Diagnosing a firm’s internal environment for corporate entrepreneurship

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Abstract Apple, 3M, Procter & Gamble, and Google know the importance of an internal environment supportive of innovative activity. But how is that environment identified or measured? As research on corporate entrepreneurial activity has evolved, numerous researchers have acknowledged the importance of internal organizational dimensions to promoting and supporting an environment for innovation. This research has identified five specific dimensions that are important determinants of an environment conducive to entrepreneurial behavior: (1) top management support, (2) work discretion/autonomy, (3) rewards/reinforcement, (4) time availability, and (5) organizational boundaries. If an organization is serious about developing an internal environment conducive to entrepreneurial activity, then it must seek to measure the specific dimensions associated with an innovative environment. In this article we introduce an instrument, the Corporate Entrepreneurship Assessment Instrument (CEAI), as a diagnostic tool used for assessing managers’ perceptions of the five major dimensions critical to creating an entrepreneurial/innovative environment. This instrument provides an indication of a firm’s likelihood of being able to successfully implement an innovative strategy, and highlights areas of the internal work environment that should be the focus of ongoing development efforts.

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1. The innovation imperative

Today, continuous innovation—in terms of products, processes, and administrative routines and structures—is needed to compete effectively in the global markets of the 21st century. Executives agree that innovation is the most important pathway for companies to accelerate their pace of change in the global environment. Yet Apple questions how the
death of Steve Jobs will impact its internal environment of innovation (Bedigian, 2011); 3M works mightily to regain its former innovative heritage (Gunther, 2010); Procter & Gamble (P&G) develops a special division to cultivate innovations for tomorrow but still wonders how this translates to its internal environment (Brown & Anthony, 2011); and Google is contemplating various strategies for enhancing the innovative prowess of its workforce (Finkle, 2012). It is clear that some of today’s most recognized innovative companies are working overtime to figure out the challenge of sustaining an innovative environment amidst constant change. Apple, 3M, P&G, and Google are just four examples of growing firms where the mantras are all too similar: sustain an internal environment of innovation in order to excel in the 21st century. These firms and thousands of others realize there must be elements within their organization that should be managed in order to enhance the innovative capacities of their managers. There are numerous writings about reward systems, management support, and managerial autonomy to encourage the innovative environment. But how are organizational leaders supposed to gauge these elements?

Corporate entrepreneurship—a significant form of corporate innovation—is envisioned to be a process that can facilitate firms’ efforts to innovate constantly and cope effectively with the competitive realities companies encounter when competing in world markets. Leading strategic thinkers are moving beyond the traditional product and service innovations to pioneering innovation in processes, value chains, business models, and all functions of management (Govindarajan & Trimble, 2005). Thus, corporate entrepreneurship and innovation are concepts that have captivated the interest of executives in many corporate boardrooms (Morris, Kuratko, & Covin, 2011). All organizations are facing times requiring innovative vision, courage, calculated risk-taking, and strong leadership. As Kuratko (2009) pointed out, organizations must realize the entrepreneurial imperative of the 21st century is now at hand.

Firms that exhibit corporate entrepreneurship are typically viewed as dynamic, flexible entities prepared to take advantage of new business opportunities when they arise (Kuratko, Goldsby, & Hornsby, 2012). They explore new business domains, as well as new ways of conducting business within existing domains. Deviation from prior routines, strategies, business models, and operating environments are typical modes of operation in these innovation-minded companies. In other words, corporate entrepreneurship flourishes in established firms when individuals are free to pursue actions and initiatives, regardless of the ‘rules.’ As Steven Brandt of Stanford once said: “Ideas come from people. Innovation is a capability of the many” (Kuratko, 2014, p. 68).

Research has shown that there are uncontrollable factors in the external environment which may be related to entrepreneurial activity inside an organization. For instance, hostile and technologically sophisticated environments have been shown to be conducive to developing and implementing a corporate entrepreneurial strategy (Bradley, Aldrich, Shepherd, & Wiklund, 2011; Chattopadhyay, Glick, & Huber, 2001). Hostile environments are characterized by such factors as high firm failure rates, intense competitive pressure, and price-based competition. Technologically sophisticated environments are characterized by such factors as significant R&D investments, frequent product and/or process technology changes, and a reliance on superior technical personnel as key bases of competitive advantage (Bettis & Hitt, 1995). Ireland, Covin, and Kuratko (2009) argue that an organization’s top-level managers should exhibit a strategic intention toward entrepreneurial activity for their firms to successfully compete in such environments. This intention finds managers seeking methods under their control that could enhance the organization’s internal environment for entrepreneurial activity.

Recognizing the importance of an organization’s commitment to the perpetuation of innovation as a strategy, Ireland et al. (2009, p. 21) conceptualized a corporate entrepreneurship strategy as “a vision-directed, organization-wide reliance on entrepreneurial behavior that purposefully and continuously rejuvenates the organization and shapes the scope of its operations through the recognition and exploitation of entrepreneurial opportunity.” It should be recognized that this type of strategy is hard to create and, perhaps, even harder to perpetuate in organizations because entrepreneurial activity is not inherently focused, cumulative, productive, or strategically relevant. Morris et al. (2011) warn managers that to be successful, entrepreneurial activity must be carefully integrated into the organization’s overall strategies. In doing so, the internal environment of an organization—which can be influenced by managers—must be conducive to the initiation and sustainment of innovation-inducing strategies.

2. An internal environment for corporate entrepreneurship

One of a manager’s controllable areas of corporate entrepreneurship is creating a work environment
highly conducive to innovation and entrepreneurial behaviors. Within such an environment, each employee has the opportunity to ‘step up to the plate.’ The willingness and ability to act upon one’s innate entrepreneurial potential is based on a calculated assessment. Conditions in the internal work environment dictate the perceived costs and benefits associated with taking personal risks, challenging current practices, devoting time to unproven approaches, persevering in the face of organizational resistance, and enduring the ambiguity and stress entrepreneurial behavior can create. Therefore, credible innovation is more likely in companies where all individuals’ entrepreneurial potential is sought and nurtured, and where organizational knowledge is widely shared. The managerial challenge becomes that of using workplace design elements to develop an innovation-friendly internal environment.

As research on corporate entrepreneurial activity has evolved, numerous researchers have acknowledged the importance of internal organizational dimensions to promoting and supporting an environment for innovation (Hornsby, Kuratko, Shepherd, & Bott, 2009; Kuratko, Ireland, & Hornsby, 2001; Kuratko, Montagno, & Hornsby, 1990). This research identified five specific dimensions that are important determinants of an environment conducive to entrepreneurial behavior: (1) top management support, (2) work discretion/autonomy, (3) rewards/reinforcement, (4) time availability, and (5) organizational boundaries. These underlying organizational dimensions are required for individuals to perceive an innovation-friendly environment. Let’s briefly examine each one from the perspective of the organization’s employees:

1. **Top management support**: The extent to which one perceives that top managers support, facilitate, and promote entrepreneurial behavior, including the championing of innovative ideas and providing the resources people require to take entrepreneurial actions. Top management support has been found to have a direct positive relationship with an organization’s innovative outcomes. Also, research shows each level of management plays key roles in facilitating corporate entrepreneurship.

2. **Work discretion**: The extent to which one perceives that the organization tolerates failure, provides decision-making latitude and freedom from excessive oversight, and delegates authority and responsibility to lower-level managers and workers. Research suggests entrepreneurial opportunities are often best recognized by those with discretion over how to perform their work, as well as by those encouraged to engage in experimentation.

3. **Rewards and reinforcement**: The extent to which one perceives the organization uses systems that reward based on entrepreneurial activity and success. Reward systems that encourage risk taking and innovation have been shown to have a strong effect on individuals’ tendencies to behave in entrepreneurial manners. Numerous studies have identified “reward and resource availability” as a principal determinant of entrepreneurial behavior by middle- and first-level managers.

4. **Time availability**: A perception that the workload schedules ensure extra time for individuals and groups to pursue innovations, with jobs structured in ways to support such efforts and achieve short- and long-term organizational goals. Research suggests time availability among managers is an important resource for generating entrepreneurial initiatives. For example, the availability of unstructured or free time can enable would-be corporate innovators to consider opportunities for innovation that may be precluded by their required work schedules.

5. **Organizational boundaries**: The extent to which one perceives there are flexible organizational boundaries that are useful in promoting entrepreneurial activity because they enhance the flow of information between the external environment and the organization, as well as between departments/divisions within the organization. However, innovative outcomes emerge most predictably when innovation is treated as a structured and purposeful (vs. chaotic) process. Consistent with this point, organization theorists have long recognized that productive outcomes are most readily accomplished in organizational systems when uncertainty is kept at manageable levels; this can be achieved through setting boundaries that induce, direct, and encourage coordinated innovative behavior across the organization. In short, organizational boundaries can ensure the productive use of innovation-enabling resources.

When trying to establish an internal environment conducive to individual entrepreneurial activity, these suggested elements are controllable by managers (as opposed to uncontrollable forces in the external environment or elements that are simply outside the control of the manager). However,
without proper assessment of these elements, there can be no understanding of how these elements are perceived in the organization. As such, managers are challenged to measure the existence of these elements and the perception of them through the eyes of employees. Managers at all levels must be committed to the establishment of innovative behaviors if corporate innovation is ever going to be fostered in an organization (Kuratko, Ireland, Covin, & Hornsby, 2005). Thus, the ability to measure the existence and employee perceptions of these internal elements becomes a priority.

3. Measuring the internal environment: The CEAI

If an organization is serious about developing its internal environment to promote entrepreneurial activity, then it must seek to measure the specific dimensions associated with an innovative environment. In order to understand the most effective internal environment for corporate entrepreneurial activity, an examination of antecedents to individual entrepreneurial behaviors is critical. As discussed earlier, much of our understanding of the impact of organizational antecedents on individual entrepreneurial behavior is based on the empirical research of Kuratko and his colleagues (Hornsby, Kuratko, & Zahra, 2002; Kuratko et al., 1990). From that research an instrument was developed, the Corporate Entrepreneurship Assessment Instrument (CEAI), as a diagnostic tool used for assessing managers’ perceptions of the five major dimensions critical to creating an entrepreneurial/innovative environment (shown in Table 1). More specifically, the CEAI can be used to assess, evaluate, and manage the firm’s internal work environment in ways that support entrepreneurial behavior, which becomes the foundation for successfully implementing a corporate innovation strategy.

The CEAI was developed around the five elements previously discussed as the underlying dimensions needed to support corporate entrepreneurial activity. These dimensions are: (1) management support—the willingness of top-level managers to facilitate and promote entrepreneurial behavior, including the championing of innovative ideas and providing the resources people require to behave entrepreneurially; (2) work discretion/autonomy—top-level managers’ commitment to tolerate failure, to provide decision-making latitude and freedom from excessive oversight, and to delegate authority and responsibility to middle- and lower-level managers; (3) rewards/reinforcement—developing and using systems that reinforce entrepreneurial behavior, highlight significant achievements, and encourage the pursuit of challenging work; (4) time availability—evaluating workloads to ensure individuals and groups have the time needed to pursue innovations and to structure their jobs in ways supportive of efforts to achieve short- and long-term organizational goals; and (5) organizational boundaries—precise explanations of outcomes expected from organizational work and development of mechanisms for evaluating, selecting, and using innovations. The CEAI instrument measures the degree to which individuals within a firm perceive these five elements

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<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<tr>
<td>5</td>
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Table 1. The corporate entrepreneurship assessment instrument (CEAI)

We are interested in learning about how you perceive your workplace and organization. Please read the following items. Using the scale below please indicate how much you agree or disagree with each of the statements. If you strongly agree, write “5.” If you strongly disagree write “1.” There are no right or wrong answers to these questions so please be as honest and thoughtful as possible in your responses. All responses will be kept strictly confidential. Thank you for your cooperation!

Section 1: Management support for corporate entrepreneurship

— 1. My organization is quick to use improved work methods.
— 2. My organization is quick to use improved work methods that are developed by workers.
— 3. In my organization, developing one’s own ideas is encouraged for the improvement of the corporation.
— 4. Upper management is aware and very receptive to my ideas and suggestions.
— 5. A promotion usually follows from the development of new and innovative ideas.
— 6. Those employees who come up with innovative ideas on their own often receive management encouragement for their activities.
— 7. The “doers on projects” are allowed to make decisions without going through elaborate justification and approval procedures.
— 8. Senior managers encourage innovators to bend rules and rigid procedures in order to keep promising ideas on track.
— 9. Many top managers have been known for their experience with the innovation process.
— 10. Money is often available to get new project ideas off the ground.
— 11. Individuals with successful innovative projects receive additional rewards and compensation beyond the standard reward system for their ideas and efforts.
— 12. There are several options within the organization for individuals to get financial support for their innovative projects and ideas.
— 13. People are often encouraged to take calculated risks with ideas around here.
— 14. Individual risk takers are often recognized for their willingness to champion new projects, whether eventually successful or not.
— 15. The term “risk taker” is considered a positive attribute for people in my work area.
— 16. This organization supports many small and experimental projects, realizing that some will undoubtedly fail.
— 17. An employee with a good idea is often given free time to develop that idea.
— 18. There is considerable desire among people in the organization for generating new ideas without regard for crossing departmental or functional boundaries.
— 19. People are encouraged to talk to employees in other departments of this organization about ideas for new projects.

Section 2: Work discretion
— 20. I feel that I am my own boss and do not have to double check all of my decisions with someone else.
— 21. Harsh criticism and punishment result from mistakes made on the job.
— 22. This organization provides the chance to be creative and try my own methods of doing the job.
— 23. This organization provides the freedom to use my own judgment.
— 24. This organization provides the chance to do something that makes use of my abilities.
— 25. I have the freedom to decide what I do on my job.
— 26. It is basically my own responsibility to decide how my job gets done.
— 27. I almost always get to decide what I do on my job.
— 28. I have much autonomy on my job and am left on my own to do my own work.
— 29. I seldom have to follow the same work methods or steps for doing my major tasks from day to day.

Section 3: Rewards/Reinforcement
— 30. My manager helps me get my work done by removing obstacles and roadblocks.
— 31. The rewards I receive are dependent upon my innovation on the job.
— 32. My supervisor will increase my job responsibilities if I am performing well in my job.
— 33. My supervisor will give me special recognition if my work performance is especially good.
— 34. My manager would tell his/her boss if my work was outstanding.
— 35. There is a lot of challenge in my job.

Section 4: Time availability
— 36. During the past three months, my workload kept me from spending time on developing new ideas.
— 37. I always seem to have plenty of time to get everything done.
— 38. I have just the right amount of time and workload to do everything well.
— 39. My job is structured so that I have very little time to think about wider organizational problems.
— 40. I feel that I am always working with time constraints on my job.
— 41. My co-workers and I always find time for long-term problem solving.

Section 5: Organizational boundaries
— 42. In the past three months, I have always followed standard operating procedures or practices to do my major tasks.
— 43. There are many written rules and procedures that exist for doing my major tasks.
— 44. On my job I have no doubt of what is expected of me.
— 45. There is little uncertainty in my job.
— 46. During the past year, my immediate supervisor discussed my work performance with me frequently.
— 47. My job description clearly specifies the standards of performance on which my job is evaluated.
— 48. I clearly know what level of work performance is expected from me in terms of amount, quality, and timelines of output.
critical to an internal environment conducive for individual entrepreneurial activity.

The CEAI instrument consists of 48 Likert-style questions. The instrument has been shown to be psychometrically sound as a viable means for assessing areas requiring attention and improvement in order to reach the goals sought when implementing an innovative strategy (Hornsby, Kuratko, Holt, & Wales, 2013). In Table 2 we highlight the studies that have demonstrated the validity of the CEAI and the correlations identified.

The instrument can be used to develop a profile of a firm across the dimensions and internal elements discussed earlier. Low scores in any one area of the CEAI suggest the need for development activities to enhance the firm’s readiness for entrepreneurial

<table>
<thead>
<tr>
<th>Authors</th>
<th>Findings</th>
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<tr>
<td>Hornsby, Kuratko, and Montagno (1999)</td>
<td>• U.S. and Canadian managers perceive the workplace similarly in terms of entrepreneurial climate as measured by the CEAI. • Levels of intrinsic satisfaction of Canadian managers are lower than in the U.S. • Overall levels of entrepreneurial behaviors are similar between the U.S. and Canada but for Americans, entrepreneurial behavior is significantly related to the existence of the CEAI factors.</td>
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<tr>
<td>Hornsby, Kuratko, and Zahra (2002)</td>
<td>• Exploratory and confirmatory factor analyses yielded the same five-factor solution for the CEAI. • Management level differences were found for all the factors except the rewards/reinforcement factor.</td>
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<td>Kuratko, Hornsby, and Bishop (2005)</td>
<td>• Job satisfaction serves as a mediator between CEAI factors and new ideas offered and implemented (R-squared = .78).</td>
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<tr>
<td>Rutherford and Holt (2007)</td>
<td>• CE mediates the relationship between the CEAI antecedents and individual entrepreneurial outcomes.</td>
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<tr>
<td>Hornsby, Kuratko, Shepherd, and Bott (2009)</td>
<td>• Management support, rewards/reinforcement, and autonomy/discretion were significantly correlated with number of ideas implemented. • Management level moderated the relationship between management support and ideas implemented and autonomy/discretion and ideas implemented. Specifically, senior and middle managers were likely to implement more entrepreneurial ideas than frontline managers.</td>
</tr>
<tr>
<td>Goodale, Kuratko, Hornsby, and Covin (2011)</td>
<td>• R-squared of .10 between CEAI factors and innovation performance. • R-squared of .30 when moderators of operations control and risk control are entered into the model.</td>
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<td>van Wyk and Adonisi (2012)</td>
<td>• Significant positive correlations between extrinsic job satisfaction and the corporate entrepreneurship sub-scales of work discretion, rewards, and innovative initiatives. • The market orientation sub-scales of intelligence generation and responsiveness each correlated positively with the corporate entrepreneurship sub-scales of management support and risk acceptance, and rewards. • Responsiveness correlated positively with innovative initiatives and financial support. Intrinsic job satisfaction correlated positively with the sub-scales of corporate entrepreneurship work discretion and rewards. • Extrinsic job satisfaction correlated positively with the corporate entrepreneurship sub-scales of work discretion and rewards. • The flexibility sub-scale formality correlated positively with management support and risk acceptance, and innovative initiatives. • The flexibility sub-scale authoritarianism correlated negatively with the corporate entrepreneurship sub-scale of sufficient time.</td>
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<tr>
<td>Hornsby, Kuratko, Holt, and Wales (2013)</td>
<td>• Assessing the convergent validity of the CEAI composite and individual factors, the CEAI composite—EO relationship was .32. • When considering the factors of the CEAI, management support was the most strongly correlated at $r = .45$ ($p &lt; .01$). EO was less strongly correlated with the other CEAI factors but these relationships were positive and significant. These included work discretion ($r = .17$, $p &lt; .01$), rewards/reinforcement ($r = .15$, $p &lt; .01$), and time availability ($r = .13$, $p &lt; .01$).</td>
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behavior in order to establish the successful implementation of a corporate entrepreneurship strategy.

4. Implementing the CEAI

The CEAI measures employee perceptions of the overall organizational entrepreneurial environment. While looking at any one individual employee’s scores on the instrument’s factors may be interesting, that is not the real intent of the instrument. In general, higher scores on the CEAI factors are related to increased entrepreneurial activity, so the goal should be to aggregate employee scores across work units, divisions, and—ultimately—the entire organization to assess each level’s readiness for implementing a corporate entrepreneurship strategy and to take appropriate actions to remedy areas identified as problematic. The CEAI is intended for those employees in managerial, professional, and technical positions. While it could be used for operational workers, most organizations have not given those workers the mandate or the autonomy to act in an entrepreneurial manner. Specific recommendations for implementing the CEAI include the following.

4.1. Step #1: Distribution of the CEAI instrument

Administer the CEAI instrument to all employees in the organization. This is important so that the results can be examined based upon the levels of management, departmental areas of responsibility, or differing reporting lines. In very large organizations, one could randomly sample employees from these different areas and levels, but this may alienate some employees and thereby hinder buy-in to project implementation.

4.2. Step #2: Individual scoring

In order to provide immediate feedback to the employee regarding his or her perceptions of the firm’s internal entrepreneurial environment, each participant should be allowed to score the survey. Each form has its own scoring box via which employees can transfer their answers and calculate an average score for each scale. Items 21, 36, 39, 40, 42, 43, 44, 45, 47, and 48 are revised scored. See Appendix A for the actual scoring scales.

4.3. Step #3: Organizational scoring

In order for the firm to assess the internal environment’s conduciveness to entrepreneurial activity, each participant’s scoring sheet should be collected. However, it is extremely important that all information be kept confidential since some of the items regarding the employee’s feelings concerning management are sensitive. Calculate average scores for each of the CEAI factors for the entire organization and any other relevant functional or divisional units. The organization’s overall score on each scale is figured by averaging the relevant functional or divisional scores. An organizational profile can be created by graphing the averages across the corporate entrepreneurship elements. Additionally, identification of the scales’ standard deviations will reveal how consistently those corporate entrepreneurship elements are perceived to operate within the organization, with low standard deviations indicating consistent perceptions of the relevant attribute by organizational members and high standard deviations indicating the opposite.

4.4. Step #4: Interpreting the scores

The highest score possible for any scale is 5 and the lowest is 1. In general, the higher the score, the more the organization’s environment supports these types of activities and the more ready an organization is to implement a corporate entrepreneurship strategy. Organizations should examine their profile and identify weak areas. Just as in any change effort, it is critical for the organization to assess its readiness for the change and make efforts to prepare the organization to successfully implement the change—in this case, corporate entrepreneurship.

4.5. Step #5: Point of responsibility

If a consultant is not being employed to administer the CEAI, a department or an assigned group within each department should be empowered to tally the scores and report back regarding the findings. They should calculate average scores for each of the CEAI factors for the entire functional or divisional unit. Once the scores are reported back to everyone in the unit then a special session can be held to analyze the gaps between overall organization scores and business unit or division scores. Honest discussions should revolve around the organizational system to reveal possible moderating conflicts or issues that may inhibit entrepreneurial performance, even when there appears to be a positive entrepreneurial environment. This is the critical value behind the use of the CEAI: attempting to identify the perceived ‘gaps’ by unit or division and then working to rectify those specific areas.
5. Final thoughts

Innovation is now widely recognized as the path to competitive advantage and success in organizations of all types and sizes (Kuratko et al., 2012). A sustainable corporate entrepreneurship strategy will drive organizations toward innovation needed to operate in the challenging global economy (Kuratko, 2009).

Managers and employees across a firm are most likely to engage in entrepreneurial behavior when the organizational antecedents to that behavior are well-designed and are widely known and accepted. Individuals assess their entrepreneurial capacities in reference to what they perceive to be the set of organizational resources, opportunities, and obstacles related to entrepreneurial activity. An organization’s sustained effort in corporate entrepreneurship is contingent upon individual members continuing to undertake innovative activities and upon positive perceptions of such activity by the organization’s executive management, which will in turn support the necessary organizational antecedents to entrepreneurial activity.

The major thrust behind corporate entrepreneurship is a revitalization of innovation, creativity, and leadership in today’s organizations. The development of corporate entrepreneurship holds promise for future productivity and effectiveness of organizations in every industry. The ability to identify and measure an organization’s internal environment for entrepreneurial activity is and will continue to be critical as an aspect of any corporate entrepreneurship strategy. Thus, the instrument we introduced here, the CEAI, may be a valuable diagnostic tool for managers to utilize in assessing the elements critical for an internal environment conducive to entrepreneurial activity. However, assessing a firm’s readiness for corporate entrepreneurship is only the first step. Once the organization is prepared for individual entrepreneurial activity, a well-planned corporate entrepreneurship strategy and operational procedures are necessary to ensure its success.

The CEAI can significantly benefit organizations and is of value to managers and academic researchers. For managers, the instrument provides an indication of a firm’s likelihood of being able to successfully implement an innovative strategy. It highlights areas of the internal work environment that should be the focus of ongoing design and development efforts. Further, the CEAI can be used as an assessment tool for evaluating corporate training and development needs with respect to entrepreneurship and innovation. Determining these needs sets the stage for improving managers’ skills and increasing their sensitivity to the challenges of eliciting and then supporting entrepreneurial behavior. For researchers, the instrument can be combined with other measures to explore a host of questions surrounding entrepreneurial behavior in established organizations. For instance, the CEAI provides a basis for determining ways in which controllable factors within the internal work environment influence employee actions, together with insights regarding the relative importance of various contextual factors in different industry, market, and organizational settings (Hornsby et al., 2009).

Overall, our intent was to introduce a viable and valuable diagnostic instrument for measuring employees’ perceptions regarding the critical elements needed for an internal environment conducive to entrepreneurial activity. The use of this instrument and the information gained from its results can provide a foundation for improving specific areas of the department or functional unit that can translate into greater entrepreneurial activity on the part of employees—the first and most important step in developing a company-wide strategy for entrepreneurial activity.
Appendix A

SCORING SCALES

Scale 1: Management Support for Entrepreneurship

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<thead>
<tr>
<th>Statement</th>
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Scale Score = Total Score (19)

Scale 2: Work Discretion

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Total Score = Total Score divided by (10)

*Item 21 revised scores.
Scale 3: Rewards/Reinforcement

Statement
30 1 2 3 4 5
31 1 2 3 4 5
32 1 2 3 4 5
33 1 2 3 4 5 Total
34 1 2 3 4 5 Score
35 1 2 3 4 5 (Scale 3)

Sub-Totals

Scale Score = Total Score divided by (6)

Scale 4: Time Availability

Statement
*36 5=1 4=2 3 2=4 1=5
37 1 2 3 4 5
38 1 2 3 4 5
*39 5=1 4=2 3 2=4 1=5 Total
*40 5=1 4=2 3 2=4 1=5 Score
41 1 2 3 4 5 (Scale 4)

Sub-Totals

Scale Score = Total Score divided by (6)

*Items 36, 39, 40 are revised scores.

Scale 5: Organizational Boundaries

Statement
*42 5=1 4=2 3 2=4 1=5
*43 5=1 4=2 3 2=4 1=5
*44 5=1 4=2 3 2=4 1=5
*45 5=1 4=2 3 2=4 1=5
46 1 2 3 4 5 Total
*47 5=1 4=2 3 2=4 1=5 Score
*48 5=1 4=2 3 2=4 1=5 (Scale 5)

Sub-Totals

Scale Score = Total Score divided by (7)

*Items 42, 43, 44, 45, 47, and 48 are revised scores.
References


