrepreneurship (CE), market orientation (MO) and strategic orientation (SO); the mediating variable is organizational culture (OC); and the dependent variable is organizational performance (OP). The mediating effect was tested for the relationship between each of the independent variables and the dependent variable. Thus, the following equations were applied in testing for the mediating effect in this study.

For the mediating effect of organizational culture (OC) on the relationship between corporate entrepreneurship (CE) and organizational performance (OP), the mediating effect equations were modeled as follows:

a) Equation 1: $OP = \beta_1 + cCE + \varepsilon_1$

b) Equation 2: $OC = \beta_2 + aCE + \varepsilon_2$

c) Equation 3: $OP = \beta_3 + c^1CE + bOC + \varepsilon_3$

For the mediating effect of organizational culture (OC) on the relationship between market orientation (MO) and organizational performance (OP), the mediating effect equations were modeled as follows:

a) Equation 1: $OP = \beta_1 + cMO + \varepsilon_1$

b) Equation 2: $OC = \beta_2 + aMO + \varepsilon_2$

c) Equation 3: $OP = \beta_3 + c^1MO + bOC + \varepsilon_3$

For the mediating effect of organizational culture (OC) on the relationship between strategic orientation (SO) and organizational performance (OP), the mediating effect equations were modeled as follows:

a) Equation 1: $OP = \beta_1 + cSO + \varepsilon_1$

b) Equation 2: $OC = \beta_2 + aSO + \varepsilon_2$

c) Equation 3: $OP = \beta_3 + c^1SO + bOC + \varepsilon_3$

3.9.4.3 Test for Moderating Effect

Moderating effect is an interaction effect in which the relationship between an independent variable and a dependent variable depends on the value of a moderating variable (Hair *et al.*, 2010; Sekaran & Bougie, 2013). In this study, it is hypothesized that external environment moderates the relationship between the independent variables: corporate entrepreneurship, market orientation, and strategic orientation; and the dependent variable, organizational performance. This means the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance changes depending on the value of external environment.

According to Baron and Kenny (1986), the following steps were taken in testing for the moderating effect.

Step 1: Independent variable was regressed against the dependent variable.

Step 2: Moderating variable was regressed against the dependent variable as if the moderator is an independent variable.

Step 3: Both the independent and moderating variables were regressed against the dependent variable.

From the above steps, the following equations were derived:

a) Equation 1: $Y = \beta_0 + \beta_1 X_1 + \varepsilon_1$

b) Equation 2: $Y = \beta_0 + \beta_2 X_2 + \varepsilon_2$

c) Equation 3: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_2 + \varepsilon_3$

Where,

β_0 = intercept

$\beta_1 X_1$ = linear of effect X_1

$\beta_2 X_2$ = linear effect of X_2

$\beta_3 X_1 X_2$ = moderating effect of X_2 on X_1

β_1, β_2, β_3 are regression coefficients

$\mathcal{E}_1$, $\mathcal{E}_2$ and $\mathcal{E}_3$ are standard errors

Baron and Kenny (1986) concluded that a moderating effect occurs if the test in step 3 above is significant. He went further to say that even if a significant relationship is found in step 3 in terms of increase in beta value; conclusion may be difficult because of multicollinearity problem arising from the regression of the interaction of both the independent and the moderating variables on the dependent variable. Thus, a graph needs to be plotted to reveal the moderating effect.

Recall that there are three independent variables, one moderating variable, and one dependent variable in this study. The independent variables are: corporate entrepreneurship (CE), market orientation (MO), and strategic orientation (SO); the moderating variable is external environment (EE); and the dependent variable is organizational performance (OP). The moderating effect was tested for the relationship between each of the independent variables and the dependent variable.

Thus, the following equations were applied in testing for the moderating effect in this study.

For the moderating effect of external environment (EE) on the relationship between corporate entrepreneurship (CE) and organizational performance (OP), the moderating effect equations were modeled as follows:

a) Equation 1: $OP = \beta_0 + \beta_1 CE + \varepsilon_1$
b) Equation 2: $OP = \beta_0 + \beta_2 EE + \varepsilon_2$
c) Equation 3: $OP = \beta_0 + \beta_1 CE + \beta_2 EE + \beta_3 CE*EE + \varepsilon_3$

For the moderating effect of external environment (EE) on the relationship between market orientation (MO) and organizational performance (OP), the moderating effect equations were modeled as follows:

a) Equation 1: $OP = \beta_0 + \beta_1 MO + \varepsilon_1$
b) Equation 2: $OP = \beta_0 + \beta_2 EE + \varepsilon_2$
c) Equation 3: $OP = \beta_0 + \beta_1 MO + \beta_2 EE + \beta_3 MO*EE + \varepsilon_3$

For the moderating effect of external environment (EE) on the relationship between strategic orientation (SO) and organizational performance (OP), the moderating effect equations were modeled as follows:

a) Equation 1: $OP = \beta_0 + \beta_1 SO + \varepsilon_1$
b) Equation 2: $OP = \beta_0 + \beta_2 EE + \varepsilon_2$
c) Equation 3: $OP = \beta_0 + \beta_1 SO + \beta_2 EE + \beta_3 SO*EE + \varepsilon_3$

3.10 Summary and Conclusion

From a positivist perspective, this study adopted a descriptive research design. It was a cross-sectional and correlational study. A survey method was adopted for data collection through the use of structured questionnaire administered to 1,000 respondents (bank managers).

The study population was 5,225 bank managers and the sample size was 360. A disproportionate stratified random sampling technique was adopted in determining the sample size per bank, and a systematic sampling technique was adopted to determine the actual managers that were included in the sample. A questionnaire was designed based on the operationalization the variables examined in this study. In all, there were 47 items (questions) in the questionnaire. After the questionnaire design, a pilot study was conducted to test the reliability of the instruments designed to measure the variables examined in this study before taking the questionnaire to the field for full-scale data collection. All the variables passed the reliability test. The questionnaire designed was administered to the respondents through the mail, and data collection lasted for five months.

After data collection, the data were sorted, coded, and then keyed in into SPSS for purification and subsequent analyses. Specifically, the following preliminary and data cleaning tests were performed: response rate, non-response bias, missing data, and outliers. Thereafter, tests for linearity, normality, homoscedasticity, and multicollinearity were conducted, and exploratory factor analysis (factor analysis and reliability test) were carried out to determine the adequacy and the internal consistency of the scales measuring the variables. Finally, in order to answer the research questions and test the hypotheses formulated, multiple regression analysis, a series of regression analyses, and a hierarchical multiple regression analysis were performed.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter presents and describes results of the analyses performed in this study. More precisely, Section 4.2 presents results of the preliminary analyses and data cleaning tests conducted whereas Section 4.3 presents results of the multivariate assumption tests performed. Section 4.4 presents results of the exploratory factor analysis (EFA) carried out while Section 4.5 presents results of the bivariate correlational analysis performed. Section 4.6 presents multiple regression analysis results whereas Section 4.7 presents results of the mediating effect of organizational culture examined. Section 4.8 presents results of the moderating effect of external environment tested while Section 4.9 summarizes results of the hypotheses tested. Finally, Section 4.10 summarizes and concludes the chapter.

4.2 Preliminary Analyses and Data Cleaning Tests

This section presents results of the preliminary analyses and data cleaning tests conducted. The preliminary analyses and data cleaning tests conducted were: response rate, non-response bias, demographic characteristics of respondents, descriptive statistics of variables, missing data, and outliers.

4.2.1 Response Rate

Out of 1,000 questionnaires mailed to the respondents (bank managers), only 322 questionnaires representing 32.2% were returned. This was quite low, but the low response rate is associated with administration of questionnaire through the mail (Sekaran & Bougie, 2013). However, according to Sekaran and Bougie (2013), a response rate of 30% is acceptable for a mailing system of administering questionnaire. From the 322 questionnaires returned, 297 usable questionnaires were selected for analysis. The remaining 25 questionnaires were not selected for analysis because they were not fully completed. According to Roscoe (1975), a sample size for multivariate analysis should be 10 times or more of the total number of variables examined in the study (Sekaran & Bougie, 2013). Therefore, the 297 usable questionnaires retained for analysis were considered adequate considering that six variables were examined in this study. Table 4.1 shows the number of questionnaires distributed, returned, and retained for analysis.

Table 4.1
Questionnaire Distribution and Response Rate

Item	Frequency	Percentage (%)
No of questionnaires distributed	1,000	100
No of questionnaires returned	322	32.2
No of questionnaires rejected	25	7.8
No of questionnaires retained for analysis	297	92.2

4.2.2 Non-Response Bias

From the 297 usable questionnaires retained for analysis, 205 of them received within the first two and half months were regarded as “early response” while the remaining

92 received later were regarded as "late response". The "early response" group was coded as "1" whereas the "late response" group was coded as "2". Then, independent-samples *t*-test was conducted to determine whether there was a significant difference between the "early response" group and the "late response" group. From the results generated from the independent-samples *t*-test conducted, there was no significant difference between the responses of the two groups. This means there was no response bias between the responses of the two groups. The significance level was > .05 for all the variables (see Table 4.2 for details).

Table 4.2
Results of Independent-Samples t-Test for Non-Response Bias

Variables	**Group**	**N**	**Mean**	**SD**	**Levene's Test for Equality of Variances**	
					F	**Sig.**
Performance	Early Response	205	19.03	2.50	.003	.955
	Late Response	92	18.91	2.50		
CorpEnt	Early Response	205	37.65	3.45	.036	.850
	Late Response	92	37.67	3.39		
Market Orientation	Early Response	205	42.53	3.46	.553	.458
	Late Response	92	42.50	3.29		
Strategic Orientation	Early Response	205	25.93	2.19	.243	.622
	Late Response	92	25.73	2.07		
ExtEnv	Early Response	205	21.81	2.38	1.843	.176
	Late Response	92	21.33	2.04		
OrgCul	Early Response	205	19.71	2.61	.669	.414
	Late Response	92	19.83	2.48		

CorpEnt = Corporate Entrepreneurship ExtEnv = External Environment OrgCul = Organizational Culture

4.2.3 Demographic Characteristics of Respondents

In this section, the demographic characteristics of respondents are described. The demographic characteristics of respondents covered include: gender, qualification, banking experience, managerial experience, staff strength of the banks, geopolitical location of the banks, and age of the banks. Table 4.3 shows the frequencies and percentages of the profiles of respondents.

Table 4.3
Demographic Characteristics of Respondents

S/No	Item	Frequency	Percentage (%)
1	**Gender**		
	Male	234	78.8
	Female	63	21.2
	Total	**297**	**100**
2	**Qualification**		
	PhD	-	-
	Masters	94	31.6
	PGD	51	17.2
	BSc/HND	152	51.2
	ND/NCE/Diploma	-	-
	Total	**297**	**100**
3	**Banking Experience**		
	Between 1and 5 years	-	-
	Between 6 and 10 years	69	23.2
	Between 11 and 15 years	114	38.4
	Between 16 and 20 years	87	29.3
	Above 20 years	27	9.1
	Total	**297**	**100**
4	**Managerial Experience**		
	Between 1and 5 years	60	20.2
	Between 6 and 10 years	94	31.6
	Between 11 and 15 years	104	35.7
	Between 16 and 20 years	22	7.4
	Above 20 years	15	5.1
	Total	**297**	**100**
5	**Staff Strength**		
	Between 1and 10 employees	-	-
	Between 11and 20 employees	105	35.4
	Between 21and 30 employees	148	49.8
	Between 31and 40 employees	30	10.1
	Above 40 employees	09	3.0
	Missing	*05*	*1.7*
	Total	**297**	**100**

Table 4.3 (Continued)

S/No	Item	Frequency	Percentage (%)
6	**Geopolitical Zones**		
	North-Central	45	15.2
	North-East	43	14.5
	North-West	70	23.6
	South-East	36	12.1
	South-South	40	13.5
	South-West	60	20.2
	Missing	*3*	*1.0*
	Total	**297**	**100**
7	**No of Years Established**		
	Between 1and 5 years	27	9.1
	Between 6and 10 years	26	8.8
	Between 11and 15 years	44	14.8
	Between 16 and 20 years	81	27.3
	Above 20 years	108	36.4
	Missing	*11*	*3.7*
	Total	**297**	**100**

Table 4.3 shows that 234 (78.8%) of the sampled population were male while 63 (21.2%) of them were female. The results showed that the managerial positions of commercial banks in Nigeria were male-dominated. This confirms previous study conducted by Oladejo, Samuel, and Adeoye (2012). They found that Nigeria's banking sector was male-dominated.

Regarding the qualification of the respondents, majority of them had first degree, BSc/HND (51.2%), 51 (17.2%) had PGD, and 94 (31.6%) had Masters. None of them had PhD or ND/NCE/Diploma. From the results, it can be deduced that educational attainment or qualification was one of the criteria for one to become a bank manager.

Concerning the banking experience of the sampled population, majority of them (38.4%) had between 6 and 10 years of banking experience while 87 (29.3%) of them had between 16 and 20 years of banking experience. None had less than 6 years of banking experience. It means that having a requisite banking experience was a criterion for one to become a bank manager.

With respect to the managerial experience of the sampled population, majority of them had less than 16 years of managerial experience while a few of them had above 15 years of managerial experience. It could be that before most of them spend up to 20 years as a manager they would have resigned or retired from the banking job.

Concerning the staff strength of the sampled banks, majority of them had less than 31 employees whereas a few of them had above 30 employees. The reason for not having many employees in the banks perhaps was because of computerization of banking services which required a few employees.

Pertaining to the geopolitical zones where the sampled banks were located, South-East had the least number of sampled banks (12.1%) while North-West had the highest number of sampled banks (23.6%). On the whole, it can be implied that banks were spread (although unevenly) across the six geopolitical zones of Nigeria.

With respect to the years of establishment of the sampled banks, majority of them were established more than 15 years ago while a few of them were established recently. The results showed that most of the sampled banks belonged to the old generation banks.

4.2.4 Descriptive Statistics of Variables

Table 4.4 shows descriptive statistics of the variables examined in this study. It shows the mean, variance, and standard deviation of the scores for the variables. Note that all the variables were measured on a 5-point Likert scale.

Table 4.4
Descriptive Statistics of Variables

Variable	Mean	Variance	Std. Deviation
Organizational Performance	3.80	.640	.410
Corporate Entrepreneurship	4.14	.639	.419
Market Orientation	4.25	.575	.336
Strategic Orientation	4.31	.556	.312
Organizational Culture	3.80	.640	.410
External Environment	4.33	.648	.439

According to Mahmood and Wahid (2012), a mean score of between 3.41 and 4.20 is considered as "high" while a mean score of 4.21 and above is considered as "very high". From Table 4.4, the mean scores for all the variables range from 3.80 to 4.33. By implication, the mean scores represent the level of corporate entrepreneurship, market orientation, strategic orientation, organizational culture, external environment and performance of commercial banks in Nigeria. External environment had the highest mean score (4.33) while organizational performance and organizational culture had the least mean score (3.80). From the results, it can therefore be inferred that the level of performance, corporate entrepreneurship, and organizational culture of commercial banks in Nigeria was high. Also, it can be concluded that the level of market orientation, strategic orientation, and external environment of commercial banks in Nigeria was very high.

4.2.5 Missing Data

One of the steps taken to clean the data collected for analysis was to check for missing data. This became necessary because performing data analysis with missing data could lead to erroneous results (Hair *et al.*, 2010). To check for missing data, descriptive statistics, in particular frequencies for all the data entries were obtained using SPSS. From the frequency table generated, 20 missing data were discovered and categorized according to the variables they represented as presented in Table 4.5.

Table 4.5
Number and Percentage of Missing Data

Constructs	**No of Missing Data**
Organizational Performance	03
Corporate Entrepreneurship	05
Market Orientation	04
Strategic Orientation	03
Organizational Performance	02
External Environment	03
Total	**20**
No of Data Points	40 observed Variables * 297 Respondents = 11,880
Percentage of Missing Data	20/11,880 = **.17%**

The 20 missing data discovered accounted for .17% of the total data entries (11,880). Although the figure was not significant but it could lead to erroneous results if not remedied. One notable way of treating missing data cases is by replacing them with mean values through standardized methods. Thus, SPSS was commanded to replace missing data with "serial mean" (see Appendix B for the data replacement table generated by SPSS).

4.2.6 Outliers

As part of the data cleaning process, the data collected were checked for possible multivariate outliers. To do this, Mahalanobis distance (D^2) was used to examine whether there were outliers among the data set. On the whole, there were 40 observed variables, and degree of freedom (*df*) was calculated, resulting in 39. The corresponding Chi-Square value for 39 ($p = 0.001$) was 72.06. This means any Mahalanobis value greater than 72.06 was regarded as an outlier. In all, five outliers were detected and deleted. Table 4.6 shows the respondent IDs with their corresponding Mahalanobis values.

Table 4.6
Respondents' IDs and their corresponding Mahalanobis Values

S/No	Respondent ID	Mahalanobis (D^2)
1	193	81.50533
2	158	77.49835
3	72	76.44587
4	76	75.53638
5	73	73.40444

4.3 Multivariate Assumption Tests

In running a multiple regression analysis, certain conditions must be fulfilled. This is because a violation of any of the conditions could impact negatively on the results. Thus, this part presents results of the multivariate assumption tests performed. The multivariate assumption tests performed were tests for normality, linearity, homoscedasticity, and multicollinearity.

4.3.1 Testing for Normality

One of the multivariate assumption tests conducted was test for normality. The data to be used for multiple regression analysis must be normally distributed (Coakes, 2013; Hair *et al.*, 2010; Pallant, 2007). In this study, two methods were used to test for normality of data. First, statistical method was used. The skewness and kurtosis for the total scores for all the variables were calculated using SPSS. Then, the *z* values for both the skewness and kurtosis were calculated manually. Table 4.7 shows the skewness and kurtosis statistics for the variables together with their corresponding standard errors and *z* values. The rule of thumb for data to be regarded as normal is that the *z* values for both skewness and kurtosis should not be greater than ±2.58 at .01 level of significance (Hair *et al.*, 2010).

Table 4.7
Normality Test Results

Variables	Skewness			kurtosis		
	Statistic	Std Error	*Z* value	Statistic	Std Error	*Z* value
Performance	.309	.143	2.16	-.533	.284	-1.88
CorpEnt	-.102	.143	-.71	-.676	.284	-2.38
Mktor	-.137	.143	-.96	-.506	.284	-1.78
Strator	-.013	.143	-.09	-.724	.284	-2.55
OrgCul	.362	.143	2.53	-.699	.284	-2.46
ExtEnv	-.352	.143	-2.46	.628	.284	2.21

Note. CorpEnt = Corporate Entrepreneurship; Mktor = Market Orientation; Strator = Strategic Orientation; ExtEnv = External Environment; OrgCul = Organizational Culture

An examination of the *z* values for both skewness and kurtosis for all the variables as shown in Table 4.7 indicated that the data were normal. This was because no *z* value for both skewness and kurtosis for all the variables was greater than ±2.58. To confirm the above statistical values, a second method was adopted, which was graphical method. Figure 4.1 (histogram) shows that the data for this study were normally distributed. The graph shows a normal distribution curve. Thus, from the results of the statistical and the graphical methods, the condition of normality of data was fulfilled.

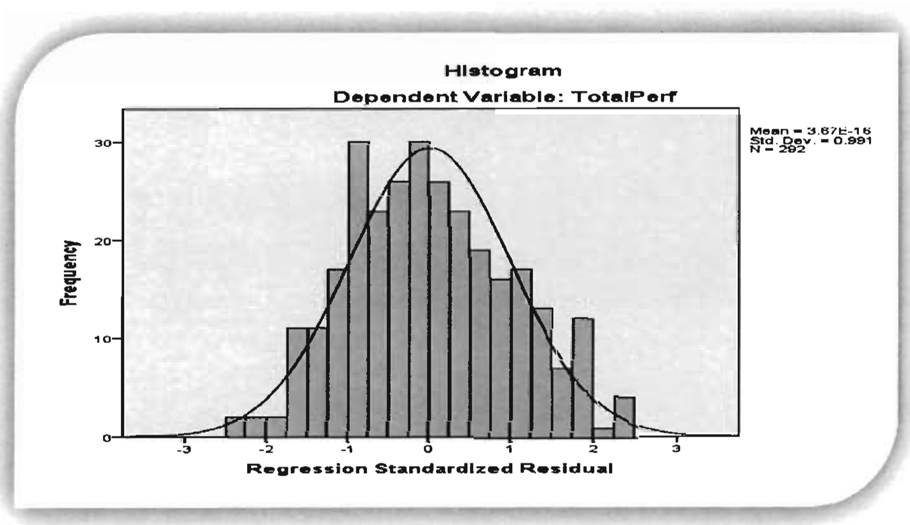


Figure 4.1
Histogram Showing Normality of Data

4.3.2 Testing for Linearity

A *Pearson product-moment* correlational analysis was performed to test the nature of relationship between the variables examined in this study. A *Pearson product-moment* correlation test describes the relationship between variables in a linear fashion (Coakes, 2013). Table 4.8 shows correlations between the variables examined in this study.

Table 4.8
Linearity Test Results

	Performance	CorpEnt	Mktor	Strator	ExtEnv	OrgCul
Performance	1					
CorpEnt	.242**	1				
Mktor	.291**	.317**	1			
Strator	.274**	.349**	.561**	1		
ExtEnv	.253**	.182**	.169**	.325**	1	
OrgCul	.211**	.346**	.284**	.311**	.243**	1

**. Correlation is significant at the 0.01 level (1-tailed). Note. CorpEnt = Corporate Entrepreneurship; Mktor = Market Orientation; Strator = Strategic Orientation; ExtEnv = External Environment; OrgCul = Organizational Culture

From the results obtained from the correlational analysis as shown in Table 4.8, it can be observed that there was a linear relationship between the variables. The results showed that the variables were positively related, meaning that the relationship between the variables was linear.

Furthermore, Figure 4.2 confirms the results of the *Pearson product-moment* correlational analysis performed, by illustrating a linear relationship between the variables in a graphical method. From the graph, a straight line from left to right shows that the relationship between the variables was linear.

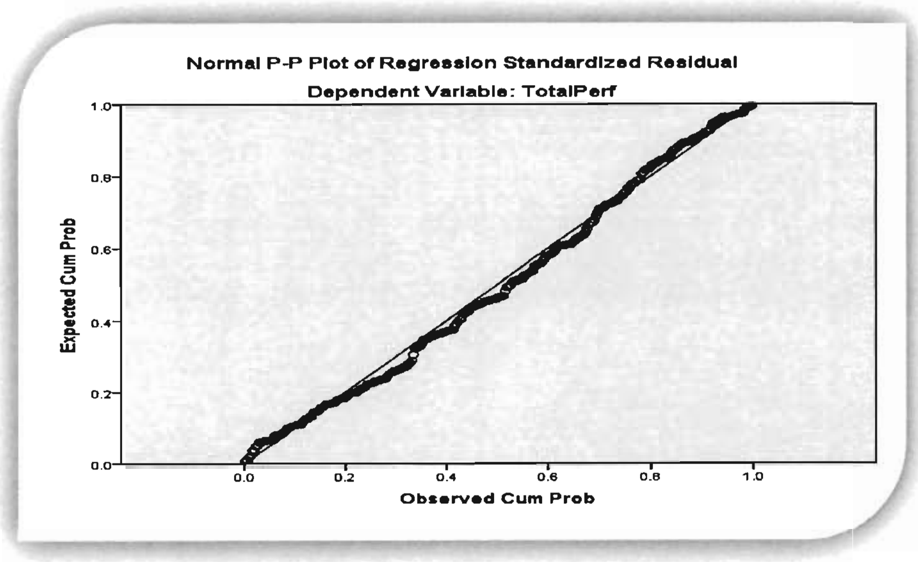


Figure 4.2
Normal Probability Plot Showing Linearity of Data

4.3.3 Testing for Homoscedasticity

A Levene test was conducted to determine the homogeneity of variance among the variables examined. Table 4.9 shows results of the test for homogeneity of variance performed.

Table 4.9
Homogeneity Test Results

Variables	Levene Statistics	*df*1	*df*2	Sig.
Corporate Entrepreneurship	.766	2	288	.466
Market Orientation	.228	2	288	.797
Strategic Orientation	.701	2	288	.497
External Environment	.552	2	288	.576
Organizational Culture	.708	2	288	.493
Organizational Performance	.189	2	288	.828

The results of the Levene test as presented in Table 4.9 indicated that the variables assumed equality of variance, as the results of the test were not significant (> .05). This means the condition of homogeneity of variance was not violated.

Furthermore, a visual inspection of the histogram showing regression standardized residual, normal p-p plot of regression standardized residual, and scatterplot indicated that there was no problem of heteroscedasticity with the data, which means that the data were not homoscedastic (see Appendix C for the charts).

4.3.4 Testing for Multicollinearity

To test for multicollinearity, a *Pearson product-moment* was performed to examine the correlations between the variables. Table 4.10a shows the correlation between the variables. The results of the multicollinearity test indicated that there was no correlation between any two variables that was greater than .60, suggesting that the correlations between the variables were not high (Hair *et al.*, 2010). This means that there was no problem of multicollinearity between the variables.

Table 4.10a
Correlations between Variables

	Performance	CorpEnt	Mktor	Strator	ExtEnv	OrgCul
Performance	1					
CorpEnt	.242**	1				
Mktor	.291**	.317**	1			
Strator	.274**	.349**	.561**	1		
ExtEnv	.253**	.182**	.169**	.325**	1	
OrgCul	.211**	.346**	.284**	.311**	.243**	1

**. Correlation is significant at the 0.01 level (1-tailed). Note. CorpEnt = Corporate Entrepreneurship; Mktor = Market Orientation; Strator = Strategic Orientation; ExtEnv = External Environment; OrgCul = Organizational Culture

To further confirm that there was no problem of multicollinearity, tolerance values and variance inflation factor (VIF) were also calculated and the results are presented in Table 4.10b.

Table 4.10b
Collinearity Statistics of Variables

Model	Correlations			Collinearity Statistics	
	Zero-order	**Partial**	**Part**	**Tolerance**	**VIF**
Constant					
Corporate Entrepreneurship	.242	.109	.101	.802	1.248
Market Orientation	.291	.151	.141	.660	1.514
Strategic orientation	.274	.053	.049	.602	1.661
External environment	.253	.167	.157	.869	1.151
Organizational culture	.211	.061	.056	.812	1.231

a. Dependent Variable: Organizational Performance

The acceptable thresholds for tolerance value and VIF are that tolerance value should not be less than .10 and VIF should not be greater than 10 (Hair *et al.*, 2010). Therefore, from the results of collinearity statistics obtained as shown in Table 4.10b, the condition of multicollinearity was satisfied, as no tolerance value was less than .10 and no VIF was greater than 10.

4.4 Exploratory Factor Analysis (EFA)

4.4.1 Factor Analysis

To determine the underlying structure of the scales measuring each of the variables examined in this study, a principal component analysis was performed. The following standards were applied to assess the factor analysis results. KMO should be greater than.50 and the Bartlett's Test of Sphericity should be significant for the variables to be factorable. Also, the communality for each of the scales should not be less than .50 and the Eigenvalues for the component(s) extracted should be greater than 1. Furthermore, the percentage of variance explained by the component(s) extracted should not be less than 60% (Hair *et al.*, 2010).

4.4.1.1 Factor Analysis on Organizational Performance

To establish the underlying structure of the scales measuring organizational performance, a principal component analysis was performed. Table 4.11 shows the loadings, communalities, Eigenvalues, and variance explained by the component extracted.

Table 4.11
VARIMAX- Rotated Factor Loadings for Organizational Performance Scales

	VARIMAX-ROTATED LOADINGS			
	Factor			
Full Set of Scales	**1**	**2**	**3**	**Communality**
Perf4	.814			.662
Perfl	.793			.628
Perf2	.788			.621
Perf5	.787			.620
Perf3	.742			.550
				Total
Eigenvalues	**3.082**			**3.082**
Variance Explained	**61.640**			**61.640**
KMO = .839, Bartlett's Test of Sphericity/Approx. Chi-Square = 550.798, df = 10, Sig. = .000				

Note. Loadings < .50 were not reported. Variables were sorted by loadings on each factor. Extraction Method = Principal Component Analysis.

The results from the principal component analysis performed on organizational culture with a total of 5 scales indicated that the construct was factorable, with the overall KMO of .839, which was far greater than the acceptable threshold of .50 for overall KMO, and the Bartlett's Test of Sphericity was significant at < .001. From the output, a one-factor solution was extracted with an Eigenvalue of 3.082. Also, from the one component extracted, scale Perf4 had the highest loading and communality of .814 and .662 respectively. Scale Perf3 had the least loading and communality of .742 and .550 in that order. The one component explained 61.640% of the total variance in the construct.

4.4.1.2 Factor Analysis on Corporate Entrepreneurship

To ascertain the underlying structure of the scales measuring corporate entrepreneurship, a principal component analysis was carried out. Table 4.12a shows the number of components extracted and the corresponding loadings and communalities for the scales.

Table 4.12a

VARIMAX- Rotated Factor Loadings for Corporate Entrepreneurship Scales

	VARIMAX-ROTATED LOADINGS			
	Factor			
Full Set of Scales	**1**	**2**	**3**	**Communality**
CorpEnt9	.814			.696
CorpEnt8	.775			.617
CorpEnt2	.661			.739
CorpEnt7**	.585			**.498**
CorpEnt3		.919		.864
CorpEnt5		.759		.719
CorpEnt6*		**.428**		**.345**
CorpEnt4			.835	.713
CorpEnt1			.733	.699
				Total
Eigenvalues	**3.346**	**1.403**	**1.139**	**5.888**
Variance Explained	**26.323**	**21.007**	**18.106**	**65.436**
KMO = .678, Bartlett's Test of Sphericity/Approx. Chi-Square = 864.256, df = 36, Sig. = .000				

Note. Loadings < .50 were not reported. Variables were sorted by loadings on each factor. Extraction Method = Principal Component Analysis. *To be deleted for its loading and communality are < .50 **To be deleted for having communality < .50.

The output from the principal component analysis performed on the nine-scale corporate entrepreneurship showed that the construct was factorable, with the overall KMO of .678, greater than the acceptable standard of .50 for overall KMO. Also, the Bartlett's Test of Sphericity was significant at < .001. From the first iteration, a three-factor solution was extracted, with components 1, 2, and 3 having Eigenvalues of 3.346, 1.403, and 1.139 respectively. Also, from the three components extracted, scale CorpEnt3 had the highest loading of .932 and scale CorpEnt6 had the least loading of .426 which made it a subject for deletion. The three components explained 65.436% of the total variance in the construct, with components 1, 2, and 3 explaining 26.323%, 21.007%, and 18.106% in that order. Additionally, an examination of the communalities' table showed that all the nine scales had > .50 communalities except scales CorpEnt6 and CorpEnt7 that had < .50 which made them candidates for deletion (see Table 4.12a).

After deleting scales CorpEnt6 and CorpEnt7, the remaining scales were subjected to another principal component analysis and the results are presented in Table 4.12b. The results from the second iteration also extracted a three-factor solution with the overall KMO of .657. The Bartlett's Test of Sphericity was still significant at < .001. Scale CorpEnt3 had the highest loading (.932) while scale CorpEnt2 had the least loading (.664). Scale CorpEnt3 had the highest communality (.877) whereas scale CorpEnt4 had the least communality (.697). The three components extracted had Eigenvalues > 1 and explained 75.131% of the total variance in the construct (see Table 4.12b for details).

Table 4.12b

VARIMAX- Rotated Factor Loadings for Corporate Entrepreneurship Scales

Reduced Set of Scales	VARIMAX-ROTATED LOADINGS			
		Factor		
(CorpEnt6 & 7 deleted)	**1**	**2**	**3**	**Communality**
CorpEnt9	.842			.709
CorpEnt8	.822			.709
CorpEnt2	.664			.743
CorpEnt3		.932		.877
CorpEnt5		.817		.793
CorpEnt4			.829	.697
CorpEnt1			.751	.731
				Total
Eigenvalues	**2.899**	**1.326**	**1.034**	**5.259**
Variance Explained	**28.539**	**24.272**	**22.320**	**75.131**
KMO = .657, Bartlett's Test of Sphericity/Approx. Chi-Square = 663.333, df = 21, Sig. = .000				

Note. Loadings < .50 were not reported. Variables were sorted by loadings on each factor. Extraction Method = Principal Component Analysis

4.4.1.3 Factor Analysis on Market Orientation

A principal component analysis was conducted to determine the underlying structure of the scales measuring market orientation. Table 4.13a shows the number of components extracted and the corresponding loadings and communalities for the scales.

Table 4.13a

VARIMAX- Rotated Factor Loadings for Market Orientation Scales

	VARIMAX-ROTATED LOADINGS			
		Factor		
Full Set of Scales	**1**	**2**	**3**	**Communality**
Mktor5	.828			.718
Mktor6	.826			.728
Mktor4	.797			.657
Mktor7*	.669			**.481**
Mktor10		.819		.709
Mktor9		.795		.632
Mktor8		.764		.632
Mktor1			.821	.693
Mktor3			.786	.694
Mktor2			.653	.548
				Total
Eigenvalues	**3.527**	**1.767**	**1.198**	**6.492**
Variance Explained	**25.823**	**20.399**	**18.706**	**64.928**
KMO = .786, Bartlett's Test of Sphericity/Approx. Chi-Square = 880.806, df = 45, Sig. = .000				

Note. Loadings < .50 were not reported. Variables were sorted by loadings on each factor. Extraction Method = Principal Component Analysis. *To be deleted for having communality < .50

The results from the principal component analysis performed on market orientation with a total of 10 scales showed that the construct was factorable, with the overall KMO of .786, greater than the acceptable threshold of .50 for overall KMO, and the Bartlett's Test of Sphericity was significant at < .001. From the first iteration, a three-factor solution was extracted, with components 1, 2, and 3 having Eigenvalues of 3.527, 1.767, and 1.198 respectively. Also, from the three factors extracted, scale Mktor6 had the highest loading of .828 while scale Mktor2 had the least loading of .653. The three factors explained 64.928% of the total variance in the construct, with components 1, 2, and 3 explaining 25.823%, 20.399%, and 18.706% in that order. The communalities' table showed that all the 10 scales had > .50 except scales Mktor7 that had .481 which made it a candidate for deletion (see Table 4.13a for details).

After deleting scale Mktor7, the remaining nine scales were subjected to another principal component analysis and the results are presented in Table 4.13b. The results from the second iteration also extracted a three-factor solution with the overall KMO of .755. The Bartlett's Test of Sphericity was still significant at < .001. Scale Mktor5 had the highest loading and communality of .846 and .755 in that order while scale Mktor2 had the least loading and communality of .658 and .550 respectively. The three components extracted had Eigenvalues > 1 and explained 68.065% of the total variance in the construct (see Table 4.13b for details).

Table 4.13b

VARIMAX- Rotated Factor Loadings for Market Orientation Scales

Reduced Set of Scales	VARIMAX-ROTATED LOADINGS			
		Factor		
(Mktor7 deleted)	**1**	**2**	**3**	**Communality**
Mktor5	.846			.755
Mktor6	.836			.747
Mktor4	.827			.711
Mktor10		.820		.710
Mktor9		.797		.636
Mktor8		.760		.628
Mktor1			.827	.696
Mktor3			.787	.694
Mktor2			.658	.550
				Total
Eigenvalues	**3.257**	**1.681**	**1.188**	**6.126**
Variance Explained	**24.641**	**22.592**	**20.832**	**68.065**
KMO = .755, Bartlett's Test of Sphericity/Approx. Chi-Square = 785.463, df = 36, Sig. = .000				

Note. Loadings < .50 were not reported. Variables were sorted by loadings on each factor. Extraction Method = Principal Component Analysis.

4.4.1.4 Factor Analysis on Strategic Orientation

A principal component analysis was performed to establish the underlying structure of the scales measuring strategic orientation. Table 4.14 shows the loadings, communalities, Eigenvalues, and variance explained by the components extracted.

Table 4.14

VARIMAX- Rotated Factor Loadings for Strategic Orientation Scales

	VARIMAX-ROTATED LOADINGS			
	Factor			
Full Set of Scales	**1**	**2**	**3**	**Communality**
Strator2	.848			.735
Strator1	.830			.690
Strator3	.612			.536
Strator6		.761		.585
Strator5		.724		.527
Strator4		.671		.566
				Total
Eigenvalues	**2.536**	**1.104**		**3.640**
Variance Explained	**31.799**	**28.874**		**60.673**
KMO = .741, Bartlett's Test of Sphericity/Approx. Chi-Square = 337.351, df = 15, Sig. = .000				

Note. Loadings < .50 were not reported. Variables were sorted by loadings on each factor. Extraction Method = Principal Component Analysis.

The output from the principal component analysis performed on strategic orientation with a total of 6 scales indicated that the construct was factorable, with the overall KMO of .741, more than the acceptable standard of .50 for overall KMO, and the Bartlett's Test of Sphericity was significant at < .001. From the iteration, a two-factor solution was extracted, with components 1 and 2 having Eigenvalues of 2.536 and 1.104 respectively. Also, from the two components extracted, scale Strator2 had the highest loading and communality of .848 and .735 in that order. Scale Strator4 had the least loading (.671) while scale Strator5 had the least communality (.527). The two components explained 60.673% of the total variance in the construct, with components 1 and 2 explaining 31.799% and 28.874% respectively.

4.4.1.5 Factor Analysis on Organizational Culture

A principal component analysis was conducted in order to determine the underlying structure of the scales measuring organizational culture. Table 4.15a shows the loadings, communalities, Eigenvalues, and variance explained by the component extracted.

Table 4.15a
VARIMAX- Rotated Factor Loadings for Organizational Culture Scales

	VARIMAX-ROTATED LOADINGS *Factor*			
Full Set of Scales	**1**	**2**	**3**	**Communality**
OrgCul4	.829			.688
OrgCul3	.806			.650
OrgCul2	.735			.540
OrgCul1*	.679			**.461**
OrgCul5**	.652			**.425**
				Total
Eigenvalues	**2.763**			**2.763**
Variance Explained	**55.261**			**55.261**

KMO = .741, Bartlett's Test of Sphericity/Approx. Chi-Square = 455.624, df = 10, Sig. = .000

Note. Loadings < .50 were not reported. Extraction Method = Principal Component Analysis. * & ** to be deleted for having communalities < .50

The results from the principal component analysis performed on organizational culture with a total of 5 scales showed that the construct was factorable, with the overall KMO of .741, above the acceptable threshold of .50 for overall KMO, and the Bartlett's Test of Sphericity was significant at < .001. From the first iteration, a one-factor solution was extracted, with an Eigenvalue of 2.080. From the one component extracted, scale OrgaCul4 had the highest loading and communality of .829 and .688 respectively. Scale OrgCul5 had the least loading and the least communality of .652

and .425 respectively. Scales OrgCul4 and OrgCul5 were candidates for deletion for having communalities < .50. The one component explained 55.261% of the total variance in the construct.

After deleting scales OrgCul4 and OrgCul5, the remaining three scales were subjected to another principal component analysis and the results are presented in Table 4.15b. The results from the second iteration also extracted a one-factor solution with the overall KMO of .644. The Bartlett's Test of Sphericity was still significant at < .001. Scale OrgCul3 had the highest loading and communality of .893 and .798 respectively while scale OrgCul2 had the least loading and communality of .742 and .550 in that order. The one component had Eigenvalue > 1 and explained 69.346% of the total variance in the construct (see Table 4.15b for details).

Table 4.15b

VARIMAX- Rotated Factor Loadings for Organizational Culture Scales

Reduced Set of Scales	VARIMAX-ROTATED LOADINGS			
	Factor			
(OrgCul 1&5 deleted)	**1**	**2**	**3**	**Communality**
OrgCul3	.893			.798
OrgCul4	.856			.732
OrgCul2	.742			.550
				Total
Eigenvalues	**2.080**			**2.080**
Variance Explained	**69.346**			**69.346**
KMO = .644, Bartlett's Test of Sphericity/Approx. Chi-Square = 275.990, df = 3, Sig. = .000				

Note. Loadings < .50 were not reported. Extraction Method = Principal Component Analysis.

4.4.1.6 Factor Analysis on External Environment

To determine the underlying structure of the scales measuring external environment, a principal component analysis was conducted. Table 4.16 shows the loadings, communalities, Eigenvalues, and variance explained by the components extracted.

Table 4.16

VARIMAX- Rotated Factor Loadings for External Environment Scales

	VARIMAX-ROTATED LOADINGS			
	Factor			
Full Set of Scales	**1**	**2**	**3**	**Communality**
ExtEnv1	.830			.705
ExtEnv3	.828			.717
ExtEnv2	.755			.575
ExtEnv5	.643			.545
ExtEnv4		.963		.930
				Total
Eigenvalues	**2.468**	**1.004**		**3.472**
Variance Explained	**47.212**	**22.221**		**69.433**
KMO = .726, Bartlett's Test of Sphericity/Approx. Chi-Square = 353.119, df = 10, Sig. = .000				

Note. Loadings < .50 were not reported. Variables were sorted by loadings on each factor. Extraction Method = Principal Component Analysis.

The output from the principal component analysis performed on external environment with a total of 5 scales as shown in Table 4.16 indicated that the construct was factorable, with the overall KMO of .726, exceeding the acceptable standard of .50 for overall KMO, and the Bartlett's Test of Sphericity was significant at < .001. From the results, a two-factor solution was extracted, with components 1 and 2 having Eigenvalues of 2.468 and 1.004 respectively. Also, from the two components extracted, scale ExtEnv4 had the highest loading and communality of .963 and .930 respectively while scale ExtEnv5 had the least loading and communality of .643 and

.545 in that order. The two components explained 69.433% of the total variance in the construct, with components 1 and 2 explaining 47.212% and 22.221% respectively.

4.4.2 Reliability Test

After factor analysis, the remaining scales for each of the variables were subjected to a reliability test. This was necessary in order to determine the reliability of the remaining scales for each of the variables that were used for further analysis. Table 4.17 shows the results of the reliability test.

Table 4.17
Reliability Test Results for the Variables

Construct	No of Items	Cronbach's Alpha
Organizational Performance	05	.844
Corporate Entrepreneurship	06	.751
Market Orientation	07	.771
Strategic Orientation	06	.716
Organizational Culture	03	.777
External Environment	05	.740

According to Hair *et al.* (2010), a Cronbach's Alpha value of .70 or .60 (for exploratory research) is acceptable. From the reliability test conducted, the Cronbach's Alpha values for all the variables were above the recommended Cronbach's Alpha value of .70 as shown in Table 4.17. This means all the variables passed the reliability test.

Table 4.18 summarizes results of factor analysis and reliability test conducted on the variables examined in this study.

Table 4.18
Summary of Factor Analysis and Reliability Test Results

S/No	Variables	KMO	Bartlett's Test of Sphericity	Eigenvalue	Variance Explained	Cronbach's Alpha
1	Performance	.839	Significant	3.082	61.640%	.844
2	CorpEnt	.657	Significant	5.259	75.131%	.751
3	Mktor	.755	Significant	6.126	68.065%	.771
4	Strator	.741	Significant	3.640	60.673%	.716
5	OrgCul	.644	Significant	2.080	69.346%	.777
6	ExtEnv	.726	Significant	3.472	69.433%	.740

Note. CorpEnt = Corporate Entrepreneurship; Mktor = Market Orientation; Strator = Strategic Orientation; ExtEnv = External Environment; OrgCul = Organizational Culture

4.4 Bivariate Correlation Test

To assess the direction and strength of associations between the variables examined in this study, a *Pearson product-moment* correlational analysis was conducted, with a sample size of 292 and a probability level of .01, 2-tailed. Tables 4.19a and 4.19b show the correlation coefficient (*r*) between the variables and coefficient of determination (R^2) between the variables respectively.

Table 4.19a

Correlations between Independent and Dependent Variables

	Performance	CorpEnt	Mktor	Strator	ExtEnv	OrgCul
Performance	1					
CorpEnt	.230**	1				
Mktor	.264**	.247**	1			
Strator	.274**	.295**	.542**	1		
ExtEnv	.253**	.167**	.169**	.325**	1	
OrgCul	.201**	.383**	.307**	.371**	.254**	1

**. Correlation is significant at the 0.01 level (2-tailed). Note. CorpEnt = Corporate Entrepreneurship; Mktor = Market Orientation; Strator = Strategic Orientation; ExtEnv = External Environment; OrgCul = Organizational Culture

Table 4.19b

Coefficient of determination between Independent and Dependent Variables

	Performance	CorpEnt	Mktor	Strator	ExtEnv	OrgCul
Performance	1					
CorpEnt	.053	1				
Mktor	.070	.061	1			
Strator	.075	.087	.294	1		
ExtEnv	.064	.027	.029	.110	1	
OrgCul	.040	.147	.094	.138	.065	1

**. Correlation is significant at the 0.01 level (2-tailed). Note. CorpEnt = Corporate Entrepreneurship; Mktor = Market Orientation; Strator = Strategic Orientation; ExtEnv = External Environment; OrgCul = Organizational Culture

Table 4.19a indicates that all the variables examined were positively and significantly correlated. According to Cohen (1988), a correlation coefficient from ±.1 to ±.29 is **small**; a correlation coefficient from ±.30 to ±.49 is **medium**; and a correlation coefficient from ±.50 to ±1.0 is **large** (Pallant, 2007). Applying the guidelines suggested by Cohen, it can be concluded that the strength of association between the variables investigated was between **small** and **medium**, as all the correlations were less than .50, with the exception of the correlation between strategic orientation and market orientation which accounted for the highest correlation coefficient and coefficient of determination (.542 and 29%) respectively. The association between external environment and corporate entrepreneurship produced the least correlation coefficient and coefficient of determination (.167 and 2.7%) in that order.

4.5 Multiple Regression Analysis

A multiple regression analysis was conducted to determine the main effects of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance. The analysis further helped to answer research questions 1(a), 1(b), and 1(c) posed in Chapter One and to test hypotheses one, two, and three developed in Chapter Two. Thus, Tables 4.20a, 4.20b, and 4.20c show the results of the multiple regression analysis conducted.

Table 4.20a
Regression Model Summary[b]

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.338[a]	.114	.105	2.341

a. Predictors: (Constant), Corporate Entrepreneurship, Market Orientation, Strategic Orientation
b. Dependent Variable: Performance

Table 4.20b
ANOVA[b] *Showing the Significance of Regression Model*

Model	Sum of squares	*df*	Mean Square	F	Sig.
1 Regression	203.237	3	67.746	12.360	.000[a]
Residual	1578.502	288	5.481		
Total	1781.739	291			

a. Predictors: (Constant), Corporate Entrepreneurship, Market Orientation, Strategic Orientation
b. Dependent Variable: Performance

Table 4.20c

Coefficients[a] Depicting the Contributions of Corporate Entrepreneurship, Market Orientation, and Strategic Orientation to Performance and their Significant Levels

Model	Unstandardized Coefficients		Standard Coefficients	*t*	Sig.
	B	Std. Error	Beta		
1 (Constant)	7.004	1.973		3.551	.000
CorpEnt	.139	.054	.149	2.557	.011*
Market Orientation	.135	.061	.145	2.192	.029*
Strategic Orientation	.174	.078	.151	2.242	.026*

a. Dependent Variable: Performance. *Significant at .05 level. Note. CorpEnt = Corporate Entrepreneurship

Tables 4.20a and 4.20b show the multiple regression results of the predictors: corporate entrepreneurship, market orientation, and strategic orientation which accounted for approximately 11% of the variance in organizational performance (R^2 = .114, F (3, 288) = 12.36, $p < .001$). Table 4.20c shows that the three independent variables: corporate entrepreneurship, market orientation, and strategic orientation contributed positively and significantly to the regression model.

4.6.1 Main (Direct) Effect of Corporate Entrepreneurship on Organizational Performance

From the results of the multiple regression analysis performed, *Hypothesis One* which predicted a positive relationship between corporate entrepreneurship and organizational performance was supported. The multiple regression analysis further re-affirmed the bivariate correlational analysis between corporate entrepreneurship and organizational performance conducted earlier (refer to Table 4.19a). The coefficient for corporate entrepreneurship from the regression analysis was positive (b = .149), indicating that an increase in corporate entrepreneurship leads to an increase in organizational performance (see Table 4.20c). More specifically, it implies that a change in corporate entrepreneurship results in .149 change in organizational performance. Also, Table 4.20c indicates that the relationship between corporate entrepreneurship and organizational performance was positively and statistically significant (p = .01). However, it was observed that the coefficient for corporate entrepreneurship from the multiple regression analysis (b = .149) was less compared to the coefficient for the relationship between corporate entrepreneurship and organizational performance from the bivariate correlational analysis performed earlier (r = .230) (refer to Table 4.19a). This was because the multiple regression model considered the unique effect of corporate entrepreneurship on organizational performance after taking into account other independent variables in the model.

4.6.2 Main (Direct) Effect of Market Orientation on Organizational Performance

The results of the multiple regression analysis conducted supported *Hypothesis Two* which predicted a positive relationship between market orientation and organizational performance. Also, it further confirmed the outcome of the bivariate correlational analysis conducted that there was a positive correlation between market orientation and organizational performance (refer to Table 4.19a). In the regression model, the coefficient for market orientation was positive (b = .145), meaning that an increase in market orientation leads to an increase in organizational performance. The relationship was also statistically significant (p =.03) (see Table 4.20c). But it was noted that the coefficient for market orientation from the multiple regression analysis

(b = .145) was less than the coefficient for the relationship between market orientation and organizational performance from bivariate correlational analysis performed earlier (r = .264) (refer to Table 4.19a). This was because the multiple regression model took into consideration other independent variables in the model in determining the unique effect of market orientation on organizational performance.

4.6.3 Main (Direct) Effect of Strategic Orientation on Organizational Performance

The results of the multiple regression analysis conducted supported *Hypothesis Three* which predicted a positive relationship between strategic orientation and organizational performance. It further re-affirmed the output of the bivariate correlational analysis performed earlier (refer to Table 4.19a). The regression analysis output indicated that there was a positive relationship between strategic orientation and organizational performance (b = .151), implying that an increase in strategic orientation leads to an increase in organizational performance. The relationship was also statistically significant (p = .03) (see Table 4.20c). However, it was noted that the regression coefficient for strategic orientation (b = .151) was smaller than the coefficient for the relationship between strategic orientation and organizational performance from bivariate correlational analysis performed earlier (r = .274) (refer to Table 4.19a). The reason was that in the multiple regression analysis conducted, the unique effect of strategic orientation on organizational performance was determined after taking into account other independent variables in the model.

4.6 Mediating Effect of Organizational Culture

This part presents results of the analyses performed on the mediating effect of organizational culture on the relationship between corporate entrepreneurship, market orientation, strategic orientation and organizational performance. Details of the procedures followed in testing for the mediating effect of organizational culture were discussed earlier in Chapter Three (refer to Section 3.9.4.2 for necessary details).

4.7.1 Mediating Effect of Organizational Culture on Corporate Entrepreneurship-Performance Relationship

To test for the mediating effect of organizational culture on the relationship between corporate entrepreneurship and organizational performance, a series of regression analyses were run. First, the predictor variable, corporate entrepreneurship, was regressed against the outcome variable, organizational performance, and the result was significant, $b = .230$, $t = 4.021$, $p < .001$. Second, corporate entrepreneurship was regressed against organizational culture and the result was significant, $b = .383$, $t = 7.063$, $p < .001$. Third, organizational culture was regressed against organizational performance and the result was also significant, $b = .201$, $t = 3.502$, $p < .001$. Lastly, both corporate entrepreneurship and organizational culture were regressed against organizational performance. Still, corporate entrepreneurship-performance relationship was significant, but the beta value (.179) became weaker compared to the beta value ($b = .230$) for the direct corporate entrepreneurship-performance relationship.

The results from the analyses indicated that organizational culture partially mediated the relationship between corporate entrepreneurship and organizational performance. It was a partial mediation because the result was still significant after controlling for corporate entrepreneurship in the last regression model, even though the beta value became weaker compared to the beta value for the direct corporate entrepreneurship-performance relationship (see Figure 4.3 and Table 4.21 for details). Therefore, it was concluded that *Hypothesis Four* which predicted a mediating effect of organizational culture on the relationship between corporate entrepreneurship and organizational performance was supported.

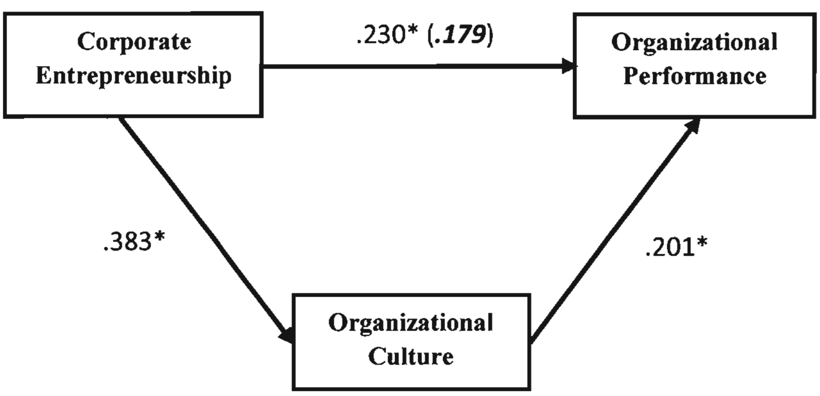


Figure 4.3
*Standardized Regression Coefficients for the Mediating Effect of Organizational Culture on CE-performance relationship. The standardized coefficient between CE and OP while controlling for OC is in parenthesis. *p < .05*

Table 4.21
Summary of Regressions, Standardized Beta Values, and Level of Significance for the Mediating effect of OC on CE-performance Relationship

Regression	R^2	*F*	Beta	*t*	Sig.
CE→OP	5%	16.170	**.230**	4.021	.000*
CE→OC	15%	49.884	.383	7.063	.000*
OC→OP	4%	12.265	.201	3.502	.000*
CE/OC→OP	7%	10.524	**.179**	2.162	.004**

*Significant at < .001. **Significant at > .05. CE = Corporate Entrepreneurship, OC = Organizational Culture, OP = Organizational Performance

4.7.2 Mediating Effect of Organizational Culture on Market Orientation-Performance Relationship

To examine the mediating effect of organizational culture on the relationship between market orientation and organizational performance, a series of regression analyses were performed. In the first model, the predictor variable, market orientation was regressed against the criterion variable, organizational performance and the result was significant, $b = .264$, $t = 4.663$, $p < .001$. In the second model, market orientation, was regressed against organizational culture and the result was significant, $b = .307$, $t = 5.491$, $p < .001$. In the third model, organizational culture was regressed against organizational performance and the result was also significant, $b = .201$, $t = 3.502$, $p < .001$. Lastly, both market orientation and organizational culture were regressed against organizational performance in the fourth model. Market orientation-performance relationship was still significant, but the beta value (.223) became lesser compared to the beta value ($b = .264$) for the direct market orientation-performance relationship.

On the whole, the results from the analyses showed that organizational culture partially mediated market orientation-performance relationship. It was a partial mediation because the result was still significant after controlling for market orientation in the last regression model even if the beta value was lesser compared to the beta value for the direct market orientation-performance relationship (see Figure 4.4 and Table 4.22 for details). Thus, it was concluded that *Hypothesis Five* which predicted a mediating effect of organizational culture on the relationship between market orientation and organizational performance was supported.

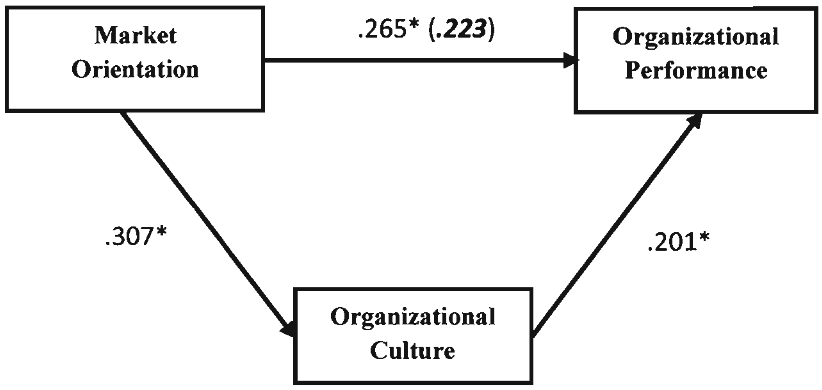


Figure 4.4
*Standardized Coefficients for the Mediating Effect of Organizational Culture on MO-performance Relationship. The standardized coefficient between MO and OP while controlling for OC is in parenthesis. *p < .05*

Table 4.22
Summary of Regressions, Standardized Beta Values, and Level of Significance for the Mediating effect of OC on MO-performance Relationship

Regression	R^2	*F*	Beta	*t*	Sig.
MO→OP	7%	21.742	**.264**	4.663	.000*
MO→OC	9%	30.149	.307	5.491	.000*
OC→OP	4%	12.265	.201	3.502	.000*
MO/OC→OP	9%	13.552	**.223**	3.779	.000*

*Significant at < .001. MO = Market Orientation, OC = Organizational Culture, OP = Organizational Performance

4.7.3 Mediating Effect of Organizational Culture on Strategic Orientation-Performance Relationship

To assess the mediating effect of organizational culture on the relationship between strategic orientation and organizational performance, a series of regression analyses were conducted. In the first regression model, strategic orientation was regressed against organizational performance and the result was significant, *b* = .274, *t* = 4.849,

$p < .001$. In the second regression model, strategic orientation was regressed against organizational culture and the result was significant, $b = .371$, $t = 6.813$, $p < .001$. In the third regression model, organizational culture was regressed against organizational performance and the result was also significant, $b = .201$, $t = 3.502$, $p < .001$. Lastly, in the last regression model, both strategic orientation and organizational culture were regressed against organizational performance. Strategic orientation-performance relationship was still significant, but the beta value (.231) was smaller compared to the beta value ($b = .274$) for the direct strategic orientation-performance relationship.

The results from the analyses indicated that organizational culture partially mediated the relationship between strategic orientation and organizational performance. It was a partial mediation because the result was still significant after controlling for strategic orientation in the last regression model even though the beta value was smaller compared to the beta value for the direct strategic orientation-performance relationship (see Figure 4.5 and Table 4.23 for details). Therefore, it was concluded that *Hypothesis Six* which predicted a mediating effect of organizational culture on the relationship between strategic orientation and organizational performance was supported.

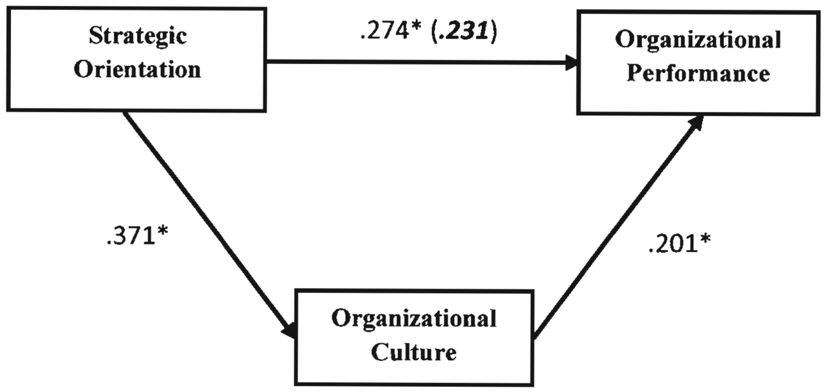


Figure 4.5
*Standardized Coefficients for the Mediating Effect of Organizational Culture on SO-performance Relationship. The standardized coefficient between SO and OP while controlling for OC is in parenthesis. *p < .05*

Table 4.23
Summary of Regressions, Standardized Beta Values, and Level of Significance for the Mediating effect of OC on SO-performance Relationship

Regression	R^2	*F*	Beta	*t*	Sig.
SO→OP	8%	23.510	**.274**	4.849	.000*
SO→OC	15%	46.418	.371	6.813	.000*
OC→OP	4%	12.265	.201	3.502	.000*
SO/OC→OP	9%	13.687	**.231**	3.813	.000*

*Significant at < .001. SO = Strategic Orientation, OC = Organizational Culture, OP = Organizational Performance

4.7.4 Testing the Significance of Mediation Effect Using Sobel Test

Although the results from the tests for the mediating effect of organizational culture on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance indicated a partial mediation, a Sobel test was conducted to determine whether the indirect paths from the independent variables: corporate entrepreneurship, market orientation, and strategic orientation through the mediating variable (organizational culture) to the dependent variable (organizational performance) were statistically significant. A Sobel test shows whether a mediating variable carries the influence of an independent variable to a dependent variable (Kock, 2014). To run a Sobel test, the path unstandardized coefficients and their corresponding standard errors were entered into the appropriate slots and the results generated are shown in Table 4.24.

Table 4.24

Regressions, Unstandardized Coefficients, and Results of Sobel Tests

Regressions	Input (Unstandardized Coefficients)		Output (Sobel Test Results)		
	B	**Std. Error**	***t***	**1-tailed**	**2-tailed**
CE→OC	.252	.036			
OC→OP	.285	.081	3.1184	.0010	.0020
MO→OC	.201	.037			
OC→OP	.285	.081	2.9186	.0019	.0038
SO→OC	.303	.045			
OC→OP	.285	.081	3.0918	.0011	.0022

CE = Corporate Entrepreneurship OP = Organizational Performance Mo = Market Orientation OC = Organizational Culture SO = Strategic Orientation. Significant level = .05.

Table 4.24 shows the regression analyses run, the path unstandardized coefficients obtained from the regression analyses conducted, and the results of Sobel tests performed. The results indicated that the mediating effect of organizational culture on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance was statistically significant (see Table 4.24).

4.7 Moderating Effect of External Environment

In this part, the results of the moderating effect of external environment on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance are presented. The details of the procedures followed in testing for the moderating effect of external environment were discussed earlier in Chapter Three (refer to Section 3.9.4.3 for necessary details).

4.8.1 Moderating Effect of External Environment on Corporate Entrepreneurship-Performance Relationship

To test for the moderating effect of external environment on the relationship between corporate entrepreneurship and organizational performance, a hierarchical multiple regression analysis was performed. First, corporate entrepreneurship was regressed against organizational performance. The result was significant, $R^2 = .053$, $F\,(1, 290) = 16.170$, $p < .001$. Second, external environment was added to the regression model and the results was also significant, $\Delta R^2 = .048$, $\Delta F\,(2, 289) = 15.275$, $p < .001$. According to Aiken and West (1991), to avoid problem of high multicollinearity with the interaction term, both independent and moderator variables should be centered and an interaction term between them be created (Frazier, Tix, & Barron, 2004; Whisman & McClelland, 2005). Consequently, corporate entrepreneurship and external environment were centered and an interaction term between them was created. Third, the interaction term between corporate entrepreneurship and organizational performance was added to the regression model. The result was not significant, $\Delta R^2 = .001$, $\Delta F\,(3, 288) = .095$, $p = .759$.

Since the result of the interaction term was not significant, there was no need to plot a graph to ascertain the interaction effect (see Tables 4.25a, 4.25b, and 4.25c for details). Although the result of the interaction term was not significant, however, the R^2 for the interaction term actually increased by .001. In all, the fact that: 1) the result of the interaction term was not significant, and 2) external environment was positively and significantly related to organizational performance indicated that external environment in the context of this study was not a *pure* moderator but a *quasi* moderator of corporate entrepreneurship-performance relationship (Sharma, Durand, & Gur-arie, 1981). Thus, *Hypothesis Seven* which predicted a moderating effect of external environment on the relationship between corporate entrepreneurship and organizational performance was not supported.

Table 4.25a
Model Summary Showing the Moderating Effect of External Environment on Corporate Entrepreneurship-performance Relationship

Model	***R***	***R***^{2}	**Adjusted *R***^{2}	**Std. Error of the Estimate**	**Change Statistics**				
					R^2 **Change**	***F* Change**	***df*1**	***df*2**	**Sig. *F* Change**
1	.230[a]	.053	.050	2.412	.053	16.170	1	290	.000
2	317[b]	.100	.094	2.355	.048	15.275	1	289	.000
3	317[c]	.101	.091	2.359	.001	.095	1	288	.759

a. Predictors: (Constant), Corporate Entrepreneurship
b. Predictors: (Constant), Corporate Entrepreneurship, External Environment
c. Predictors: (Constant), Corporate Entrepreneurship, External Environment, Corporate Entrepreneurship*External Environment

Table 4.25b

ANOVA[d] Showing the Significance of the Hierarchical Regression Model of the Moderating Effect of External Environment on Corporate Entrepreneurship-performance Relationship

Model	Sum of Squares	*df*	Mean Square	*F*	Sig.
1 Regression	94.099	1	94.099	16.170	.000[a]
Residual	1687.640	290	5.819		
Total	1781.739	291			
2 Regression	178.818	2	89.409	16.120	.000[b]
Residual	1602.921	289	5.546		
Total	1781.739	291			
3 Regression	179.345	3	59.782	10.745	.000[c]
Residual	1602.394	288	5.564		
Total	1781.739				

a. Predictors: (Constant), Corporate Entrepreneurship
b. Predictors: (Constant), Corporate Entrepreneurship, External Environment
c. Predictors: (Constant), Corporate Entrepreneurship, External Environment, Corporate Entrepreneurship*External Environment
d. Dependent Variable: Performance

Table 4.25c

*Coefficients[a] of Corporate Entrepreneurship, External Environment, and Corporate Entrepreneurship*External Environment in the Hierarchical Regression Model*

Model	Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
	B	Std. Error	Beta		
1 (Constant)	18.970	.141		134.374	.000
CorpEnt	.213	.053	.230	4.021	.000
2 (Constant)	18.970	.138		137.642	.000
CorpEnt	.179	.053	.193	3.409	.001
ExtEnv	.238	.061	.221	3.908	.000
3 (Constant)	18.978	.140		135.269	.000
CorpEnt	.182	.053	.196	3.409	.001
ExtEnv	.239	.061	.222	3.908	.000
CorpEnt*ExtEnv	-.008	.025	-.017	-.308	.759

a. Dependent Variable: Performance CorpEnt = Corporate Entrepreneurship ExtEnv = External Environment

4.8.2 Moderating Effect of External Environment on Market Orientation-Performance Relationship

To assess the moderating effect of external environment on the relationship between market orientation and organizational performance, a hierarchical multiple regression analysis was conducted. In the first model, market orientation was regressed against organizational performance. The result was significant, $R^2 = .070$, $F\ (1, 290) = 21.263$, $p < .001$. In the second model, external environment was added to the model and the results was also significant, $\Delta R^2 = .045$, $\Delta F\ (2, 289) = 14.635$, $p < .001$. To avoid problem of high multicollinearity with the interaction term between market orientation and external environment, both market orientation and external environment were centered and an interaction term between them was created. In the third model, the interaction term between market orientation and organizational performance was added to the model. The result was not significant, $\Delta R^2 = .000$, ΔF $(3, 288) = .101$, $p = .751$.

Because the result of the interaction term was not significant, there was no need to draw a graph to determine the interaction effect (see Tables 4.26a, 4.26b, and 4.26c for details). However, the fact that: 1) the result of the interaction term was not significant, and 2) external environment was positively and significantly related to organizational performance showed that external environment in the context of this study was not a *pure* moderator but a *quasi* moderator of market orientation-performance relationship (Sharma *et al.*, 1981). Thus, *Hypothesis Eight* which predicted a moderating effect of external environment on the relationship between market orientation and organizational performance was not supported.

Table 4.26a

Model Summary Showing the Moderating Effect of External Environment on Market Orientation-performance Relationship

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	$df1$	$df2$	Sig. F Change
1	.264[a]	.070	.067	2.391	.070	21.742	1	290	.000
2	.338[b]	.115	.108	2.336	.045	14.635	1	289	.000
3	.339[c]	.115	.106	2.340	.000	.101	1	288	.751

a. Predictors: (Constant), market orientation

b. Predictors: (Constant), market orientation, External Environment

c. Predictors: (Constant), market orientation, External Environment, market orientation*External Environment

Table 4.26b

ANOVA[d] Showing the Significance of the Hierarchical Regression Model of the Moderating Effect of External Environment on Market Orientation-performance Relationship

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	124.263	1	124.263	21.742	.000[a]
Residual	1657.476	290	5.715		
Total	1781.739	291			
2 Regression	204.153	2	102.076	18.699	.000[b]
Residual	1577.586	289	5.459		
Total	1781.739	291			
3 Regression	204.703	3	68.234	12.461	.000[c]
Residual	1577.036	288	5.476		
Total	1781.739	291			

a. Predictors: (Constant), market orientation

b. Predictors: (Constant), market orientation, External Environment

c. Predictors: (Constant), market orientation, External Environment, market orientation*External Environment

d. Dependent Variable: Performance

Table 4.26c

*Coefficients[a] of Market Orientation, External Environment, and Market Orientation*External Environment in the Hierarchical Regression Model*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	18.970	.140		135.592	.000
Mktor	.245	.052	.204	4.663	.000
2 (Constant)	18.970	.137		138.743	.000
Mktor	.211	.052	.228	4.055	.000
ExtEnv	.231	.061	.215	3.826	.000
3 (Constant)	18.977	.139		136.891	.000
Mktor	.210	.052	.227	4.019	.000
ExtEnv	.236	.062	.219	3.789	.000
Mktor*ExtEnv	-.007	.021	-.018	-.317	.751

a. Dependent Variable: Performance Mktor = Market Orientation ExtEnv = External Environment

4.8.3 Moderating Effect of External Environment on Strategic Orientation-Performance Relationship

To examine the moderating effect of external environment on the relationship between strategic orientation and organizational performance, a hierarchical multiple regression analysis was performed. In the first step, strategic orientation was regressed against organizational performance. The result was significant, $R^2 = .075$, $F(1, 290) = 23.510$, $p < .001$. In the second step, external environment was added to the regression model and the results was also significant, $\Delta R^2 = .030$, $\Delta F(2, 289) = 9.751$, $p < .001$. To avoid problem of high multicollinearity with the interaction term between strategic orientation and external environment, both strategic orientation and external environment were centered and an interaction term between them was created. In the third step, the interaction term between strategic orientation and organizational performance was added to the regression model. The result was not significant, $\Delta R^2 = .004$, $\Delta F\,(3, 288) = 1.298$, $p = .256$.

Since the result of the interaction term was not significant, there was no need to plot a graph to establish the interaction effect (see Tables 4.27a, 4.27b, and 4.27c for details). Though the result of the interaction term was not significant, nevertheless, the R^2 for the interaction term actually increased by .004. Taken together, the fact that: 1) the result of the interaction term was not significant, and 2) external environment was positively and significantly related to organizational performance indicated that external environment in the context of this study was not a *pure* moderator but a *quasi* moderator of strategic orientation-performance relationship (Sharma *et al.*, 1981). Thus, *Hypothesis Nine* which predicted a moderating effect of external environment on the relationship between strategic orientation and organizational performance was not supported.

Table 4.27a
Model Summary Showing the Moderating Effect of External Environment on Strategic Orientation-performance Relationship

Model	***R***	***R*²**	**Adjusted *R*²**	**Std. Error of the Estimate**	**Change Statistics**				
					***R*² Change**	***F* Change**	***df*1**	***df*2**	**Sig. *F* Change**
1	.274[a]	.075	.072	2.384	.075	23.510	1	290	.000
2	.324[b]	.105	.099	2.349	.030	9.751	1	289	.000
3	.330[c]	.109	.100	2.348	.004	1.298	1	288	.256

a. Predictors: (Constant), strategic orientation
b. Predictors: (Constant), strategic orientation, External Environment
c. Predictors: (Constant), strategic orientation, External Environment, strategic orientation*External Environment

Table 4.27b

ANOVA[d] Showing the Significance of the Hierarchical Regression Model of the Moderating Effect of External Environment on Strategic Orientation-performance Relationship

Model	Sum of Squares	*df*	Mean Square	*F*	Sig.
1 Regression	133.614	1	133.614	23.510	.000[a]
Residual	1648.125	290	5.683		
Total	1781.739	291			
2 Regression	187.405	2	93.703	16.985	.000[b]
Residual	1594.334	289	5.517		
Total	1781.739	291			
3 Regression	194.556	3	64.852	11.768	.000[c]
Residual	1587.183	288	5.511		
Total	1781.739	291			

a. Predictors: (Constant), strategic orientation

b. Predictors: (Constant), strategic orientation, External Environment

c. Predictors: (Constant), strategic orientation, External Environment, strategic orientation*External Environment

d. Dependent Variable: Performance

Table 4.27c

*Coefficients[a] of Strategic Orientation, External Environment, and Strategic Orientation*External Environment in the Hierarchical Regression Model*

Model	Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
	B	Std. Error	Beta		
1 (Constant)	18.970	.140		135.976	.000
Strator	.316	.065	.274	4.849	.000
2 (Constant)	18.970	.137		138.012	.000
Strator	.247	.068	.214	3.638	.000
ExtEnv	.198	.063	.184	3.123	.002
3 (Constant)	19.021	.144		131.723	.000
Strator	.250	.068	.216	3.678	.000
ExtEnv	.199	.063	.184	3.135	.002
Strator*ExtEnv	-.032	.028	-.063	-1.139	.256

a. Dependent Variable: Performance; Strator = Strategic Orientation; ExtEnv = External Environment

4.9 Summary of Results of the Hypotheses Tested

This section summarizes results of the hypotheses tested in a tabular form. Table 4.28 shows the hypotheses developed and indicates whether the hypotheses were supported by the findings from data analysis. Out of the nine hypotheses developed, six hypotheses were supported while the remaining three hypotheses were not supported.

Table 4.28
Summary of Results of the Hypotheses Tested

Hypothesis No	Hypothesis	Findings
One	There is a positive relationship between corporate entrepreneurship and organizational performance	Supported
Two	There is a positive relationship between market orientation and organizational performance	Supported
Three	There is a positive relationship between strategic orientation and organizational performance	Supported
Four	Organizational culture mediates the relationship between corporate entrepreneurship and organizational performance	Supported*
Five	Organizational culture mediates the relationship between market orientation and organizational performance	Supported*
Six	Organizational culture mediates the relationship between strategic orientation and organizational performance	Supported*
Seven	External environment moderates the relationship between corporate entrepreneurship and organizational performance	Not Supported
Eight	External environment moderates the relationship between market orientation and organizational performance	Not Supported
Nine	External environment moderates the relationship between strategic orientation and organizational performance	Not Supported

*Partial mediation

4.10 Summary and Conclusion

This chapter presented results of the analyses performed in this study. The results of preliminary analyses and data cleaning tests were presented and explained. Out of 1,000 questionnaires distributed, only 322 were returned, and 297 returned questionnaires were retained for analysis. Also, the results of the Independent-Sample t-test conducted on the "early response" and "late response" groups confirmed that there was no significant difference between the responses of the two groups. Twenty missing data were indentified and replaced with "serial mean" using SPSS, and five outliers were detected and deleted.

In addition, four multivariate assumptions tests including normality test, linearity test, homoscedasticity test, and multicollinearity test were performed to ensure the data collected were suitable for multivariate analysis. Results from the tests conducted showed that the multivariate assumption conditions were not violated.

Furthermore, results of the bivariate correlational analysis conducted showed that all the variables examined in this study were positively and significantly correlated. Also, multiple regression analysis was run and the results showed that the regression model was significant at $< .001$, with the predictors: corporate entrepreneurship, market orientation, and strategic orientation accounting for approximately 11% of the variance in organizational performance. Results from the multiple regression analysis confirmed a positive and significant relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance.

The mediating effect of organizational culture on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance was examined. The results showed that organizational culture partially mediated the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. To confirm the significance of the mediation effect, a Sobel test was performed and the results were significant. Also, the moderating effect of external environment on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance was tested. The results indicated that external environment did not moderate the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. However, further examination of the results of the tests for the moderating effect of external environment revealed that external environment in the context of this study was not a *pure* moderator but a *quasi* moderator of the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. This was because external environment was also positively and significantly related to organizational performance.

CHAPTER FIVE

DISCUSSION, IMPLICATIONS AND CONCLUSIONS

5.1 Introduction

This chapter summarizes and concludes the study. The chapter is organized as follows: Section 5.2 summarizes this study; Section 5.3 discusses the findings of this study; Section 5.4 discusses the theoretical and practical implications of the findings; Section 5.5 highlights the limitations of this study as well as recommendations for future studies; and finally, Section 5.6 concludes the study.

5.2 Summary of the Study

To summarize this study, this part recapitulates the problem addressed in this study, the methodology adopted to address research questions and objectives, and the findings from the hypotheses tested.

5.2.1 Recapitulation of Research Problem

Nigeria's banking sector has performed marginally since its inception. Since the inception of Nigeria's banking sector, over 75 banks have collapsed due to liquidity problem, and billions of investors and depositors' monies have been trapped as a result of incessant bank failures (Adeyemi, 2011; Cowry Asset Management Ltd, 2009; Yauri *et al.*, 2012). Also, Nigeria's banking sector contributes meagerly, less than 5% on average, annually to Nigeria's GDP compared to the contributions of banking industries in other countries to GDP (Central Bank of Nigeria Anuual Report, 2012; National Bureau of Statistics, 2013). Globally, commercial banks in Nigeria are rated very low compared to their counterparts in other countries (Finance, 2014). All this is largely due to poor performance. With regard to superior organizational performance, entrepreneurship, marketing, and strategic management scholars have argued that entrepreneurially inclined, market-oriented, and strategically positioned organizations perform better than organizations that are not entrepreneurially inclined, market-oriented, and strategically positioned (Aragón-Sánchez & Sánchez-Marín, 2005; Covin & Slevin, 1991; Farrell, Oczkowski, & Kharabsheh, 2008; Lumpkin & Dess, 1996).

Theoretically, entrepreneurship scholars have postulated that entrepreneurial activities within existing organizations lead to superior organizational performance (Covin & Slevin, 1991; Lumpkin & Dess, 1996). Also, marketing scholars have posited that market-oriented organizations perform better and are likely to gain competitive edges, which, in turn, lead to superior performance (Farrell *et al.*, 2008). Furthermore, strategic management scholars have argued that for business organizations to achieve superior performance in today's highly competitive business environment, they must be strategically positioned (Hung, 2007).

Contrary to the above propositions, available empirical findings concerning the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance are inconclusive. For example, existing findings about the relationship between corporate entrepreneurship and organizational performance are mixed. Some studies confirmed a positive relationship between corporate entrepreneurship and organizational performance (Mokaya, 2012; Zhang & Zhang, 2012), while others affirmed a negative corporate entrepreneurship-performance relationship (Shamsuddin *et al.*, 2012). Similarly, some studies established a positive market orientation-performance relationship (Eris *et al.*, 2012; Jyoti & Sharma, 2013), while other studies confirmed a negative market orientation-performance relationship (Harris, 2001; Jaworski & Kohli, 1993). For strategy typologies, the findings are equally inconclusive. For instance, some studies affirmed that organizations that adopt prospector strategy perform better than those that adopt defender, analyzer, and reactor strategies (Aragón-Sánchez & Sánchez-Marín, 2005), while other studies established that organizations that adopt analyzer strategy outperform those that adopt prospector, defender, and reactor strategies (Pleshko & Nickerson, 2008).

Notwithstanding the above findings, researchers have identified various antecedents to corporate entrepreneurship, market orientation, and strategic orientation. This means that the impact of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance depends on certain factors that are within and outside the organization. From extant literature, the common antecedents to corporate entrepreneurship, market orientation, and strategic orientation among others are: organizational culture and external environmental conditions. Aside organizational culture and external environment being antecedents to corporate entrepreneurship, market orientation, and strategic orientation, it is also argued that superior organizational performance depends on them. For instance, most business decisions and planning activities depend on external environmental conditions (Sul, 2002). Similarly, for an organization to be entrepreneurially oriented, market-oriented, and strategically positioned, it must possess and continually develop appropriate and strong organizational culture (Chuang *et al.*, 2012; Covin & Slevin, 1991; Ireland *et al.*, 2006; Storey & Hughes, 2013).

In order to address the issues highlighted above, the following research questions and were posed:

1) Is there a positive relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance?
2) Does organizational culture mediate the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance?
3) Does external environment moderate the relationship corporate entrepreneurship, market orientation, strategic orientation, and organizational performance?

Also, for this study to be properly guided, the following specific research objectives were set:

1) To determine whether there is a positive relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance.
2) To determine whether organizational culture mediates the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance.

3) To determine whether external environment moderates the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance.

5.2.2 Recapitulation of Research Methodology

From a positivist point of view, this study adopted a descriptive research design. It was a cross-sectional as well as a correlational study. Data were collected from 297 bank managers through a mailing system of self-reported questionnaire. Disproportionate stratified and systematic probability sampling techniques were adopted. The study used SPSS version 19 for data analysis. To answer the research questions posed, nine hypotheses were developed and tested, and three different analyses were performed, with each analysis answering three research questions as well as testing three hypotheses respectively. First, the main effects of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance were investigated through a multiple regression analysis. Second, the meditating effect of organizational culture was examined through a series of regression analyses. Third, the moderating effect of external environment was tested through a hierarchical multiple regression analysis.

5.2.3 Recapitulation of Research Findings

From the analyses performed, the following findings were revealed. Concerning the main (direct) effects of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance, *Hypotheses One*, *Two*, and *Three* which predicted a positive relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance were tested. From the results of the test, the following findings were revealed:

1) Corporate entrepreneurship was positively and significantly related to organizational performance;
2) Market orientation was positively and significantly related to organizational performance; and
3) Strategic orientation was positively and significantly related to organizational performance.

Furthermore, regarding the mediating effect of organizational culture, *Hypotheses Four*, *Five*, and *Six* which predicted a mediating effect of organizational culture on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance were tested. From the results, it was revealed that:

1) Organizational culture partially mediated the relationship between corporate entrepreneurship and organizational performance;
2) Organizational culture partially mediated the relationship between market orientation and organizational performance; and
3) Organizational culture partially mediated the relationship between strategic orientation and organizational performance.

Finally, with respect to the moderating effect of external environment, *Hypotheses Seven*, *Eight*, and *Nine* which predicted a moderating effect of external environment on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance were tested. From the results of the hierarchical multiple regression analysis conducted, the following findings were revealed:

1) External environment did not moderate the relationship between corporate entrepreneurship and organizational performance;
2) External environment did not moderate the relationship between market orientation and organizational performance; and
3) External environment did not moderate the relationship between strategic orientation and organizational performance.

5.3 Discussion of Findings

This section discusses the findings of this study as summarized in Section 5.2.3. First, the findings concerning the direct effects of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance are discussed. Second, the findings regarding the mediating effect of organizational culture are discussed. Third, the findings concerning the moderating effect of external environment (competitive intensity) are discussed.

5.3.1 Main (Direct) Effects of CE, MO, and SO on Organizational Performance

This study investigated the direct relationship between corporate entrepreneurship and organizational performance. As predicted, the results of the multiple regression analysis showed that there was a positive and significant relationship between corporate entrepreneurship and organizational performance. It means that corporate entrepreneurship predicts organizational performance. In other words, the more existing organizations engage in entrepreneurial activities, the more they improve their performance. Extant literature acknowledges entrepreneurial activities as a source of refreshing and rejuvenating existing organizations which give them a competitive advantage and in turn leads to superior organizational performance (Covin & Slevin, 1991; Lumpkin & Dess, 1996).

The findings are consistent with the findings of the previous studies that examined the relationship between corporate entrepreneurship and organizational performance in different country contexts. For example, Wahid and Mahmood (2012) examined the impact of corporate entrepreneurship on the performance of banks in Malaysia. They found that corporate entrepreneurship and performance were positively and significantly related. Also, Jalali (2012) conducted a similar study in the Iranian context and equally found a positive and significant relationship between entrepreneurial orientation and performance of SMEs. Zhang and Zhang (2012) investigated the relationship between corporate entrepreneurship and performance of Chinese companies and found corporate entrepreneurship to be positively and significantly related to performance. Gurbuz and Aykol (2009) examined the relationship between entrepreneurial orientation, entrepreneurial management, and performance of Turkish firms. They found entrepreneurial orientation and growth to be positively and significantly related. They concluded that although entrepreneurial orientation has a positive impact on growth, however, the impact will be greater if entrepreneurial orientation is combined with entrepreneurial management.

Furthermore, this study examined the direct relationship between market orientation and organizational performance. As hypothesized, the results of the multiple regression analysis indicated that market orientation and organizational performance were positively and significantly related. The findings are as expected. This is because of the nature of the organizations studied, service organizations (banks). It is argued that service organizations are more market-oriented than manufacturing organizations (Cano *et al.*, 2004), and there is likelihood that high market orientation leads to greater organizational performance. The findings mean that market orientation is a predictor of organizational performance. Put differently, it means that an increase in market-oriented activities lead to a corresponding increase in organizational performance. When an organization engages in market-oriented activities and customers are satisfied, there is likelihood that the organization will secure their loyalty and retain their continuous patronage. Similarly, when customers' loyalty is secured and their patronage increases, sales volume will increase, and when sales volume increases, profit will also increase and overall performance will be positively enhanced. The more an organization engages in market-oriented activities, the greater the performance.

The findings are in agreement with the findings of previous studies that examined the relationship between market orientation and organizational performance. Narver and Slater (1990) and Didonet, Simmons, Diaz-Villavicencio, and Palmer (2012) in their respective studies found market orientation to be positively and significantly related to organizational performance. They argued that organizations with high market orientation are better positioned to achieve greater organizational performance, and they concluded that market orientation strengthens organizations and enable them to achieve superior performance even in the face of environmental challenges. Similarly, Rojas-Méndez and Rod (2013) and Jyoti and Sharma (2013) in their separate studies examined the relationship between market orientation and organizational performance. They found that market orientation and organizational performance were positively and significantly related. *Note*. You may refer to Table 2.3 in Chapter Two for other studies that found market orientation and organizational performance to be positively related. Although there are some previous studies that did not find market orientation and organizational performance to be positively and significantly related (Greenley, 1995; Harris, 2001). They concluded that the relationship between market orientation and organizational performance depends on environmental conditions.

In addition, the direct relationship between strategic orientation and organizational performance was investigated. As predicted, the results of the multiple regression analysis also confirmed strategic orientation and organizational performance to be positively and significantly related. It means that strategic orientation is a predictor of organizational performance. It also means that the more strategically positioned organizations are, the greater their performance. The findings are in agreement with the findings of previous studies that examined the relationship between strategic orientation and organizational performance (Pleshko & Nickerson, 2008; Storey & Hughes, 2013; Weinzimmer *et al.*, 2012). Although there is a paucity of empirical study that examined the relationship between strategic orientation (as a unidimensional construct) and organizational performance, however, the findings of few studies that investigated strategic orientation-performance relationship found positive and significant results. For example, Prescott (1986) examined the moderating effect of environment on strategy-performance relationship. He found strategy to be positively related to certain performance measures. Also, Weinzimmer *et al.*, (2012) investigated the relationship between strategic orientation (as a unidimensional construct) and financial performance. They found a positive and significant strategic orientation-performance relationship.

5.3.2 Mediating Effect of Organizational Culture

A series of multiple regression analyses were conducted to determine the mediating effect of organizational culture. As hypothesized, the results of the analyses showed that organizational culture mediated the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. This means that although corporate entrepreneurship, market orientation, and strategic orientation have the capabilities to improve organizational performance, however, their impact on organizational performance will be greater when organizations develop and nurture appropriate and strong organizational culture. It also means that relevant and strong organizational culture has the ability to transfer the impact of corporate entrepreneurship, market orientation, and strategic orientation to organizational performance, thereby improving organizational performance. Put differently, it means that corporate entrepreneurship, market orientation, and strategic orientation pass through organizational culture to affect organizational performance.

Although extant literature does not provide evidence of previous studies that specifically investigated the mediating effect of organizational culture on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance, however, the findings of this study confirm organizational culture as an antecedent to corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Thus, the findings confirm extant literature which acknowledges that organizational culture is positively related to corporate entrepreneurship, market orientation, strategic orientation, and organizational performance (Chuang *et al.*, 2012; Covin & Slevin, 1991; Ireland *et al.*, 2006; Storey & Hughes, 2013).

5.3.3 Moderating Effect of External Environment

The moderating effect of external environment (competitive intensity) was examined through a hierarchical multiple regression analysis. The results of the analysis indicated that external environment (competitive intensity) did not moderate the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. This means that with a higher degree of corporate entrepreneurship, market orientation, and strategic orientation, organizations can achieve greater performance, even in the face of stiff competition (Jaworski & Kohli, 1993; Slater & Narver, 1994).

Furthermore, the findings confirm that external environment (competitive intensity) serves as an antecedent to corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Existing literature shows that external environment (competitive intensity) has a positive relationship with corporate entrepreneurship, market orientation, strategic orientation, and organizational performance (Aragón-Sánchez & Sánchez-Marín, 2005; Covin & Slevin, 1991; Hung, 2007; Ireland *et al.*, 2006; Jaworski & Kohli, 1993; Kohli & Jaworski, 1990). It equally means that a high degree of competition could make an organization to be more entrepreneurially inclined, market-oriented, and strategically positioned. Thus, the higher the degree of competition, the more entrepreneurial, market-oriented, and strategically positioned an organization becomes, and this has a positive impact on organizational performance. Based on the findings, it is concluded that external environment (competitive intensity) can be regarded as a *quasi* moderator. It is regarded as a *quasi* moderator because it is related to the independent variables: corporate entrepreneurship, market orientation, strategic orientation, and the dependent variable, organizational performance (Sharma *et al.*, 1981).

The findings are in line with the findings of some previous studies that examined the moderating effect of external environment (competitive intensity). For instance, Jaworski and Kohli (1993) and Slater and Narver (1994) in their separate studies investigated the moderating effect of competitive intensity on market orientation-performance relationship. They found that competitive intensity did not moderate market orientation-performance relationship. Thus, they concluded that a high level of market orientation enables organizations to achieve greater performance, regardless of the challenges of competitive environment. Also, Prescott (1986) investigated the moderating effect of environment on the relationship between strategy and organizational performance. He found that the interaction term between strategy and organizational performance was not significant. Consequently, he concluded that environment only moderates the strength of strategy-performance relationship and not the form; hence, he described environment as a homologizer (Prescott, 1986).

Despite the consistency of the findings of this study regarding the moderating effect of external environment (competitive intensity) with the findings of some past studies, it also contradicts the findings of some other previous studies that examined the moderating effect of external environment. For example, Zahra and Covin (1995), Martins and Rialp (2013), Moreno and Casillas (2008), and Lumpkin and Dess (2001) studied the moderating effect of external environment (competitive intensity) on entrepreneurial orientation-performance relationship. They found that external environment (competitive intensity) moderated the relationship between entrepreneurial orientation and organizational performance. Similarly, Gaur *et al.*, (2011), Mahmood (2011), Harris (2001), Kumar *et al.*, (1998) and Jermias (2006) investigated the moderating effect of competitive intensity on the relationship between market orientation and organizational performance. Also, they found that competitive intensity moderated the relationship between market orientation and organizational performance.

In view of the above, the findings of this study concerning the moderating effect of external environment (competitive intensity) should be interpreted with caution, as there are plausible reasons why external environment (competitive intensity) did not moderate the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. For example, Frazier, Tix, and Barron (2004) argued that for a continuous variable to serve as a moderator, it must be sufficiently reliable, above .80. The result of the reliability test for external environment (competitive intensity) in this study was .74, which is less than the threshold of .80 and above recommended by Frazier *et al.* Also, Hair *et al.*, (2010) argued that larger sample sizes are required to accommodate continuous variable interactions ($N > 500$) in testing for moderating effect. The sample size for this study based on the number of questionnaires retained for analysis and after deleting outliers was only 292, less than the threshold of 500 and above recommended by Hair *et al.* The above reasons could be responsible for why external environment (competitive intensity) did not moderate the relationship between corporate entrepreneurship, market orientation, strategic orientation, and performance in the context of this study. Besides, the R^2s for the interaction terms for the relationship between corporate entrepreneurship and organizational performance and for the relationship between strategic orientation and organizational performance actually changed, but the changes were not statistically significant (refer to Table 4.25a and 4.27a in Chapter Four).

5.4 Implications of Findings

This part discusses the implications of the findings of this study. The findings have both theoretical and practical implications.

5.4.1 Theoretical Implications

The findings of this study have some theoretical implications. More precisely, the findings of this study lend credence to the theories of resource-based view (RBV) and contingency respectively, by providing additional empirical evidence. First, RBV theory stipulates that organizational resources give an organization a competitive edge, which, in turn, contributes to superior organizational performance (Barney, 1991). In the light of RBV theory, corporate entrepreneurship, market orientation, and strategic orientation are regarded in this study as organizational resources which could improve organizational performance. Thus, the findings of this study confirm corporate entrepreneurship, market orientation, and strategic orientation as organizational resources that could improve organizational performance; and this upholds the theory of RBV.

Second, the findings of this study uphold contingency theory. Contingency theorists emphasize the importance of situational variables or environmental conditions in taking certain strategic decisions and actions (Prescott, 1986). In this study, it is argued that the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance is contingent on external environment and organizational culture. Although the moderating effect of external environment was not supported in this study, however, the mediating effect of organizational culture was significantly supported. This has an insightful theoretical implication. Despite mentioning organizational culture in the literature on entrepreneurship, marketing, and strategic management as one of the antecedents to corporate entrepreneurship, market orientation, strategic orientation, and organizational performance, there is a paucity of empirical study that specifically examined the mediating effect of organizational culture of teamwork. This study provides empirical evidence on the mediating effect of organizational culture of teamwork. On the whole, the findings of this study provide additional empirical evidence to the body of knowledge in the fields of entrepreneurship, marketing, and strategic management. Furthermore, the findings have implications on the generalizabilty and universal applicability of RBV and contingency theories, and also, on the generalizabilty and universal applicability of the constructs of entrepreneurial orientation, market orientation, and strategic orientation.

5.4.2 Practical Implications

The findings of this study also have a lot of insightful managerial implications, especially for banks and bank managers. First, this study finds support for the positive and significant relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. The findings underscore the importance of corporate entrepreneurship, market orientation, and strategic orientation to organizations. It implies that a high level of corporate entrepreneurship, market orientation, and strategic orientation leads to greater organizational performance. Therefore, business organizations as well as managers are encouraged to be entrepreneurially inclined, market-oriented, and strategically positioned.

Second, this study finds support for the mediating role of organizational culture of teamwork in the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. This has a lot of insightful implications, especially for the banks and bank managers. It confirms the important role of organizational culture. The findings imply that strong organizational culture of teamwork is needed for organizational performance to improve. It also implies that strong organizational culture of teamwork is needed for organizations to be entrepreneurial, market-oriented, and strategically positioned; and also, for corporate entrepreneurial activities, market-oriented activities, and strategic positioning to affect organizational performance positively and significantly. Thus, organizations and managers are encouraged to develop strong organisational culture of teamwork. A strong organizational culture of teamwork has the ability to transfer the impact of corporate entrepreneurship, market orientation, and strategic orientation to organizational performance.

Third, the fact that this study did not find support for the moderating role of external environment (competitive intensity) has an important implication as well. The findings imply that when organizations are entrepreneurially inclined, market-oriented, and strategically positioned, their performance will improve, regardless of the challenges posed by the competitive environment (Jaworski & Kohli, 1993; Slater & Narver, 1994). Therefore, organizations and managers are encouraged to be highly entrepreneurial, market-oriented, and strategically positioned. More precisely, they are expected to be more innovative, proactive, averse to risk-taking, and sensitive to customers' needs and competitors' strategies. Also, organizational mission, vision, and objectives must be clearly defined and appropriate strategies must be developed to achieve them.

5.5 Limitations and Recommendations for Future Studies

The objectives of this study, to a large extent, have been achieved and the findings of this study provide insightful implications, however, there are three limitations that are worth mentioning. First, the findings of this study are based on a single industry (banking industry). As a result, it might be difficult to generalize the findings to organizations in other industries without carrying out a similar study on them.

Therefore, future researchers could conduct a similar study on organizations in other industries, possibly in the Nigerian context with a view to corroborating the findings of this study.

Second, the data for this study were collected at one time (a cross-sectional study), thereby providing only a shot of the population studied. Collecting data at another time from the same population might have produced a significantly different result, even though cause-and-effect relationships are developed based on theoretical or hypothetical predictions and related studies conducted in the past (Choi, 2013). Consequently, future researchers could conduct a similar but longitudinal study, which would allow stronger cause-and-effect relationships to be developed.

Third, the findings of this study came from data collected through a self-reported questionnaire on both the independent and dependent variables. In other words, all variables were measured subjectively. Data collected through subjective measures or self-reported questionnaire are associated with the problem of social desirability and memory decay, even though such data are tested for reliability and validity (Kollmann & Stöckmann, 2014). Thus, future researchers could collect data from archival records of the organizations studied, especially on organizational performance. This will allow injection of objective data into the study.

5.6 Conclusions

This study investigated the mediating and moderating effects of organizational culture and external environment on the relationship between corporate entrepreneurship, market orientation, strategic orientation, and performance of commercial banks in Nigeria. Findings from the analysis of data collected from 297 bank managers revealed that corporate entrepreneurship, market orientation, and strategic orientation were positively and significantly related to organizational performance. Further analysis indicated that organizational culture of teamwork mediated the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Also, data analysis showed that external environment (competitive intensity) did not moderate the relationship between corporate entrepreneurship, market orientation, strategic orientation, and organizational performance. Thus, it was concluded that although corporate entrepreneurship, market orientation, and strategic orientation were positively and significantly related to organizational performance, even in the face of competitive challenges, however, the effects of corporate entrepreneurship, market orientation, and strategic orientation on organizational performance will be greater if organizations develop and continuously nurture strong organizational culture of teamwork.

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