THE RELATIONSHIP BETWEEN GROUP CULTURE AND INTRAPRENEURSHIP: A CASE STUDY FOR HOTEL INDUSTRY

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Abstract
This study which was designed on the relationship between organizational culture and intrapreneurship was conducted to survey the effects of group culture on intrapreneurship. The main purpose of this study is to determine whether the type of organization has a moderation role in the relationship between group culture and intrapreneurship of employees. The research population consists of employees working in non-corporate and corporate hotels in Iskenderun and Adana in Turkey. The analysis of the research was performed by data collected from 255 participants. As a result of study, it was revealed that there are significant and positive relations between group culture and intrapreneurship. The other and most important finding of the study is the type of organization has a moderation effect on the relationship between group culture and intrapreneurship. Group culture and intrapreneurship of employees in corporate hotels are higher than those in non-corporate hotels.

Keywords: organizational culture, group culture, intrapreneurship, moderated effect.

1. INTRODUCTION

In today’s economic conditions where competition is intensifying in a more global structure, discovering or employing entrepreneurs within the organization by creating an entrepreneurial and innovative corporate structure has become one of most the important goals of the business world (Zahra et al. 2000). Environmental changes gained momentum with the effect of globalization. These changes have created risks for the enterprises and also brought severe conditions for competition. Accurate determination of the variables required to compete in the current economic system plays a critical role in the success of enterprises. It is thought that both personal and organizational success can be realized in the enterprise structured on the axis of entrepreneurial behaviors of employees supported by organizational culture based on the appropriate values and beliefs.

Organizations are known as socio-technical systems. Therefore, an organizational structure is not only seen as a group of people gathered together to achieve a predetermined purpose. There is an invisible adhesive that connects this complex network and keeps the social, structural elements together. This unifying factor is called as organizational culture (Mintzberg, 1983). Organizational culture is a pattern of values, rules, beliefs, attitudes, ideologies, assumptions, and expectations that connect employees and are widely shared by them (Kilmann et al. 1985). According to Schein (1984), organizational culture is a set of values that regulate the rules of conduct of employees, shape the perceptions about processes and enable them to succeed in an uncertain environment. In support of this, Denison (1984) argues that organizational culture is the value and belief that is accepted by all employees and enables employees to perceive the desired attitudes and behaviors.

In general, intrapreneurship is defined as the activities of individuals working in the organization concluding in product, service and process innovation. Besides, intrapreneurship is the process of monitoring opportunities, voluntarily taking risks in any process of the enterprise in addition to controlling existing resources. Internal entrepreneurship is often focused on activities outside the core business of the enterprise, in order to provide...
more value and strengthen the competitive position of the organization in the market (Nielsen et al. 1985). Dana (1993) stated that entrepreneurship skills are very different from managerial skills. Physiologically, entrepreneurial skills are performed as a function of the right hemisphere of the brain, while managerial skills are supported by the left part of the brain. Entrepreneurs act with action-oriented thinking rather than concept-oriented. Entrepreneurs are creative, innovative and active people as “doers”. The formation of such people requires the development of entrepreneurial skills. Just learning management concepts and contents is not enough to behave entrepreneur (Dana, 1993: 67-68).

The need for employees who respond to rapidly changing environmental requirements and exhibit entrepreneurial attitude and behavior continues to increase. Today, entrepreneurial behavior is considered as a process stemming from organizational culture (Hult et al. 2003). It is thought that an organizational culture that includes appropriate values can be effective in guiding employees towards entrepreneurial behavior. Hayton, George and Zahra (2002) reported that many researchers found a relationship between organizational culture and intrapreneurship. In the studies conducted, it was determined that organizational culture is positively related to intrapreneurship (Zahra, 1991), has a determinative effect on intrapreneurship (Covin and Slevin, 1991) and has an important interaction with intrapreneurship (Seong, 2011).

In this study, based on the relationship between organizational culture and intrapreneurship, it was aimed to reveal the effects of group culture on intrapreneurship through a comparative research. For this purpose, differences have been tried to be determined by comparing with the research conducted on non-corporate and corporate hotels. Thus, this study has a unique value in this respect.

There are a limited number of studies in literature describing the relationship between group culture and intrapreneurship. The findings obtained from the study will provide a comparative analysis in the relevant accommodation sector. Therefore, it is thought that the study will make significant contributions to researchers and sector representatives.

2. CONCEPTUAL FRAMEWORK

2.1. Organizational Culture

It has been observed that the studies on organizational culture started in 1970s and increased in 1980s. (Raelin, 1999). The concept of organizational culture has started to address a wider area since the publication of the book “In Search of Excellence” by Peters and Waterman in 1982 (Frost and Gillespie, 1998). Organizational culture defines the sum of the norms, values, beliefs, attitudes and ideologies that hold the individuals and groups together (Kilmann, Saxton and Sepra, 1985; Denison, 1996). More broadly, organizational culture is defined as a system of common values, beliefs and assumptions accepted by each member of the organization to help individuals or groups operating within an organization (Lee and Kim, 2017). Organizational culture has a positive or negative impact on organizations. In addition, in some cases it can cause undesired outcomes and resistance to change by employees (Baker, 2007).

According to Schein (1984), organizational culture is called all of the values and norms taught by the employees during the adaptation to the organization and environment, as the way to perceive, think and feel the programs created to reach organizational goals. It is also acknowledged that it is an important competitive element shaped by the practices placed within an organization and distinguishing and differentiating the organization from other organizations (Erez and Gati, 2004; Korte and Chermack, 2007). Organizational culture, which is a holistic concept that extends from the intellectual level to the behavioral level and covers the entire organization (Danisman and Ozug, 2003) , is not a phenomenon that can be easily grasped and formed, on the contrary requires a deep research. In this context, the organizational culture should cover the basic assumptions that are accepted by everyone and passed on to the potential members of the organization with the aim of ensuring harmony both internally and externally (Schein, 1985).

Organizational culture defines what is important and valuable in an organization, as well as punishments and rewards depending on these cultural values. Hence, organizational culture can promote and determine the behavior and decision-making styles of employees by means of reference and social control styles provided by the cultural values of the organization. (Lauren et al. 2018). Cameron and Quinn (2011) argued that
organizational culture is the main distinguishing feature of successful companies and especially multinational organizations. It is not right to say that the organizational culture with solid foundations is the only factor that directs the success of a company. However, the development of an institutional organizational culture also provides the enterprise with the superiority to create corporate strategy, market creation, control of new markets, technological advantages and sustainable policies.

The individuals working in the business environment dominated by a strong organizational culture will show their commitment by adopting the goals, power and values of the organization and will tend to protect the organization (Görmen, 2017). The aim of organizational culture is to help the employee to achieve success. The role of the organizational culture in this success is to guide the employee within the scope of the attitudes and behaviors of the employees (Korte and Chermack, 2007). Therefore, organizational culture is a concept that provides important data to the works to be done in many ways, such as understanding the place of working environment, employee behaviors in relation to the organization’s close and distant surroundings.

In many studies on the concept of organizational culture, this variable has been examined in a homogeneous and uniform structure. Researchers advocate the theory that organizations may have not only a single cultural structure however they argue that organizational culture can be composed of more than one culture or subcultures (Lök et al. 2005; Hofstede, 1998). Bunch (2007) stated that researchers argue that subcultures within the organization are critical variables that shape employee perceptions and behaviors. Trice and Morand (1991, p.1) define the subculture as “the perceptions and practices that show significant differences from organizational culture, enable organizations to perceive working groups with different cultural structures”. The subculture, which includes values and attitudes related to the work of the employee, strengthens these values and attitudes. It is stated that the subculture provides much more focus and consistency than organizational culture in terms of internalizing these values and attitudes by the employee (Lök et al. 2005).

Quinn and Spreitzer (1991), Denison and Spreitzer (1991) have created a total 4-dimensional model as a result of their studies on organizational culture; external focus (rational culture, development culture) and internal focus (hierarchical culture, group culture). Group culture emphasizing flexibility provides a priority focus on the internal organization. The aim of organizations which emphasize the group culture is group continuity. Group culture basically includes the values of concern, commitment, participation, morale, discussion and openness. (Denison ve Spreitzer, 1991). Entrepreneurial behaviors of the employees were tried to be tested on the basis of group culture based on internal focus in this research.

2.2. Intrapreneurship

Entrepreneurship is expressed in its shortest but most comprehensive form as “creating new organizations”. On the other hand, it is stated that intrapreneurship is defined with the most accepted and broadest definition as “entrepreneurship in operating organizations” (Antonic and Hisrich, 2003, p. 9). At this point, it is emphasized that the first and most important difference separating independent entrepreneurship from intrapreneurship is related to the place where entrepreneurial activity occurs (Carrier, 1996). Supporting this, Luchsinger and Bagby (1987) stated that both concepts are based on intensive innovation processes with the aim of creating high efficiency and added value. However, they maintained that the concepts were different in terms of the general conditions in which they were involved. Ramadani et al. (2014: 316) define entrepreneurship as “the process of seeking innovative opportunities in uncertain and risky circumstances, combining effectively and efficiently the factors of production in order to achieve profitability and business growth.”

Intrapreneurship is a strategic orientation that involves the renewal of products, processes, services, strategies or organization as a whole (Hayton, 2005). In the entrepreneurial process, intrapreneur brings the world of entrepreneurship and the organization world together. His dream is to turn an idea or an opportunity into a profitable economic reality. For this reason, it does not hesitate to do everything within the organization. (Naktiyok, 2004). Since the pioneering study of Peterson and Berger (1971), it can be said that intrapreneurship is one of the rapidly evolving research topics in the academic world. However, as in an individual entrepreneurship, there is no clue about the existence of a consensus about what the concept is
Intrapreneurs take new ideas and turn them into a profitable final idea. From this point of view, it is possible to define intrapreneurship as developing new products and processes by creating an entrepreneurial culture in an organization. In other words, intrapreneurship is the willingness of an individual to pursue new opportunities and to take responsibility for mobilizing creative change. Intrapreneur with an innovative perspective demonstrate their ability to continuously explore opportunities and transform opportunities into marketable ideas, and therefore they are seen as the driving force of change (Hill, 2003). According to Pinchot who first mentioned this concept in 1985, intrapreneurship is the idea that dreamers create innovation and take responsibility for doing business or work. From this point of view, he expresses intrapreneurs as creative or inventive but dreamers who can always turn an idea or thought into a profitable reality. Pinchot (1985, p.15) defines intrapreneurship as the person who carries out the responsibility of implementing any business idea within the company. On the other hand, Zahra (1991) defined intrapreneurship as a process of creating new jobs in order to increase organizational profitability and firm competitiveness and achieve strategic renewal within an organization. Antoncic and Hisrich (2001, p. 498) stated that intrapreneurship is a continuation of other innovation activities and orientations, such as developing new services, technologies, management techniques, strategies and competitive position as an ongoing process within an existing company regardless of size.

Intrapreneurship is a unique concept of the modern and flexible organizations that are capable of adaptability and promote creativity and innovation. Therefore, the relations among the employees in the organization with these characteristics should be away from the classical hierarchical understanding. The cooperation between the employees in such organizational structures which are mostly formed in teams is very important for the communication to be healthy, to create new initiatives and to realize the aims of the organization effectively. We can say that some of the activities, attitudes and behaviors that are believed to regain some of the magic organization lost by the slowness of bigness, bureaucracy, complex processes and hierarchy have formed intrapreneurship (Thornberry, 2001). Intrapreneurship is an important implement that can provide competitive advantage to organizations. Corroborating information for this, the concept emphasizes profitability in an organization, strategic regeneration, innovation, knowledge acquisition and action for international success. In addition to this, the new strategic direction as a result of the entrepreneurial thought focuses on increasing or strengthening the ability to acquire innovative skills and capacity. (Hornsby et al. 2002). The purpose of intrapreneurship is to develop important innovations that help the company's purpose for competitive advantages. These innovations can be adapted to the company's strategy, product offerings, internal organization, market focus or business models. Moreover, entrepreneurs can strengthen the organization by identifying opportunities and benefiting from opportunities (Worthington et al. 2009).

3. RESEARCH METHOD

In the context of organizational culture and entrepreneurial behavior concepts, the relationship between the variables of group culture and intrapreneurship were tested in the model of this study. It is also tested whether the type of organization has a moderation role in this relationship or not. By analyzing the data collected by the research survey method these relationships were tested. Confirmatory factor analysis were conducted through the IBM SPSS Amos program. Other analyzes were carried out through SPSS and it's Process Macro.
3.1. Research Model

The objective of this article is to develop a framework to examine the effects of group culture on intrapreneurship by comparing different types of organizations. The sample of the study consists of employees working in corporate and non-corporate hotels. The main purpose of this study is to determine whether the type of organization has a moderation role in the relationship between group culture and intrapreneurship of employees or not. The model of this research was designed to explain the effects of group culture on intrapreneurship. The hypotheses and theoretical model of the study are as follows:

- $H_1$: There are significant and positive relationships between group culture and intrapreneurship.
- $H_2$: Type of organization has a moderation effect on the relationship between group culture and intrapreneurship.

![FIGURE 1- THEORETICAL MODEL]

3.2. Preparation for Data Processing

Before the analysis process, the data obtained from the participants were made available through a number of statistical methods. For this purpose, missing value and outlier analysis, and skewness-kurtosis test were conducted, respectively. As a result of missing value analysis, it is determined that there is not a missing value in the data set. Then, outliers analysis was performed. As a result of this analysis, using the Mahalanobis Distance Method, seven data points at the $p < .01$ significance level showed extreme value due to the distance from the center of the subjects and were excluded from observation (Mahalanobis, 1936). As a result of the survey forms that were excluded from the observation, the number of participants in the data set was 255 ($n = 255$). Skewness-kurtosis values were examined in order to understand if the value set distributed normally or not. As a result of these findings, the maximum value of skewness was found as .635. The maximum value of kurtosis was found to be -1.107. Since these values meet the threshold value, it is possible to say that the data set is normally distributed (Tabachnick and Fidell, 2013; Develi, Çavuş and Öz, 2018). In the light of all these data, it can be said that the research is suitable for the use of parametric analyzes.

3.3. The Universe and Sample of Research

The research population consists of the employees working in corporate and non-corporate hotels in Iskenderun and Adana in Turkey. Data were collected from hotels by convenience sampling method and face to face survey technique. Although the exact number of the population is not known, the rule of at least five times the number of expressions is taken into consideration in the calculation of the sample size. 262 data were collected. Seven of these data were excluded from observation due to extreme value. Therefore, analysis was started with 255 data. Demographic characteristics of the employees who participated in the study are given in Table 1 below.
According to the table, 55.7% of the employees were male (142 persons) and 44.3% were female (113 persons). It is seen that the majority of the participants are between the ages of 30-39 (%58.4). It is observed that 43.1% of the participants have vocational school degree and 36.5% have bachelor’s degree. 42.7% of the participants (109 people) stated that they were working in the workplace between 6-10 years.

### 3.4. Scales

Group Culture Questionnaire developed by Tseng (1988), Quinn and Spreitzer (1991), Wang and Shyu (2003) was used to measure.

Besides Entrepreneurial Behavior Questionnaire developed by Pearce, Kramer and Robbins (1997) and Zampetakis, Beldekos and Moustakis (2009) was used to measure the intrapreneurial behavior level of employees in this study.

Questionnaire form with all these mentioned parts was arranged according to 5-point Likert scale from 1—strongly disagree to 5—strongly agree. The research questionnaire consists of 14 items in total. The group culture scale consists of 8 items and the intrapreneurship scale is composed of 6 items.

### 4. FINDINGS

#### 4.1. Confirmatory Factor Analysis

Confirmatory factor analysis was performed to test the validity of the scales in this study. Since the data collected from 255 employees have a normal distribution, the covariance matrix is formed using the maximum likelihood method (Kline, 2011). In the confirmatory factor analysis, it was seen that the group culture scale had the same goodness of fit indices in the second and first orders. The measurement model with standardized parameter values for confirmatory factor analysis results are presented in Figure 2.
FIGURE 2: CONFIRMATORY FACTOR ANALYSIS TOWARDS THE RESEARCH MODEL

Note 1: INT: Intrapreneurship, GC: Group Culture
Note 2: The coefficients in the figure shows the standardized parameter values.

The goodness of fit indices obtained from confirmatory factor analysis \[\chi^2 (df = 72, n = 255) = 188.707, p < .001, \chi^2/df = 2.621, GFI = .903, CFI = .959, RMSEA = .080\] shows that the structures of the scales are compatible with the data, and also the predicted theoretical model for the relationship between group culture and intrapreneurship is confirmed by the obtained data (Bentler, 1988; Hu & Bentler, 1999; Kline, 2011; Tabachnick & Fidell, 2013; Brown, 2014; Gürbüz and Şahin, 2018).

4.2. Descriptive Statistics, Reliability and Correlation Analysis

Descriptive statistics analysis was performed to reveal the structure of the sample in terms of the variables examined in the research. Besides, in order to determine the internal consistency of the items whose validity was determined reliability analysis were performed using Cronbach’s alpha (α) methods. On the other hand, Pearson correlation analysis was performed to determine the relations for group culture and intrapreneurship together. The results are presented in Table 2.

<table>
<thead>
<tr>
<th>Item</th>
<th>(\bar{x})</th>
<th>s</th>
<th>(\alpha)</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Group Culture</td>
<td>8</td>
<td>3.25</td>
<td>.925</td>
<td>1</td>
<td>.602**</td>
</tr>
<tr>
<td>2 Intrapreneurship</td>
<td>6</td>
<td>3.08</td>
<td>.870</td>
<td>.602**</td>
<td>1</td>
</tr>
</tbody>
</table>

\(\bar{x}\): Sample mean, s: Sample standard deviation, \(\alpha\): Cronbach’s alpha

*p < .05, ** p < .01

It is understood from the results of the descriptive statistics that the respondents perceived the items of group culture and intrapreneurship scales at a medium level, respectively. According to reliability analysis, the Cronbach's alpha (\(\alpha \geq .70\)) suggest that all scales have internal consistency reliability (Nunnaly, 1978). Finally, Pearson correlation analysis results indicate that there are statistically significant, medium level and positive relationships between two variables (p < .01, r > .30). According to these findings, the hypothesis 1 is supported.
4.3. Bootstrap Regression Analysis

In order to determine whether the type of organization has a moderation role in the relationship between group culture and intrapreneurship of employees, regression analysis based on Bootstrap method was used to test hypothesis 2. It has been suggested that the Bootstrap method gives more reliable results than the traditional method of Baron and Kenny (Gürbüz, 2019; Hayes, 2018; Preacher, Rucker and Hayes, 2007). Analyzes were performed using Process Macro developed by Hayes (2018). In the analysis, 5000 resampling option with bootstrap technique was preferred. In order to support the research hypothesis, the 95% confidence interval (CI) obtained from the analysis should not include zero (0) value in the mediation effect analysis conducted with the Bootstrap technique. (MacKinnon, Lockwood and Williams, 2004). Findings related to the regression analysis performed for this purpose are given in Table 3.

<table>
<thead>
<tr>
<th>Variables</th>
<th>$b$</th>
<th>S.E.</th>
<th>$t$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.183**</td>
<td>0.026</td>
<td>119.99</td>
</tr>
<tr>
<td></td>
<td>(3.13, 3.23)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Culture $(X)$</td>
<td>0.239**</td>
<td>0.032</td>
<td>7.29</td>
</tr>
<tr>
<td></td>
<td>(0.17, 0.30)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of Organization $(W)$</td>
<td>0.001</td>
<td>0.053</td>
<td>0.030</td>
</tr>
<tr>
<td></td>
<td>(-0.10, 0.10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$X.W$</td>
<td>-0.291**</td>
<td>0.065</td>
<td>-4.42</td>
</tr>
<tr>
<td></td>
<td>(-0.42, -0.16)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* $p<.05$ ** $p<.01$

According to the results in Table 3, all the predictive variables included in the regression analysis explained about 41% of the change in intrapreneurship ($R^2 = .409$). It was found that group culture had a positive effect on intrapreneurship ($b= .23 p < .01$). The effects of group culture and organizational type variables on intrapreneurship were found to be significant (mediation effect) ($b= -.29, p<.01$). According to these findings, the hypothesis 2 is supported.

As a result of the slope analysis, the effects of the moderate variable are shown graphically in figure 3. When the details of the moderating effect were examined, it was found that the effect was significant in both types.
of organizations (p<.01). However, it was observed that the effect of group culture on intrapreneurship was increased in enterprises with corporate organization type (b = .388, p <.01).

5. DISCUSSION AND CONCLUSION

The main purpose of this study is to determine the effects of group culture on the intrapreneurship and to test the mediation effect of the type of organization in this relationship. Thus, this study will reveal the difference between corporate and non-corporate hotels on behalf of the relations between group culture and intrapreneurship. It has been evaluated that the type of organization in which employees work can be an important determining factor in the relationship between group culture and intrapreneurship.

As a result of the analysis, it was found that group culture had a medium positive and significant relationship on intrapreneurship. According to this result, it is determined that perceived group culture within the organization increases the intrapreneurship of the employees. This result is consistent with similar results in the literature (Hayton, George and Zahra, 2002; Cherchem, 2017). The integration of employees around social characteristics such as common goals, values, trust and cooperation supports intrapreneurship. Another important result of the research is that the type of organization has a mediation effect on the relationship between group culture and intrapreneurship. According to this finding, employees in corporate hotels exhibit more entrepreneurial behavior than employees in non-corporate hotels. In other words, the effect of group culture on intrapreneurship is higher for employees working in corporate hotels, whereas this relationship is less for those working in non-corporate hotels. According to this result, it can be said that the employees can exhibit entrepreneurial behavior within the organization through a cultural environment equipped with common goals and values. For this reason, it is extremely important for organizations to focus on the practices that can create this environment. The advantages of a corporate organization are reflected in employees' perceptions and behaviors.

It is considered that the results of the research will contribute to the literature either because it is one of the few studies in the literature dealing with the relationship between group culture and intrapreneurship or because it is the only study in which the role of the type of organization is questioned.

This study has some limitations. One of these limitations is that the survey technique was used in the research. Interview and observation procedures can be used in future researches. The use of different research methods may lead to different results. In addition, more comprehensive results can be obtained if the research is done with different sampling methods.

In the future studies, it is evaluated that longitudinal studies that will examine the relationship between organizational culture sub-dimensions and intrapreneurship will contribute to the field.

REFERENCES


