

3.3 Data Analysis

In assessing the level of EO of small scale IT-BPO companies in Sri Lanka, mean, percentages, frequencies, graphs and tables were used. Independent sample t-test was performed in testing hypotheses. In classifying the both independent and dependent variables to identify the EO level, mean value was taken as the base for the classification. The situations above the mean value was considered as the high level of performance of the particular variable and the situations below the mean value were considered as the low level of performance in the respective variable.

4. Results and Discussion

Data were analyzed by using the statistical package of SPSS and the following section is dealt with the results and discussion in terms of the stated objectives. Thus, level of entrepreneurial intensity will be discussed firstly and that will be followed by the analysis on organizational determinants of EO.

4.1 Level of Entrepreneurial Orientation

Level of EO was classified in to two categories and there were 20 firms which are low in their level of EO while there were 17 firms with high level of EO out of 37 firms in the sample. Further, descriptive statistics of the overall level of EO and the dimensions of EO are summarized below (Table 3).

Table 3: Descriptive Statistics of overall EO level and EO dimensions

| Statistic | Overall EO | Innovativeness | Proactiveness | Risk Taking |
|------------|------------|----------------|---------------|-------------|
| Mean | 11.19 | 3.74 | 3.75 | 3.71 |
| Median | 11.10 | 3.70 | 3.80 | 3.60 |
| Std. Devi: | 0.93 | 0.47 | 0.37 | 0.39 |
| Minimum | 9.50 | 2.70 | 3.10 | 2.90 |
| Maximum | 13.50 | 4.70 | 4.50 | 4.60 |

Accordingly, it can be observed that in the overall EO level, the difference between mean and median is at a negligible level confirming that data are distributed in an approximately normal distribution. Considering the minimum and maximum values with median, the variation in the upper end is higher. In the case of innovativeness, there is a higher variation in the lower end whereas in proactiveness and risk taking dimensions there is no such a considerable difference in upper and lower end of the continuum. Thus, generally, there is no higher variation in the level of EO although the classification has done and that is clearly confirmed by the findings of 20 firms of low level of EO and 17 firms of high level of EO.

4.2 Organizational Determinants of EO

Based on the Independent Sample t-tests, the differences of EO in terms of organizational variables were identified. The Levene's Test for Equality of Variances in Independent Sample t-Test was performed for each variable and the SPSS summary results are as follows (Table-4). Accordingly, all the F-tests are statistically insignificant at (P>0.05) confirming the variance is constant and thus, suitable for further analysis.

The Table-5 summarizes the results of the Independent Sample t-test. Accordingly, it can be identified that MGSU, RWD and TMA are statistically significant at P<0.05, confirming that there are significant differences in level of EO in terms of those three independent variables.

Table 4: Levene's Test for Equality of Variances

| Variable | F | Sig. |
|----------|-------|-------|
| MGSU | 0.380 | 0.541 |
| AUTO | 0.874 | 0.356 |
| RWD | 0.097 | 0.758 |
| TMA | 0.017 | 0.896 |
| OBO | 0.022 | 0.882 |

Table 5: Summary Results of Independent Sample t-Tests

| Variable | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference |
|----------|------|----|-----------------|-----------------|-----------------------|
| MGSU | -2.7 | 35 | 0.01 | -0.77 | 0.284 |
| AUTO | -1.4 | 35 | 0.174 | -0.42 | 0.304 |
| RWD | -3.4 | 35 | 0.002 | -0.93 | 0.272 |
| TMA | -2.5 | 35 | 0.016 | -0.76 | 0.3 |
| OBO | -1.7 | 35 | 0.099 | -0.5 | 0.3 |

For a better visualization, these differences can be depicted graphically as follows (Figure 2).

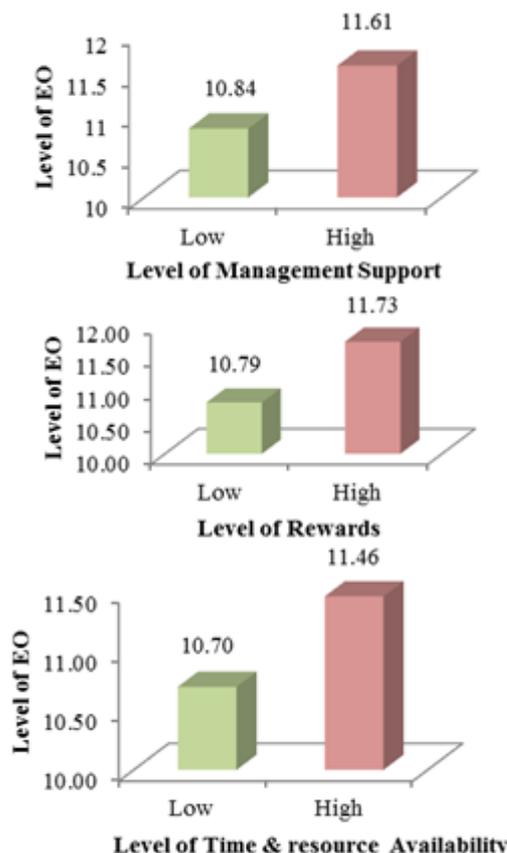


Figure 2: Difference of Level of EO in terms of MGSU, RWD & TMA

However, it is obvious that data do not support for a statistically significant difference in the level of EO in terms of AUTO and OBO.

In examining these differences what makes clear is that high levels of MGSU, RWD and TMA give rise to high level of EO. Therefore, data support for the following hypotheses.

H₁: Higher the level of management support higher the level of EO

H₃: Higher the level of rewards higher the level of EO

H₄: Higher the level of time availability higher the level of EO

Accordingly, it is clear that management support, rewards and time and resource availability encourage the EO behavior of the firm.

Although it is said to be that autonomy and organizational boundaries are essential factors for entrepreneurial behavior within companies, in the Sri Lankan setting we cannot observe a considerable difference of EO in terms of those two variables. As to Gamage et.al, (2003), "compared to the western countries, Sri Lankans prefer a more 'structured' social order and therefore, Sri Lankans are less autonomous and more dependent on their place in the surrounding social system". Confirming this cultural influence, McGrath et al. (1992) stated that cultural values influence entrepreneurial behavior. As per the Hofstede Center analysis, Sri Lanka is high in collectivism, power distance and uncertainty avoidance). This hierarchical culture will lower the autonomous behavior and gives rise to restricted organizational boundaries. Therefore, rather the autonomy and organizational boundaries support coming from the top management will be a higher motivator for the entrepreneurial behavior in Sri Lankan context.

5. Conclusions and Suggestions

This study was conducted with the aims of assessing the level of EO and identifying the organizational determinants of EO in small scale IT-BPO firms in Sri Lanka. Thus, the findings suggest that there is no considerable level of a variation of the level of EO although the classification witnesses for 20 firms with high level of EO and 17 firms with low level of EO. Hypotheses testing confirmed that higher the management support, rewards and time and resource availability higher will be the level of EO. Therefore, top management should exhibit a strong level of commitment for encouraging employees to engage in innovative practices by providing appropriate rewards and making available the required time and resources. Strong support for new idea generation and experimentations and acceptance of employee suggestions, championing projects with employees and tolerance for failures in innovation development will be essential for higher EO level. Higher recognition with monetary and non-monetary rewards for entrepreneurial activities of employees is of greater significance in this context. These results are compatible with the findings of Sheepers et al. (2008). Further, findings are partly supportive for Antoncic&Hisrich(2001); Hornsby et al. (2002); Morris &Kuratko(2002).

Finally, future research can be extended to other industries in the Sri Lankan setting especially to see whether the entrepreneurial behavior with less autonomy and structured organizational boundaries continues to be there. Further, future studies can consider studying the effect of intermediary variables such as national culture in order to see

whether culture moderates the EO of a firm based on the basic model given above. Moreover, since the behaviours might be shaped by the national culture, future researchers can test the effect of perceived social norms on firm EO also.

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