THE MEDIATION EFFECT OF ORGANIZATIONAL ENVIRONMENT ON CORPORATE VENTURING ACTIVITIES: AN INDIVIDUAL PERSPECTIVE (SUMMARY)

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THE MEDIATION EFFECT OF ORGANIZATIONAL ENVIRONMENT ON CORPORATE VENTURING ACTIVITIES: AN INDIVIDUAL PERSPECTIVE

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Principal Topic

The past global financial crisis represented a strategic game changer for most organizations. Severe resource constraints and unpredictable market conditions created significant challenges for organizational survival based on innovation and venturing activities. This study adopts the perspective of corporate venturing (CV), which is defined as the creation of start-ups “from” and “for” an existing organization based on ideas proposed by employees. Therefore, CV is considered an important driver of competitive advantages and performance for existing organizations. Traditionally, corporate entrepreneurship literature considered the organizational environment as one of the key determinants of entrepreneurial activities within an organization. Empirically, the direct effects of certain characteristics of organizational environments and employees’ human capital on the CV have been analyzed at the organizational level. However, insights concerning the possible mediation effect of organizational environments on CV at the individual level are limited. Adopting entrepreneurial action, human capital and corporate entrepreneurship approaches, we argue that external uncertainty of economic scenarios could affect certain characteristics of organizational environments inside existing organizations.

Method

Data was collected from the 2012 Global Entrepreneurship Monitor (GEM) Adult Population Survey (APS). The sample used in this study consisted of 5,274 observations of full-time employees between the ages of 30 and 60 years old. The dependent variable, corporate_ venturing, takes value 1 if a full-time employee create a start-up “from” and “for” an existing organization, and 0 otherwise. The main independent variables are human capital (higher_education, entrepreneurship_training) and organizational environment (job_autonomy). Due to the nature of the dependent variable corporate venturing, binary mediation model was used to test our hypotheses.

Results and Implication

Preliminary results evidence the relevant role of specific human capital (entrepreneurship education/training) and organizational environment (job autonomy) on the probability that an employee leading the creation of start-ups “from” and “for” existing organizations. In particular, it is evidenced the mediation effect of job autonomy on the propensity of an employee with a prior entrepreneurship education creates start-ups “from” and “for” his/her employer. This result confirms our hypothesis and complements the previous findings about the role of entrepreneurship education and job autonomy on entrepreneurial activities.

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