Factors influencing middle managers' ability to contribute to corporate entrepreneurship

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Abstract

Corporate entrepreneurship (CE) has emerged as an important strategy for hotels in recent years, allowing rejuvenation of internal processes and activities for improved performance. Although CE is instigated by senior management, middle managers carry out their instructions and hence have a critical role in its success. This conceptual paper evaluates the antecedents or factors that may impact on the middle manager's entrepreneurial role.

Hotel middle managers are expected to be more entrepreneurial, but the findings indicate that centralised structures, although ensuring standardisation of systems and processes, result in a 'top-down' approach to leadership and decision making. The middle manager has difficulty communicating issues and ideas to senior management, affecting their ability to be innovative and to take risks on behalf of the hotel. Organisations appear not to be learning from their experiences, with a negative impact on performance.

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1. Introduction

Organisations need to adapt to survive (Sambrook and Roberts, 2005) and must remain competitive (Kuratko and Goldsby, 2004) in a complex, demanding and changing economic environment (Stanton and Sandwell, 2008) and so should adopt a more entrepreneurial approach to management decision-making (Geisler, 1993; Kuratko et al., 2005). 'Corporate entrepreneurship' (CE) is a process that enhances activity and hence performance, Kuratko et al. (2005) defining it as 'a type of proactive behaviour that can stimulate desired innovation', using both formal and informal activities (Hornsby et al., 2002). CE was initially (Cunningham and Lischeron, 1991) externally focused on new products and markets, but more recent research has also indicated the benefits of innovation within internal processes (Hornsby et al., 2002; Sebora et al., 2010), with a consequent impact on performance and profitability. Hancer et al. (2009), Covin and Miles (1999) and Hornsby et al. (2002) all discuss CE as an ‘organisational renewal’ or ‘rejuvenation’ approach in taking initiatives, both internally and externally to the organisation, being a strategic framework (Kuratko and Goldsby, 2004, summarising various authors) for future goals and activities rather than an 'add on' to other activities.

For CE to work effectively, appropriate structures and processes must be in place (Ireland et al., 2009). Traditional organisations are hierarchical in structure (Hisrich et al., 2005:51), decisions being made at senior level and then imposed on operating units, a particular feature of branded hotels with very standardised systems and processes (Burgess, 2004, 2011). CE, however, involves all managers and staff, with those at lower levels identifying opportunities for innovation, and then being able to implement these with the support of senior management. This requires senior management to have the ‘vision’ (Mantere, 2008) to implement change (see also Heinonen and Toivonen, 2007; Kuratko et al., 2005) and to motivate and support staff throughout the organisation. Holt et al. (2007) have shown that how CE is encouraged is critical, and that this is a two-way process (Heinonen and Toivonen, 2007) – 'top down' and 'bottom up' – that ensures all participants work collectively, learn from the experience and constantly strive to improve.

Middle managers act as a link between senior managers and operating staff (Kuratko et al., 2005), managing other managers (Hales, 2006), and therefore have a major input into the success of CE. Their key role is to respond to the strategic decisions of senior managers, converting these into operational actions (Floyd and Wooldridge, 1992; Harrington and Williams, 2004) via routine systems (Hales, 1999, 2001; Raghu Raman, 2009), but there may be constraints or barriers (Kuratko and Goldsby, 2004) that impact on their ability to adopt an entrepreneurial approach. Various authors (such as Kuratko et al., 2005) have discussed the antecedents or factors that influence the implementation of CE and, although there is no universal agreement as to these (Hornsby et al., 2002), they can generally be summarised (from Goosen et al., 2002; Heinonen and Toivonen, 2007; Duobiene, 2008; Ireland et al.,...
2. Corporate entrepreneurship and the roles of middle managers

The principal function of businesses is to meet the needs of stakeholders (Donaldson and Preston, 1995; Burgess, 2012a), whether financial return, market share, productivity or long-term growth. Various authors, such as Zahra et al. (1999) and Goosen et al. (2002) have identified the links between organisational performance and entrepreneurial activity, with later work by Kuratko et al. (2005) and Lowe and Marriott (2006:421) showing that organisations gain both monetary and non-monetary rewards. Although ‘success’ is normally measured in financial terms (Kuratko et al., 2005; Sebora et al., 2010; Goosen et al., 2002), CE has also been shown to have non-financial benefits such as the number of new ideas that are generated, job satisfaction, personal performance (see Wood et al., 2008 or Holt et al., 2007, for instance) and improved relationships with stakeholders such as customers and suppliers (Dess and Lumpkin, 2005). However, Kuratko et al. (2001) remind us that a failure of CE can also have a negative effect on organisational performance, and hence on profits.

For middle managers to contribute to CE and implement senior management decisions, distinct entrepreneurial roles are identified – innovator, risk-taker and facilitator of organisational learning. Interviews by both Raghu Raman (2009) and Heidemann Lassen et al. (2009) showed that middle managers implement decisions at the operational level, acting as the link between senior management and the operation (Hales, 1999), being both managed and managing others and with much of their work being structured with standard deadlines (Qiao and Wang, 2009). Geisler (1993) and McConville (2006) argue that they need to be entrepreneurial, calling them ‘intrapreneurs’ (Kuratko et al., 2005) who ‘endorse, refine and shepherd’ and ‘identify, acquire and deploy resources’ in order to interpret and implement the requirements of senior management. Their expert knowledge and experience (Raghu Raman, 2009) of the internal conditions can have a positive impact on systems, processes, and the management of resources (Geisler, 1993), and hence on their contribution to CE. Wolcott and Lippitz (2007) also describe the role of the middle manager in CE as that of an ‘enabler’ or facilitator, whereas Kuratko et al. (2005) calls them an ‘agent of change’ who helps the team find innovative solutions to problems, taking risks in implementing these, and then learning from the experience in order to improve for the future. The review will now consider three aspects of the middle manager’s role that contribute towards their ability to be intrapreneurial, as found by Geisler (1993), amongst many.

Innovator: A feature of CE is the ability to identify and introduce both formal and informal innovative processes (Hornby et al., 2002), but this relies on both the organisation and individual managers encouraging ideas (Rutherford and Holt, 2007). An intrapreneur is motivated by innovation (Kirby, 2003:300,310), as it can then lead to power (Geisler, 1993), the ability to instigate change (Kuratko and Goldsby, 2004), potential rewards and recognition (Brizsek and Khan, 2007). Managers need expert knowledge of their area, often of a specialist nature (Lowe and Marriott, 2006:11; Hayton and Kelley, 2006), in order to be able to identify innovative opportunities as well as the resources required for implementing new practices. They promote this to senior management, highlighting the importance of appropriate structures and communication.

Risk taker: Both Wood et al. (2008) and Altinay (2005) say that the ability to take risks is critical to a positive approach to CE, with trial-and-error (Hisrich et al., 2005:45–48) being essential to learning, but this depends on both senior and middle management providing an appropriate encouraging environment or culture (Ireland et al., 2006; Kuratko et al., 2001). Organisations must show that failure will be tolerated, says Wood et al. (2008), so that managers feel empowered to take risks (Hornby et al., 2002; Mantere, 2008). If they are afraid of the consequences of failure for themselves and their team, lacking support from senior management and with fears about job security (Hancer et al., 2009), then resistance and stress can ensue with potential longer term effects.

Facilitator of organisation learning: Learning from experience is a critical element of CE (Garavan and McCarthy, 2008; Kelley, 2011), organisations with a strong, open culture that recognises the multi-level nature of learning (Berends and Lammers, 2010) performing more effectively (Kropp et al., 2006). As a conduit between senior management and operational levels, it is important that middle managers as intrapreneurs learn from others and promote learning for both themselves and their reporting staff (Osterman, 2008:171; Harrington and Williams, 2004; Raghu Raman, 2009). A positive approach to learning (Heinonen and Toivonen, 2007), therefore, impacts on managers’ ability to contribute to effective CE, the efficiency of the organisation, and ultimately optimises profits for stakeholders (Burgess, 2011).
The inter-relationship of these, as drawn from the various strands of literature, can be shown in the model in Fig. 1.

Fig. 1. Middle manager roles in CE.

3. The antecedents of CE

CE is instigated by senior management (Ireland et al., 2009) who need a ‘thorough’ (Hornby et al., 2002) understanding of both internal and external environments. Holt et al. (2007)’s surveys of more than 150 employees in different organisations showed that CE comprises ‘processes, individual characteristics and context’ and, to be successful (Hisrich et al., 2005:45), requires both a strong support structure and the commitment of senior management. Ireland et al. (2009) comment on the importance of senior management recognising the impact that these ‘antecedents’ have on CE, the main consensus being that organisational structure and culture are critical (see also Kuratko et al., 2005; Zahra and Covin, 1995).

All levels of management should be involved in CE activities, and it is critical (Holt et al., 2007) that they are encouraged and motivated, rather than being imposed upon, and work as a team to instigate new and improved products and processes (Hisrich et al., 2005:45). Senior managers must recognise the difficulties that other managers face (Kuratko and Goldsby, 2004), giving them the support and resources that are critical to success. Hence managers learn from each other (Heinonen and Toivonen, 2007), by communicating and implementing changes based on their experiences, with Dutta and Crossan (2005) suggesting that the process of learning is an important feature of CE, and can be individual, as a team, or at organisational level (Sambrook and Roberts, 2005). As a result, under a CE approach the team of managers work collectively (Ribeiro-Soriano and Urbano, 2010), to identify opportunities for improvement, both internally and externally, that are rational and achievable, learning from each other, and with a positive impact on performance (Kropp et al., 2006; Berends and Lammers, 2010).

The following sections consider three of the general managerial antecedents that have been identified as contributing to a CE approach – structure and systems, leadership and teamwork and communication – firstly from the organisational and senior management perspective, and then from that of middle managers. These three are inter-linked, through the requirement of senior management to establish appropriate systems and processes that will facilitate the two-way activity that has been identified as essential for CE (see Scott-Halsall et al., 2008; Hisrich et al., 2005:48 or Raghu Raman, 2009). Human-resource policy antecedents (such as reward packages and employee commitment) do not form part of this review.

3.1. Structure and systems

Both Floyd and Wooldridge (1999) and Ireland et al. (2009) discuss the critical importance of an appropriate organisational structure within the ‘multi-layered’ approach that is CE. Typical hierarchical corporate structures (Hisrich et al., 2005) are many-layered and time-consuming, with bureaucratic decision-making (Pittaway, 2001), and hence (Kirby, 2003:300), corporate culture can be seen as a potential ‘enemy’ of CE. Hotels in particular (Morrison et al., 1999:56; Allegro and de Graaf, 2008) can be conservative in their approach, with Okumus (2004), researching 160 hotel units, also finding ongoing resistance to change. To be more entrepreneurial, organisations need to adopt flatter structures that offer strong support whilst facilitating easier and more effective decision-making, increasing the ability to take risks (Hornby et al., 2002), an inherent part of innovation.

Recent strategies in organisations have been to delayer (Hales, 1999) and devolve responsibilities to units and more junior management, or moved externally (outsourced). This can affect the ability of organisations to adopt CE, decentralisation and the consequent delegation of authority giving increased flexibility and more rapid response to change (Matejkja and De Waegeneare, 2000; Ireland et al., 2006). Decentralisation can improve communication between managers and employees (Olsen et al., 1998:304), encouraging entrepreneurship at all levels, but in turn can put more pressure on managers to perform (Hales and Tamangani, 1996). Altinay and Altinay (2004) suggest that, although decentralisation of systems can result in greater co-ordination and improved decision-making, senior managers can find it difficult to relinquish control, often considering that strict controls and direct supervision are essential. For middle managers, decentralisation (Matejkja and De Waegeneare, 2000; Okumus, 2003) has resulted in increasing responsibility at lower levels, which can facilitate CE but can also lead to stress (Kuruzuzum et al., 2008), leaving little time or inclination for innovation (Matejkja and De Waegeneare, 2000), and hence needs to be underpinned by appropriate systems and processes.

Centralisation has also been popular, with decision-making being at higher levels (‘top-down’ – Matejkja and De Waegeneare, 2000) by senior managers who tend to ignore local knowledge. This is a feature of chain hotels, as shown by Burgess (2004, 2007) in her findings from both a survey and focus group, particularly where
the products and services are standardised and highly branded and where a ‘complex service’ is involved (Ribeiro-Soriano and Urbano, 2010). It has been facilitated by technological improvements in standard systems and processing, allowing the centralisation or outsourcing (Burgess, 2007, 2012b) of many accounting and other functions, with a positive impact on levels of control (Sandoff, 2005; Hwang and Lockwood, 2006) and hence profitability. The standardised, top-down structure (Hales, 1999; Matejka and De Waegenaere, 2000), therefore, can inhibit middle managers’ ability to take risks (Hancer et al., 2009) and to be entrepreneurial, but can conversely more freedom for middle managers to operate (Hales, 1999, 2005).

If systems are strong and well-designed (McConville, 2006; Burgess, 2004) and appropriate for the local context (Mantere, 2008) then this can facilitate middle management activity (Espino-Rodriguez and Taylor, 2006). However, despite improvements in technology (Matejka and De Waegenaere, 2000), middle managers have expressed concerns that senior management over- rely on systems and processes that they have designed, but are not always ‘fit for purpose’ (Burgess, 2007, 2011) and suitable for local needs (Mongiello and Harris, 2006), impacting on internal control and the ability of middle managers to perform their jobs effectively. The implication is that senior managers are not learning sufficiently from middle managers’ experience, as stressed by Dess et al. (2003), with a potential impact on longer term performance.

Hence Hales and Tamangani (1996) say that managers are ‘no more free of constraints’ whether centralised or decentralised. Whatever structures and systems are in place, to be entrepreneurial these must be designed to facilitate decision-making and operations rather than forming barriers (Kuratko and Goldsby, 2004). Senior managers must demonstrate leadership in instigating appropriate systems, but also communicate with middle managers as to their needs, so that the entire team can operate to optimum efficiency so as to meet the expectations of stakeholders. Structural and organisational changes may, therefore, be needed to allow middle managers to innovate (Hales, 1999) and to ensure that adequate resources of all types are provided.

3.2. Leadership

Organisations require strategic leadership if they are to develop an appropriate culture for change (Brizek and Khan, 2007; Kyriakidou and Gore, 2005). Senior managers must have the ‘vision’ to adopt a CE approach (Mantere, 2008), identifying the issues, providing resources (Donaldson and Preston, 1995), directing activities and offering support to other managers in contributing to CE (Ireland et al., 2009). This ‘transformational leadership’ (Hayton and Kelley, 2006; Clark et al., 2009) communicates values and goals to managers and staff results in innovation (Kirby, 2003:30). Both Okumus (2003) and Li et al. (2009), in their survey of 104 US managers, show that effective leadership by senior management has a positive effect on both middle managers and staff (Brophy and Kiely, 2002) and relationships with wider stakeholders (Olsen et al., 1998:304). Good leaders (Kyriakidou and Gore, 2005) create a climate that encourages employees to think creatively, ‘looking forwards not back’ (Burgess, 2011, from interviews with 11 senior and middle managers), and giving a ‘picture of the future’ that identifies where the organisation is going. Senior managers, as leaders, are also expected to respond to the requests of other managers (Mantere, 2008), providing an appropriate work environment (Hornsby et al., 2009; Hisrich et al., 2005:49) within the local context (Mantere, 2008) where staff work together to meet their targets. This involvement in decision-making leads to an awareness of the business objectives and values (Kyriakidou and Gore, 2005), which in turn can result in shared goals and hence more effective performance (Asree et al., 2010).

Middle managers should be actively involved in decision-making processes for CE to be effective, says Raghu Raman (2009) by identifying issues and then providing resources (Donaldson and Preston, 1995), directing activities and offering support to other managers in using a CE approach (Ireland et al., 2009), hence themselves demonstrating leadership within the organisation (Geisler, 1993; Floyd and Wooldridge, 1992, 1999). They manage other managers (Hales, 1999, 2001) as well as employees, explaining senior management strategies (Harrington and Williams, 2004) and implementing decisions, but also responding to the requests of other managers (Mantere, 2008).

Teamwork, collaboration and communication are all traits that are demonstrated by successful leaders (Scott-Halsall et al., 2008; Qiao and Wang, 2009; Johnston et al., 2002; Thompson, 2004), to ensure that company standards, values and loyalty are upheld, supporting the findings of Ireland et al. (2009). Senior managers instigate teams that develop ‘visions, goals and plans’ that identify opportunities, and hence a ‘collective entrepreneurship’ approach is adopted (Ribeiro-Soriano and Urbano, 2010). An effective team integrates the skills of individuals (Hisrich et al., 2005:45); learning from others with particular expert skills (Burgess, 2007,2011; Johnston et al., 2002) and generating innovative activities. This is particularly important where complex products and services require problem solving and innovation (Kyriakidou and Gore, 2005) and senior management should promote this collective approach, enabling optimisation of team members’ skills for the collective benefit of the organisation, supporting company objectives and values and promoting a more professional approach to management.

However middle managers must also (Hales, 1999) have the security of knowing that mistakes will be tolerated, and a less-supportive approach may cause them to ‘play safe’ and reduce the risk of failure. Middle managers have a ‘critical role’ in encouraging CE but need support and resources (Olsen et al., 1998:79) from senior management (Hornsby et al., 2002) but this is not always provided (Burgess, 2012a). If middle managers feel that their concerns are not being addressed then a lack of trust can ensue, a critical issue for effective management (Yan Zhang et al., 2008).

3.3. Communication

Okumus (2003) discusses the importance of both formal and informal communication (supported by Kavanagh and Ashkanasy, 2006) in contributing to strategic changes such as CE, and Pittaway (2001) also comments on the importance of an ‘information infrastructure’ in supporting innovative ideas. Senior managers must give clear messages to other members of the team (Geisler, 1993) as inconsistent or unclear directions can (Currie and Proctor, 2005) lead to misunderstandings and possible role conflicts (Mantere, 2008; Floyd and Lane, 2000) with a consequent fear of risk and failure (Qiao and Wang, 2009). Hales and Tamangani (1996) see centralisation as providing a ‘downward conduit’ from head office, with a formal division of responsibilities, whereas decentralisation features an ‘upward flow’ of required data with implications for a more entrepreneurial approach (Okumus, 2003; Olsen et al., 1998:304).

Typically, communication from senior management to hotels is via directives or orders (Mongiello and Harris, 2006), offering strategic guidance as well as operating instructions and explaining the reasons for their decisions (Keating and Harrington, 2003). To ensure that the needs of individual units are met, Espino-Rodriguez and Taylor (2006) also argue that senior management must consult with all levels, rather than adopting a whole-group approach. Kavanagh and Ashkanasy (2006), Mantere (2008) and Altinay and Altinay (2004) all discuss the importance of senior management listening to middle managers, learning from them and taking action.
when concerns and issues are raised, an essential feature of CE (Dutta and Crossan, 2005; Venard, 2002). A shortage of communication can reduce the quality of decision-making (Matejka and De Waegenaere, 2000).

One of middle managers’ key roles is as a mediator (McConville, 2006), interacting with other managers and staff (Kuratko and Goldsby, 2004), listening to their opinions and suggesting ideas to senior management, although Burgess (2012a) showed that senior managers in hotels do not always listen to what middle managers are telling them about the appropriateness of their strategic decisions, tending to ‘dictate’ (Altinay and Altinay, 2004) rather than negotiate (Hales, 1999). For effective teamwork (Kyrilidou and Gore, 2005; Sambrook and Roberts, 2005), multiple communication processes must be used, with an open approach that results in mutual learning within organisational teams, again leading to more effective goal-setting and improved performance.

A lack of effective communication can result in a reduction of morale and motivation for middle managers (Conway and Monks, 2010) and this lack of appreciation of the issues (Burgess, 2004, 2007) by senior management can result in limited positive action, affecting middle managers’ ability to be professional (Burgess, 2011) in their approach to their work. Hence, poor communication is a critical element in maintaining and enhancing relationships between different levels of management, and in contributing towards a CE approach. Management decisions must be clearly explained so that they are not misunderstood, enabling the team to take actions that are valid and informed, for the benefit of the organisation.

The impact of these three antecedents is that, although the intention is valid, the literature suggests that middle managers face difficulties in adopting a CE approach, that can in turn affect their ability (Kuratko and Goldsby, 2004) to be flexible, to innovate and to apply new practices. They must be able (Hancer et al., 2009; Mantere, 2008) to take risks and need an appropriate supportive organisational structure that allows them to risk failure, without unnecessary repercussions. If issues are not effectively explained and justified (Qiao and Wang, 2009; Heidemann Lassen et al., 2009), ‘role dissonance’ can result (McConville, 2006), whereby middle managers, in trying to balance the needs of senior and junior managers, often feel like ‘piggy-in-the-middle’, with potential for conflict and tension (McConville, 2006; Floyd and Woollridge, 1992). Fenton-O’Creevy and Nicholson (1994) discuss the ‘conflicting demands’ placed on middle managers, with Kuratko and Goldsby (2004) and Floyd and Lane (2000) both showing that change can cause conflict and disruption. A lack of leadership from senior management (Raghu Raman, 2009; Burgess, 2007) may compromise middle managers’ ability to take a professional approach to managing their area. Although the intention is recognised, appropriate organisational structures and resources may be insufficient, processes inefficient or managers may fail to learn from their collective experiences. Middle managers are expected, says Burgess (2011, 2012a) from her interviews with 11 senior and middle managers, to be more ‘business-like’ and ‘able to make money’ but without the skills and experience to understand the issues (Scapens and Jayazeri, 2003; Burgess, 2007, 2011), however, there may be a decline in management control and ultimately an impact on profits.

4. The role of hotel middle managers and their contribution to CE

The following section of the paper will discuss the influence of the three key characteristics of the hotel industry on middle managers’ abilities to contribute to CE. These managers are based in the hotel unit, being the level below General Managers, and hence are members of the Executive team (Kilic and Okumus, 2005; Burgess, 2012a).

In the past, hotels were both owned and operated by a hotel company (Field, 2006), although more recently the requirements for large capital investments have facilitated a separation of ownership from operations (Field, 2006), whereby one company may own the actual property, but then engage a hotel group to operate the hotel under a branded management contract. Interviews with hotel financial managers (Burgess, 2012a) have shown that this has resulted in a much greater range of stakeholders, all of whom have expectations of returns on their investments whilst ensuring adherence to the quality of the brand (Brophy and Kiely, 2002) via an increased emphasis on control and standards. Hotels have complex structures and services that are difficult to control (Morrison et al., 1999:57) and hence there has been an increasing tendency to centralise many functions (Burgess, 2004; Espino-Rodriguez and Taylor, 2006), emphasising a hierarchical top-down approach to management (Okumus, 2003) that does not encourage innovation or risk-taking (Morrison et al., 1999:58). Two-way communication is not encouraged (Conway and Monks, 2010), with Mongiello and Harris (2006) showing that directives are issued by senior management with only limited dialogue between themselves and the units.

The long hours, workload and customer demands (Kuruzum et al., 2008; Keating and Harrington, 2003) can exacerbate the feelings of insecurity (Hancer et al., 2009) and hence (Altinay, 2005) the ability of middle managers to adopt CE can be restricted by the organisational context and culture. Research by both Burgess (2012a) and Brophy and Kiely (2002) shows that they are expected to behave more entrepreneurially, their knowledge of the industry and their work environment being critical (Kilic and Okumus, 2005) to the success of the business. Middle managers in hotels say that they want to be more professional (Burgess, 2011) but are being inhibited by the lack of support and awareness from senior managers, with a negative impact on their motivation (Conway and Monks, 2010) and their job satisfaction (Bulent Ozturk and Hancer, 2011).

Organisations must recognise these issues, learning from the experience (Dutta and Crossan, 2005), and adapt their systems and approaches appropriately (Li et al., 2009; Kelley, 2011), removing the barriers that managers face by adopting an infrastructure and culture that enables more effective activities that facilitate CE (Kuratko and Goldsby, 2004). The impact of the three key themes (organisational structure and systems, leadership and communication) on the ability of the hotel middle manager to contribute to CE are now considered, utilising a matrix framework (Table 1) that identifies the relationship between these themes and the three aspects of an intrapreneurial role – innovation, risk-taking and organisational learning – outlined earlier. These features are drawn from the range of literature identified above, comparing generic themes to those found from hotel-based research.

Middle manager as innovator: They should be able to identify issues and generate ideas, then implement changes to develop and lead their teams in CE activities. Kuratko and Goldsby (2004) and Kirby (2003:300,310) both emphasising the importance of encouraging proactive behaviour. Hotels, however, are traditionally conservative in their approaches (Allegra and de Graaf, 2008), being resistant to change (Okumus and Hemmington, 1998; Okumus, 2004; Sandoff, 2005) but are now having to react positively to changing forces that recognise the need to adapt to local and global contexts (Mongiello and Harris, 2006). CE requires senior management to provide the cultural environment and leadership (Zahra and Covin, 1995; Kuratko and Goldsby, 2004) that will allow entrepreneurial activities at operational level, rather than imposing top-down decisions that have been a feature of hotels. Middle managers in hotels want to be innovative (Conway and Monks, 2010)
in finding solutions, both in meeting the needs of their customers (Li et al., 2009) and in reducing costs. They work with their teams to identify opportunities, find long-term solutions and instigate actions that will improve the hotel business, but feel inhibited by a lack of senior management support (Burgess, 2012a; Allegro and de Graaf, 2008) as hotels traditionally adopt a short-term approach to decision-making (Costa, 2008), concentrating on immediate issues and lacking a long-term perspective (Costa, 2008, summarising several authors). Hence, although hotel middle managers have ideas and identify opportunities for innovation, they become frustrated at their inability to fulfil these.

Centralised structures enable standardisation of systems, greater strategic decision-making and management control (Hwang and Lockwood, 2006, in interviews with 89 managers from SMEs), but reduce the opportunities for middle managers to be innovative, decisions being imposed from senior level. These are found particularly in branded hotels, most of the systems and processes being designed at a head office and imposed upon the unit, supporting generic findings by Hisrich et al. (2005:58). Although Hales (1999) argues that a centralised approach may conversely allow managers more freedom to operate, albeit within tight boundaries, hotel middle managers interviewed (Burgess, 2012a) expressed frustration at the barriers that they faced when operational demands require immediate decisions (Burgess, 2012b). Where decision-making is decentralised, there can be more freedom for middle managers to operate in their own way, leading their own teams and making their own decisions, but this may also have a negative impact if there are strict deadlines or a heavy workload (Hancer et al., 2009).

For an organisation to encourage innovation, senior management must develop a culture that provides leadership to middle managers, developing a flatter, supportive infrastructure that is appropriate to the local and operational context and allows communication between all levels. However, research has shown that current top-down structures that emphasise centralisation and where brand standards take precedence can inhibit the ability of hotel managers to work effectively and to be creative and innovative. For CE to be productive, appropriate systems and processes that are ‘fit for purpose’ must be installed, whilst still maintaining controls. This may be difficult in branded and centralised units,

Table 1
Middle managers – CE characteristics and intrapreneurial roles.

<table>
<thead>
<tr>
<th>Organisational variables roles of middle managers</th>
<th>Structure and systems</th>
<th>Leadership</th>
<th>Communication</th>
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</thead>
<tbody>
<tr>
<td>Innovator</td>
<td>A supportive organisational structure allows hotel middle managers to lead their teams in being innovative. Environment that allows ideas to come from all members of team, and middle managers to make decisions for their own team. Decentralised systems for hotels facilitate innovation and decision-making by team. Centralised systems can give freedom and time for innovation, but can dictate standard practices that inhibit the ability of managers to innovate. A supportive structure recognises and adapts to the local context, so systems are fit for purpose. Lack of support or resources for innovation can cause stress.</td>
<td>Leadership and vision from senior hotel management encourages the identification of opportunities for innovation. Leadership of teams develops ideas and develops long-term plans for new practices. Hotel middle managers interpret, identify and implement senior management actions. They want to be innovative in finding solutions.</td>
<td>Allows innovative ideas to be generated at any level of hotel organisation. Ability to communicate these to senior management, and to team, will facilitate development. Formal communication routes support multi-level discussion. Listening, recognising and adapting to local context for optimum effect. Hotel teams work together, learning from each other to develop innovative ideas. Mediation and negotiation facilitate innovative ideas from all levels. Horizontal and vertical communication generates ideas.</td>
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<tr>
<td>Risk taker</td>
<td>Supportive organisational structure for hotels allows risk. Formal systems can inhibit risk-taking. Centralisation inhibits local risk-taking, whereas decentralisation can allow this. Organisation must recognise that failure is a critical feature of effective CE. Deadlines can facilitate risk-taking, but also inhibit it. Hotel middle managers able to defend team to senior managers.</td>
<td>Leaders develop an organisational culture that allows for potential failure. Leaders encourage team members to take risks, without penalty for failure. Hotel middle managers able to solicit support for ideas from senior management. They provide support to minimise stress, and hence limit risk.</td>
<td>Listen to team and identify potential for risk. Hotel middle managers must be able to take decisions based on information from team members. They should be able to communicate their own willingness to take risks, and their support for other risk-takers. Communicate support for failure, up and down in hotel and to senior management.</td>
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<tr>
<td>Facilitators of organisational learning</td>
<td>Fear of failure can cause stress. An up/down learning culture for hotel company facilitates learning at all levels, whereas a lack of learning culture can inhibit development. A supportive structure recognises that skills can exist at different levels. Organisational support for learning benefits all levels. Managers and team can learn from each other, for the benefit of the organisation.</td>
<td>Leaders identify opportunities for learning from experience. They identify issues in hotel team activities, or skill needs, for improvement. Leaders encourage team members to learn together, developing long-term plans for organisational learning. They can identify own learning needs. Senior management should recognise the importance of investing in learning.</td>
<td>Hotel middle managers must be able to talk to other team members, and senior management. They listen to feedback on practices and ideas, and then identify opportunities to make improvements. They encourage team members to learn from each other and identify issues. Hotel middle managers discuss skill needs and then persuade senior management to invest in learning. They identify and communicate opportunities for organisational learning.</td>
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</table>
where a lack of reaction from senior management can cause frustration for middle managers, inhibit their ability to be innovative and perform to their optimum levels, and so impact on the overall organisational performance, and hence on the returns to stakeholders.

Middle manager as risk taker: To be successful innovators, the team must be able to take risks, without fear of reprisals if they experience failure (Altinay, 2005). Middle managers, in leading their teams, identify risks based on their own expert knowledge, and then take decisions as to future activity. With decentralised structures and systems, middle managers may have more freedom to take risks, but may also have a greater fear of failure if they are not successful, and so a culture of trust (Qiao and Wang, 2009) is important throughout the organisation, contrary to the traditional conservative approach in hotels that does not encourage risk. Burgess (2007, 2012a) has shown that centralised systems with strong controls may restrict the ability of managers to take risks, to identify and access the resources that they need to be innovative. If communication lines are open and supportive, then middle managers may be able to discuss issues with their team, and then with senior management, but if senior managers are unwilling to listen then the innovative activity may not take place, to the potential detriment of organisational performance, and on managers’ morale and job satisfaction.

These activities may not be successful, but failure is seen as an inherent feature of CE (Hancer et al., 2009), requiring a supportive organisational structure that allows middle managers both to take risks and to be permitted to fail. Control is a key element (Hwang and Lockwood, 2006) of both centralised and decentralised systems in hotels and so adopting a more accessible, trusting, approach represents a fundamental culture change within the organisation (Okumus, 2004). Middle managers want to take risks and instigate change, but are inhibited from doing so.

Middle manager as facilitator of organisational learning: An important feature of CE is the ability to recognise opportunities for learning from experience, with middle managers communicating with their teams and identifying where activities can be improved upon, and then taking action. This can contradict traditional top-down approaches that suggest that learning is a one-way process, whereas true organisational learning appears at and between all levels (Berends and Lammers, 2010). Okumus (2004), in his review of the implementation of new systems, showed the lack of organisational learning resulting from a culture that discouraged communication and sharing of ideas, again supported by Burgess (2012a). If the need for learning is not recognised, and improvements not made, then the effectiveness of the team may be inhibited, with an impact on performance. This learning may be changes to practise or improvements to systems, but may also be in the identification of skill needs, whether for members of the team or for middle managers themselves (Varini and Burgess, 2010, in their survey of hotel revenue managers). If the resources are not available, then middle managers again must be able to communicate their needs to senior management, with the confidence that they will be listened to and resources provided where appropriate. However, the evidence suggests that senior management also lack the impetus to listen to the requests as, although the structure and support is thought to exist (Burgess, 2012a), the reality is that senior managers do not always listen to feedback, and so are not reacting where issues are raised at local level, despite expressed opinions by managers at various levels of the need to invest in learning and development (Burgess, 2012b, from her 2011 survey of 107 hotel financial managers).

These three themes, therefore, are seen to be interconnected, and depend on the various antecedents to facilitate effective CE, as shown in both Fig. 1 and Table 1. A lack of efficiency in any area can affect other aspects, with a consequent impact on organisational performance and ultimately on returns to stakeholders. Hotel organisations are traditionally conservative, utilising standardised systems that are often centralised to ensure that decision-making is controlled from the top, as a means to maintain brand controls and profitability. However, CE suggests that, to be successful, organisations should be more willing to adopt an entrepreneurial culture that takes a longer term perspective and allows innovation at local levels. There appears to be little opportunity for middle managers in hotels to be innovative, take risks and learn from the experience. They implement the decisions of senior managers, but are not able to influence those decisions, even where they can identify barriers that affect performance. Despite the expressed wish of senior managers for middle managers to ‘be more entrepreneurial’ (Burgess, 2012a), there appears to be an inherent culture in hotels to ‘play safe’, discouraging new ideas and risk-taking, particularly in branded centralised units. Even where decentralisation appears, although there are more opportunities for CE, the pressure to produce results can discourage risk. The impact on middle managers is of frustration at the lack of communication, causing stress and potential additional workload, and so ultimately affecting their performance.

These findings emerged from an analysis of data gathered from a variety of sources, many of which had utilised empirical research in presenting their own conclusions. They raise a series of issues for management that would now benefit from specific primary research to assess their impact on the various roles of hotel middle managers in CE. The following propositions, therefore, have been identified for further investigation:

1. Senior managers want middle managers to be more innovative and risk-taking, but do not encourage the antecedents that might facilitate this.
2. Centralised systems inhibit the ability of hotel middle managers to adopt CE.
3. Although senior managers claim to encourage communication, the reality is that this is one-way, with a negative impact on responses.
4. Hence organisations are not learning from their experiences of CE.

5. Conclusions

The aim of this conceptual paper was to consider how hotel middle managers’ contribution to CE can be optimised, by evaluating some of the general managerial antecedents that help or inhibit their ability to perform certain aspects of their roles. Findings from generic sources have been utilised in analysing outcomes from hotel-based research, including middle manager and CE themed projects. Organisations are required to generate returns to satisfy the needs of stakeholders, and corporate entrepreneurship (CE) has emerged as a strategy that utilises both formal and informal processes (Hornsby et al., 2002) to enhance performance and optimise profits. To be effective, the entire organisation must be committed and involved, with senior management developing strategies and then devolving the adoption of these to middle managers, and hence to lower levels. Various ‘antecedents’ or factors, including organisational structure and systems, leadership and communication, have been identified from generic literature. These can affect different aspects of the middle manager’s role – as innovators, risk-takers and facilitators of organisational learning – and hence their ability to contribute to a CE approach, that have now been applied in a hotel context, utilising research from various empirical studies.

Middle managers in hotels, as in other industries, are expected to convert senior management’s ideas into practise, motivating and
encouraging their staff to find new ways to make money within the difficult environment currently affecting hotels. To be effective, innovation and risk-taking are encouraged and facilitated, middle managers within the unit supporting and advising each other and adopting a team approach to identifying issues and finding innovative solutions. This is the “collective entrepreneurship” approach described by Ribeiro-Soriano and Urbano (2010) whereby middle managers learn and work collectively to identify opportunities for improvement, both internally and externally, that are rational and achievable, optimising the skills of the team and with a positive impact on performance and profits. The impact of CE on hotel middle managers can be very positive, if systems and processes are appropriate, and if there is a strong culture of listening and learning from each other. However, if these are compromised, particularly in a top-down environment, then middle managers can feel frustrated at their inability to do their jobs professionally. These findings have been commented on consistently during several different studies (Burgess, 2004; Burgess, 2007, 2011, 2012a,b) and hence demonstrate ongoing concerns for management.

The lessons for hotel senior management are that middle managers generally are willing to adopt more entrepreneurial approaches, being more innovative and taking risks and finding new ways to work for the benefit of the organisation, providing that they have adequate support within a strong entrepreneurial culture. Middle managers have expert knowledge of their area and will work together in a team approach, learning from each other, to implement change. However, senior hotel management do not always recognise the constraints that middle managers face. They must demonstrate leadership in designing systems and processes to suit the needs of the local context, and in developing the skills of managers, so that CE is facilitated rather than frustrated. They must listen to feedback so that they in turn can learn and make changes to improve efficiency, with flatter structures and multi-level communication. However, the evidence suggests that senior management may lack the ability to learn from past experiences and take a long term perspective, hence hindering the ability of middle managers in hotels to act as intrapreneurs, and ultimately impacting on profitability. For hotel middle managers, these findings emphasise the key role that they play within the unit, and their essential contribution to an entrepreneurial approach to the business, but also identifies those factors that can hinder their ability to perform to their optimum advantage. Identification of these can assist in providing solutions and hence improve their roles as innovators, risk-takers and facilitator of organisational learning.

There has been limited research in the past that focuses on the various antecedents that impact on the ability of hotel middle managers to be intrapreneurs. This conceptual paper has utilised research from a range of sources, including research into the roles of hotel middle managers, to explore the various characteristics of hotels that can encourage or inhibit CE, and demonstrated some of the contradictions that can emerge where brand standards have hotels that can encourage or inhibit CE, and demonstrated some of the contradictions that can emerge where brand standards have...