Employee satisfaction, intrapreneurship and firm growth: a model

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Abstract

Purpose – Organizational performance, growth and development may depend considerably on entrepreneurship in existing organizations (intrapreneurship) and intrapreneurship employee-related antecedents. The purpose of this study is to focus on employee satisfaction (composed of four dimensions: general satisfaction with work; employee relationships; remuneration, benefits and organizational culture; and employee loyalty), intrapreneurship and firm growth. The model’s underlying hypotheses were conceptually developed and empirically tested.

Design/methodology/approach – Using data collected via a structured questionnaire sent by e-mail to 149 firms from Slovenia, the model’s hypotheses were tested by applying structural equation modeling.

Findings – The findings support the hypothesized relationships between employee satisfaction, intrapreneurship and growth. The influence of the control variables was also assessed in the model and firm age was found to be influential.

Research limitations/implications – Firm growth can depend strongly on intrapreneurship and intrapreneurship employee-related antecedents. The study contributes to intrapreneurship research by empirically examining the relationship between employee satisfaction and intrapreneurship and testing the impact of employee satisfaction on firm growth.

Practical implications – Firms need to take a detailed and systematic approach to employee satisfaction in order to improve intrapreneurship and growth.

Social implications – Activities related to the stimulation of employee satisfaction and intrapreneurship can have also social implications, since they can increase creation of the new wealth in the society.

Originality/value – This study can be differentiated from past studies, since it considers an ensemble of employee satisfaction elements (general satisfaction with work, employee relationships, remuneration, benefits and organizational culture and employee loyalty) as a crucial antecedent of intrapreneurship and builds a model of employee satisfaction-driven intrapreneurship and firm growth, which has not been examined before.

Keywords Employees, Employee behaviour, Job satisfaction, Entreprenurialism, Business development, Slovenia

Paper type Research paper

1. Introduction

Organizational performance, growth and development may depend considerably on entrepreneurship in existing organizations (intrapreneurship) and intrapreneurship employee-related antecedents. The study focuses on employee satisfaction,
intrapreneurship and firm growth. It deals with the elements of job satisfaction important for the survival and growth of firms. Elements of employee satisfaction are intertwined with elements of organizational factors related to intrapreneurship. Previous research on the relationship between organizational elements and intrapreneurship has focused on the characteristics of internal organizational environments and their relationships with entrepreneurship in existing organizations (Souder, 1981; Schollhammer, 1982; Kanter, 1984; Pinchot, 1985; Luchsinger and Bagby, 1987; Hornsby et al., 1993; Antoncic and Hisrich, 2001; Antoncic, 2007). In addition to some descriptive evidence (Kanter, 1984; Pinchot, 1985), in one study Kuratko et al. (2005) empirically examined the relationship between corporate entrepreneurship, internal organizational antecedents and job satisfaction and found that they are related, but used a narrower measure of employee satisfaction and focused only on one aspect of intrapreneurship (number of new and implemented ideas and unofficial improvements). Past research in intrapreneurship has covered some elements important for employee satisfaction, but has only partially addressed the relationship between employee satisfaction and intrapreneurship. This study can be differentiated from past studies, since it considers an ensemble of employee satisfaction elements (general satisfaction with work, employee relationships, remuneration, benefits and organizational culture and employee loyalty) as a crucial antecedent of intrapreneurship and builds a model of employee satisfaction-driven intrapreneurship and firm growth, which has not been examined before. This study fills the research gap by developing and empirically testing a model. Based on theoretical starting points, we developed hypotheses and sought to find out whether the hypothesized relationships between employee satisfaction, intrapreneurship and growth exist. The key contribution of our research is the model which sheds light on the linkages between employee satisfaction, intrapreneurship and firm growth.

2. Theory and hypotheses

This section describes the elements of employee satisfaction, intrapreneurship along with the hypotheses on the relationships between employee satisfaction, intrapreneurship and firm growth.

2.1 Elements of employee satisfaction

Employee satisfaction is the satisfaction of employees with their jobs or the degree to which employees like their jobs (Spector, 1997). An overall job satisfaction and elements of employee satisfaction were traditionally emphasized as important elements of organizational management, behavior and development (Lofquist and Dawis, 1969; Smith et al., 1969; Locke, 1976; Cranny et al., 1992). Various job satisfaction-related elements exist. For example, on one hand, job satisfaction factors can be classified accordingly to the well-known Herzberg’s (1964, 1966) two-factor theory into hygienes (supervision, working conditions, co-workers, pay, policies/procedures and job security), which lead to dissatisfaction, and motivators (achievement, recognition, the work itself, responsibility, advancement and growth), which lead to satisfaction. On the other hand, job satisfaction elements can be considered in relative terms, as proposed in equity theory (Adams, 1963; Vecchio, 1982), in which employees evaluate the fairness of exchange and base their satisfaction-related elements on the comparison of the ratio of personal outcomes (pay, recognition, job satisfaction, opportunity and advancement) and personal inputs (time, effort, knowledge and skills) with
the ratio of reference group outcomes and inputs. Important elements that affect employee satisfaction, which are used in this study, are:

- General satisfaction with work, consisting of the work conditions (Mozina, 1991; Miskell, 1994), working time (Pierce and Newstrom, 1980; Ronan, 1981; Christensen and Staines, 1990) and reputation of the company (Mulej, 1986).
- Employee relationships, consisting of relationships between employees (Mayer, 1991; Miskell and Miskell, 1994; Welsby, 2003) and also includes annual personal interviews with employees (Majcen, 2004).
- Remuneration, benefits and organizational culture, these elements include salary (Hanneman and Schwab, 1985; Brecko, 2005), remuneration in the form of benefits and praise (Rosenbloom and Hallman, 1991), promotion (Mozina, 2002), education (Tsui et al., 1997; Joy-Matthews et al., 2007; Noe, 2008), permanency of the job (Maslow, 1997; McGregor, 2002) and the organizational climate and culture (Pinchot, 1985; Fiedler, 1993; Hisrich and Peters, 1995).
- Employee loyalty (Meyer and Allen, 1997; Tsui et al., 1997; Varona, 2002).

These elements are important for anyone directly or indirectly related to the company’s operations. Employees value the operation of a company based on their own needs and interests. If the firm functions internally in accordance with their interests, stemming from their needs, they are satisfied. The way employees in the company are dealt with determines whether employees can be considered a true competitive advantage of the company.

2.2 Intrapreneurship
Entrepreneurship can be defined:

[...] as the process of uncovering and developing an opportunity to create value through innovation and seizing that opportunity without regard to either resources (human and capital) or the location of the entrepreneur – in a new or existing company (Churchill, 1992, p. 586).

Intrapreneurship can be defined in broad terms as entrepreneurship within an existing organization. Intrapreneurship includes entrepreneurial behaviors and orientations of existing organizations. Intrapreneurship exists in a firm, for example, when the firm acts entrepreneurially in pursuing new opportunities; in contrast, a non-intrapreneurial firm would be mostly concerned with the management of the existing (Antoncic and Hisrich, 2003) and would make decisions predominantly on the basis of the currently controlled resources (Stevenson and Jarillo, 1990). Intrapreneurship may be seen as doing new things and departing from the customary to pursue opportunities (Vesper, 1984); as a process by which individuals inside organizations pursue opportunities without regard to the resources they currently control (Stevenson and Jarillo, 1990); as a spirit of entrepreneurship within the existing organization (Hisrich and Peters, 1995); or as emergent behavioral intentions or behaviors deviating from the customary way of doing business (Antoncic and Hisrich, 2003, 2004; Antoncic, 2007). Intrapreneurship (corporate entrepreneurship, intrapreneuring) can also be defined by its content (for a more precise conceptual definition, see Antoncic and Hisrich, 2003) including dimensions based on the Schumpeterian innovation concept that can be considered a building block of entrepreneurship. Previous views of intrapreneurship can for the purpose of this study be classified in four dimensions which encompass the following entrepreneurial activities in existing firms:
New business venturing (Schollhammer, 1982; Hisrich and Peters, 1984; Vesper, 1984; Rule and Irwin, 1988; Zahra, 1991; Stopford and Baden-Fuller, 1994) – the new business venturing dimension refers to the creation of new businesses related to existing products or markets and the creation of new units without regard to the level of autonomy or size.

Product/service innovativeness (Schollhammer, 1982; Covin and Slevin, 1991; Zahra, 1993; Knight, 1997) – the product/service innovativeness dimension refers to product and service innovation.

Process/technology innovativeness (Schollhammer, 1982; Covin and Slevin, 1991; Zahra, 1993; Damanpour, 1996; Knight, 1997; Tushman and Anderson, 1997; Antoncic et al., 2007) – the process/technology innovativeness dimension refers to innovations in production processes, procedures and techniques, as well as in technologies.

Self-renewal (Vesper, 1984; Guth and Ginsberg, 1990; Zahra, 1991; Stopford and Baden-Fuller, 1994; Muzyka et al., 1995) – the self-renewal dimension reflects the transformation of organizations through a renewal of the key ideas on which they are built.

2.3 Hypotheses
Hypotheses are developed in terms of relationships between employee satisfaction, intrapreneurship and firm growth.

2.3.1 Employee satisfaction and intrapreneurship. The elements of employee satisfaction described above, namely:
- general satisfaction with work;
- employee relationships;
- remuneration, benefits and organizational culture; and
- employee loyalty are important for the company’s operations.

In their nature, the elements of employee satisfaction are important organizational elements that can be very influential for the development of entrepreneurial activities and orientations in the organization. In particular, they tend to be related to organizational and management support and organizational values – the driving forces of intrapreneurship. Previous research on the relationship between organizational elements and intrapreneurship has focused on characteristics of intra-organizational environments that can facilitate or impede intrapreneurship development (Souder, 1981; Schollhammer, 1982; Kanter, 1984; Pinchot, 1985; Luchinger and Bagby, 1987; Hornsby et al., 1993; Antoncic and Hisrich, 2001; Antoncic, 2007). Organizational characteristics such as communication openness, control mechanisms, environmental scanning intensity, organizational and management support, and organizational values can be considered important predictors of intrapreneurship, with organizational and management support, and organizational values having a particularly strong association with intrapreneurship (Antoncic and Hisrich, 2001).

Kuratko et al. (2005) demonstrated positive relationships between corporate entrepreneurship internal organizational antecedents (management support, work discretion, rewards/reinforcement, time availability and organizational boundaries) and job satisfaction. Top management’s style of dealing with employees is crucial for employee satisfaction and employee involvement in entrepreneurial activities and can play
an important role in innovation performance (Huang and Lin, 2006). Giving employees work discretion, rewards, time availability, training, trust, loose intra-organizational boundaries, and management support, commitment and involvement may be considered vital characteristics of organizational support conducive to intrapreneurship (MacMillan, 1986; Hornsby et al., 1990; Stevenson and Jarillo, 1990; Merrifield, 1993). Investing in employees can encourage their self-initiative (Hom et al., 2009), which is important for intrapreneurship. Managers and employees, who are involved in the team for changing the organization, need to be able to implement new business processes (McAdam and Galloway, 2005). Support from senior management may represent important encouragement for employees to innovate (Lee and Tsai, 2005). As important elements of organizational culture, values can be essential for the development of intrapreneurship. Values are an important component of an innovative organizational culture in which individuals are continuously encouraged to generate new ideas, solutions and knowledge (Wong, 2005). Employee emotional and value commitment tends to improve innovativeness in organizations (Kanter, 1984). Employee satisfaction is also built on values-related drivers of intrapreneurship such as: the attitudes of individuals within the firm (Stevenson and Jarillo, 1990), individual-centered intrapreneurship and organizational values (focusing on ways in which employees are treated in the organization) and competition-centered organizational values (focusing on approaches organizational members should follow when attempting to achieve organizational goals) (Zahra, 1991). It may be concluded from the above research that elements of organizational factors intertwine with elements of employee satisfaction and may be important for the development of intrapreneurship. Therefore, the expected relationship between employee satisfaction and intrapreneurship is positive:

\[ H1. \text{ Employee satisfaction is positively associated with intrapreneurship.} \]

2.3.2 Employee satisfaction and growth. Employee satisfaction can be related to firm performance in terms of growth. The practices of managing human resources show that the possibility of education, adequate pay, benefits, continuity of employment and the right approach to employees encourage a high level of employee motivation and their willingness to invest in their own knowledge and skills (Shaw et al., 1998; Tsui et al., 1997). Improving the satisfaction of workers is a central task of management since satisfaction creates confidence, loyalty and consequently improved quality in the output of employees (Tietjen and Myers, 1998). Top management’s commitment to improving employee satisfaction takes into account factors that affect employee satisfaction and can encourage employees to improve the performance of their tasks and boost the level of their work performance, which can in turn contribute to the company’s growth (Tsui et al., 1997; Shaw et al., 1998; Gerhart and Rynes, 2003). The role of employee training and the top management leadership of employees can be essential for the quality and performance of firms (Demirbag et al., 2006). Employee job satisfaction and performance can be moderately related (Judge et al., 2001). Practices which increase employee satisfaction tend to increase the quality of employees and the level of their performance (Gerhart and Rynes, 2003) and may impact the growth of the firm (Antonic, 2008). Investing in employee development is crucial for the organization and its business results (Tsui et al., 1997; Merkac Skok, 2008). Therefore, the expected relationship between employee satisfaction and growth of the company is positive. On the basis of the above research, the following hypothesis is proposed:

\[ H2. \text{ Employee satisfaction is positively associated with firm growth.} \]
2.3.3 Intrapreneurship and growth. Firm performance can be considered the most important consequence of intrapreneurship (Antoncic and Hisrich, 2001) and usually denotes performance in terms of growth and profitability (Covin and Slevin, 1991). Entrepreneurial activities can be important for the growth of firms and economic growth since entrepreneurship tends to contribute to economic performance through the introduction, creation and enhancement of innovations, change, rivalry and competition (Wennekers and Thurik, 1999; Carree and Thurik, 2003). Successful enterprises have been characterized with intrapreneurship (Peters and Waterman, 1982; Kanter, 1984; Pinchot, 1985). Empirical evidence from past research indicates intrapreneurship is related to small-firm growth (Covin, 1991), performance in hostile environments (Covin and Slevin, 1989), large-firm growth (Covin and Slevin, 1986; Zahra, 1991, 1993; Zahra and Covin, 1995) and the growth of existing firms regardless of their size (Antoncic and Hisrich, 2001, 2004; Antoncic, 2007). This research underpins the following hypothesis:

H3. Intrapreneurship is positively associated with firm growth.

3. Research methods
The research methods include the survey questionnaire, the sample and methods of data analysis.

3.1 Survey questionnaire
An anonymous questionnaire with mainly closed questions was developed and used for subsequent detailed processing. In the study, we used a questionnaire containing questions divided into four parts, based on employee satisfaction, intrapreneurship, growth and control variables. Likert-type scale ratings of responses to the question are mainly based on the scale, ranging from 1 – very untrue to 5 – very true. Employee satisfaction was measured with questions taken and adapted from previous research (Brayfield and Rothe, 1951; Porter et al., 1968; Churchill et al., 1974; Hackman and Oldham, 1975; Teas, 1979; Oliver and Brief, 1983) and based on the following dimensions of employee satisfaction:

- general satisfaction (working hours, conditions of work and reputation);
- employee relationships (relationships with co-workers);
- remuneration, benefits and organizational culture (salary, remuneration in the form of benefits and praise, promotion, education, job stability, organizational climate and culture); and
- employee loyalty.

The reliabilities of the four dimensions of employee satisfaction (with retained items after factor analysis) were very good to moderately good: general satisfaction (12 retained items, Cronbach’s alpha reliability 0.94), employee relationships (four retained items, Cronbach’s alpha reliability 0.92), remuneration, benefits and organizational culture (nine retained items, Cronbach’s alpha reliability 0.88) and employee loyalty (two retained items, Pearson’s correlation coefficient 0.43, significant at the 0.05 level) (Table I).

Intrapreneurship, growth and control variables (industry, company size and age) were assessed by using questions from previous research (Antoncic and Hisrich, 2004; Antoncic, 2007). The 23 questions of intrapreneurship (Table II) assessed four aspects of intrapreneurship: new businesses, product/service innovation, process/technology
innovation and self-renewal (23 retained items, Cronbach’s alpha reliability 0.90). Growth was measured by three questions addressing absolute and relative growth (three retained items, Cronbach’s alpha reliability 0.75).

3.2 Data collection and description of the sample
The data were collected by e-mail sent to firm managers stating the purpose of the survey and asking them to complete the attached questionnaire. The top manager of a firm was selected as a key informant, since he or she has the most knowledge about the organizational-level questions and therefore is being able to provide the most valid data, relative to other people in a given firm. The questionnaire was pre-tested on a small number of companies in order to check its usefulness to avoid incomprehensible
and sensitive items. To improve the understanding of the questionnaire items, some questions were edited by replacing some words on the basis of reasonable proposals from businesspeople before the main data collection. The data were collected from firms in Slovenia. Questionnaires were sent to 2,977 large, medium and small companies; all companies with e-mail addresses in the complete database of Slovenian firms with 20 or more employees (full-time equivalent). As part of the data collection via e-mail, a second
remainder was sent out two weeks after the first one in order to achieve a better response rate. After sending the questionnaire out in the first round, it was found that 31 e-mail records included a false e-mail address (wrong characters), whereas 671 e-mail addresses were invalid because they no longer existed. The surveys were ultimately sent out to 2,275 e-mail addresses. In total, 149 of the questionnaires which were returned were usable for analysis (a 6.5 percent response rate). The response rate to the e-mail survey was relatively low because generally a lot of junk e-mail (“spam”) is sent to companies and individuals and because we targeted the total population (Slovenian firms with 20 or more employees). Comparisons of mean values of key model variables and comparisons of control variables between two sub-samples based on the response time (earlier respondents – responded in the first two weeks, \( n = 37 \); later respondents – responded after the first two weeks, \( n = 112 \)) showed no differences, which indicated an absence of non-response bias.

The sample was represented by firms from various industries. Most firms in the sample were from service industries (56.9 percent) and less from manufacturing industries (36.1 percent). The key service industries included in the sample are: transportation and public goods (13.9 percent of firms in the sample); consulting and business services (11.8 percent); retail and wholesale trade (10.4 percent); tourism (6.3 percent); construction (5.6 percent); banking, investment and insurance (4.2 percent); and engineering, research and development (4.2 percent). Manufacturing industries included in the sample are: production of industrial goods (26.4 percent) and production of consumer goods (9.7 percent). The average firm in the sample was 11-20 years old, had total annual sales of \( 1,600,000-4,000,000 \), and was small with 20-50 employees. These figures are very close to the data in the total database population and hence indicate the good representativeness of the sample.

3.3 Methods of data analysis
All model constructs were checked for their reliability. The employee satisfaction construct was checked by using exploratory factor analysis to identify \( R \)-type factor dimensions by employing the SPSS software package. An oblique rotation oblimin was used where the factors are correlated. The data were suitable for factor analysis because the variables were adequately correlated, which was reflected in the correlation matrix. Keiser-Meyer-Olkin measure of sampling adequacy and Bartlett’s test of sphericity were adequate. The initial number of factors was selected according to the theory-based expectations. When the model was re-specified on the basis of eigenvalues, the decision was made on how many factors to retain (four factors). The decisions on which variables to retain were based on communality values (higher than 0.2) of individual variables and the associations of variables with one or more factors.

To test the hypotheses, we used structural equation modeling with the EQS program package. The ERLS method was used, noting it is less sensitive to deviations of variables from the normal distribution than the ML method. The model with structural equations included three key constructs: employee satisfaction, intrapreneurship and firm growth. The four employee satisfaction dimensions were included as elements composing the independent variable, whereas intrapreneurship was included as the intermediate dependent variable and growth as the final dependent variable. The control variables age and size of the company were included as additional independent variables, whereas the impact of industry was tested by dividing the sample by the two key industry groups (services and manufacturing).
4. Findings

The findings after testing the hypotheses by using structural equation modeling are presented below. The findings are related to the hypothesized relationships between employee satisfaction, intrapreneurship and firm growth which are included in the structural model together with control variables, which refer to firm age and size. The structural model with standardized coefficients is shown in Figure 1. Model fit indices indicate a moderately good model fit (NFI 0.86, CFI 0.89, RMSEA 0.12); NFI and CFI are very close to the threshold of 0.9, which indicates a very good model fit, whereas the value of RMSEA is somewhat too high, although its value may be increased due to the inclusion of control variables in the model.

H1. predicted a positive association between employee satisfaction and intrapreneurship. The estimated standardized coefficient was found to be positive (0.59) and significant (sig. < 0.05). This finding is in support of H1. Employee satisfaction (composed of four dimensions) was found positively related to intrapreneurship. H2 predicted a positive association between employee satisfaction and growth. The standardized coefficient was found to be positive (0.33) and significant (sig. < 0.05). This finding is in support of H2. Therefore, employee satisfaction showed a positive relationship with intrapreneurship and firm growth. An indirect effect of employee satisfaction on firm growth (through intrapreneurship) was also estimated. The standardized coefficient for the indirect effect was also found to be positive (0.17) and significant (sig. < 0.05). This indicates that employee satisfaction may importantly affect firm growth both directly and indirectly (via intrapreneurship). H3 predicted a positive association between intrapreneurship and firm growth. The estimated standardized coefficient was found to be positive (0.29) and significant (sig. < 0.05). This finding supports H3. Intrapreneurship can be predictive of firm growth.

Figure 1. Structural equation model (standardized coefficients)

Notes: *Significance at: 0.05; ES – employee satisfaction; IN – intrapreneurship; GR – firm growth; GS – general satisfaction; ER – employee relationships; RE – remuneration, benefits and organizational culture; EL – employee loyalty; age – firm age; size – firm size; E – error terms
The impacts of control variables (industry, age and size of the firm) were checked in the model. Only one relationship including a control variable was found substantial and significant: a negative relationship between firm age and growth (standardized coefficient $-0.21$, sig. $< 0.05$). Therefore, firm age may negatively affect firm growth; younger firms tend to grow faster than older firms. The impact of the industry control variable was checked by estimating the model on two sub-samples based on industry (manufacturing, $n = 52$ and services, $n = 82$). All hypotheses-related estimated standardized coefficients were found to be positive and significant (sig. $< 0.05$), which indicated an absence of the industry control variable impact in the model.

5. Discussion
The findings are in support of the proposed model, which includes the hypothesized positive relationships between employee satisfaction, intrapreneurship and firm growth. In addition, the employee satisfaction construct was confirmed (by factor analysis and structural equation modeling) as being composed of four factors (1 – general satisfaction, 2 – employee relationships, 3 – remuneration, benefits and organizational culture and 4 – employee loyalty). The employee satisfaction construct includes various dimensions and composite elements which are important for achieving satisfaction among employees; these range from financial and non-financial incentives to the conditions and characteristics of work and even further to psychological and value aspects or employee satisfaction with work. The elements of employee satisfaction as a construct tend to be predictive of the ensemble of intrapreneurship activities (new business venturing, product/service innovation, process/technology innovation and self-renewal). Employee satisfaction tends to positively impact growth of the firm (both absolute and relative growth). This study confirmed a positive intrapreneurship-growth relationship, which is in accordance with past intrapreneurship research (Covin, 1991; Covin and Slevin, 1986; Zahra, 1991, 1993; Zahra and Covin, 1995; Antoncic and Hisrich, 2001, 2004; Antoncic, 2007). Firm growth can also be influenced by employee satisfaction indirectly through intrapreneurship. Two control variables may not be important in the model, namely firm size and industry, whereas firm age may be negatively related to firm growth.

6. Contributions and implications
The study’s key contribution is the development and testing of a model of employee satisfaction-driven intrapreneurship and firm growth. The study contributes to intrapreneurship research by empirically examining the relationship between employee satisfaction and intrapreneurship. In methodological terms, this study has contributed by developing and partly empirically validating a wide-ranging construct of employee satisfaction (with 27 explanatory variables), which was found to be composed of four distinctive dimensions:

1. general satisfaction (including working hours, conditions of work and reputation);
2. employee relationships (including relationships with co-workers);
3. remuneration, benefits and organizational culture (including salary, remuneration in the form of benefits and praise, promotion, education, job stability, organizational climate and culture); and
4. employee loyalty.
The construct of employee satisfaction as a whole was also found to be predictive of intrapreneurship and firm growth, indicating nomological validity. The study contributes to the term human capital, which refers to the range of valuable skills and knowledge accumulated over time (Burt, 1992) and is embodied in people (Becker, 1993); the scope of the study included employee satisfaction, which is embodied in people – employees and may be considered an element of human capital, and the role of employee satisfaction in intrapreneurship and firm growth. The study also indicated that employee satisfaction and intrapreneurship may contribute to sustainability of a firm in its business environment by positively affecting firm growth.

The study has important implications for researchers and practitioners. We recommend that intrapreneurship researchers take employee satisfaction variables into account when designing models of intrapreneurship-influenced growth, and that researchers in other areas recognize the importance of employee satisfaction elements in firm growth. In addition to the “classic” recommendation to practitioners to support and foster intrapreneurship activities (entering new businesses, innovating products, services, processes and technologies, and self-renewing the firm in strategic and organizational terms) in order to achieve the firm’s faster growth, we believe that firms need to take a detailed and systematic approach to employee satisfaction. Recommendations are linked to the results of the study, which include the associations found in hypotheses testing and the structure of the two key constructs in the study (employee satisfaction and intrapreneurship; see items in Tables I and II), which can be important for firm growth. First, employee satisfaction-related recommendations are:

- companies should ensure that their employees are paid fairly for their work;
- companies should make it possible for employees to work on challenging and interesting tasks;
- learning should be considered as a value;
- education should be considered as an investment;
- it is important that leaders and managers share relevant information with their subordinates;
- leaders and managers should provide sufficient information to employees about the effectiveness of implementing work tasks;
- companies should be flexible in response to changes and continuously look for and make improvements;
- an excessive number of formal procedures in the implementation of tasks should be avoided;
- employees should be allowed to make decisions related to their workplace; and
- companies should provide opportunities for personal growth and development for their employees.

Second, in terms of intrapreneurship, companies are recommended to:

- stimulate new demand;
- enter new businesses in new markets;
- find new market niches;
- offer and develop new products;
• develop their own technology;
• introduce technological newness and innovations;
• redefine the mission of the company;
• re-assess the business concept;
• redefine industries in which the company will compete in the future;
• reorganize parts of the organization;
• increase the autonomy of their units;
• improve co-ordination between the units; and
• create a flexible organizational structure to advance business innovation.

Firms, regardless of their age, size and industry, can increase their chances of achieving all of these entrepreneurial activities, as well as firm growth, by stimulating employees and making improvements in employee satisfaction (the ten employee satisfaction-related recommendations stated above). Older firms in particular need to be very active in encouraging employee satisfaction and intrapreneurship, since they tend to grow slower than younger firms. Improvements in employee satisfaction elements (for example, learning and education potential, information sharing, flexibility, decision-making possibilities and reduced number of formal procedures) may advance information flows, employee collaboration and network tie formation and so strengthen an ongoing effort to better utilize social networks within a company. Activities related to the stimulation of employee satisfaction and intrapreneurship can have also social implications, since they can increase creation of the new wealth in the society.

7. Limitations, future research opportunities and conclusion
The key limitations of the study relate to the study design, concepts, sample, and questionnaire and data collection. The study design was cross sectional; a longitudinal study may provide even better results. The focus of the study was limited to a few concepts (employee satisfaction and intrapreneurship) which are important for firm growth; it did not include other factors that might also be important for growth, although it did examine the focal concept of employee satisfaction, its structure and its impact on intrapreneurship and growth. The study did not differentiate between blue and white-collar (as well as knowledge) workforce and between less and more project-based firms (e.g. construction, design and R&D). In limiting the sample, we selected companies from Slovenia and not from other countries and restricted the sample to existing firms with 20 or more employees; yet, the sample was very representative and findings based on Slovenian samples tend to be comparable to other countries as shown in past cross-nationally comparative studies in intrapreneurship (Antoncic and Hisrich, 2000, 2001; Antoncic, 2007), business ethics (Bucar et al., 2003), entrepreneurship education (Antoncic et al., 2005) and technological innovativeness (Antoncic et al., 2007). The data were obtained by an e-mail survey with a structured questionnaire. The respondents were able to choose between pre-formulated answers which represents a weakness since such responses are limited in content and number; however, they provide precise answers to the focal questions. With each firm the response was given by only one person – the manager, who should have the most knowledge and information about organizational-level matters of the firm. The respondents’ answers were based on their
perceptions and questions about the company’s growth were not based on companies’ annual financial statements. However, despite the limitations, the collection of data on the growth and profitability of firms based on perceptions of company representatives has already been identified as very relevant in previous studies in intrapreneurship (Antoncic and Hisrich, 2001, 2004; Antoncic, 2007).

Some future research opportunities can be noted. In order to form a more comprehensive and integrative model, some other variables possibly important to intrapreneurship and firm growth could also be included, such as the characteristics of strategic alliances and networks, or the personalities of managers. Since employee satisfaction and organizational antecedents of intrapreneurship can be related (Kuratko et al., 2005), it may be interesting to empirically partition the antecedents into groups (employee satisfaction related and employee satisfaction non-related) to find out if there are differences between the groups in their impact on intrapreneurship and growth. Cross-cultural comparisons may further validate the construct of employee satisfaction and the model generally.

Firm growth can depend strongly on intrapreneurship and intrapreneurship employee-related antecedents. The study has confirmed the importance of employee satisfaction for intrapreneurship and firm growth where employee satisfaction was described using four dimensions (general satisfaction with work; employee relationships; remuneration, benefits and organizational culture; and employee loyalty). The role of employees and their satisfaction with work can be considered essential in all companies regardless of their size, age, or industry. Despite the limitations, the study contributes to intrapreneurship research by empirically examining the relationships in the model, which includes employee satisfaction, intrapreneurship and firm growth.

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