Intrapreneurship and its Impact on Organizational Performance; Facilitated through Organizational Factors: An Empirical Study of Palestinian Banks

By Lina Musa Salameh Alswaiti

Al Quds Open University

Abstract- The purpose of this study is to look at the relationship between intrapreneurship dimensions and organizational factors, as well as the effects they can have on the performance of Palestinian banks in the West Bank. Furthermore, this research concentrated on both financial and non-financial performance.

Based on data collected from 7 West Bank Palestinian banks and 344 individual replies, preliminary findings revealed that intrapreneurship dimensions have statistically significant effects on organizational performance to diverse degrees and at varying impact strengths. Proactiveness, innovation, and offensive competitiveness appeared to be the most influential dimensions. Furthermore, organizational factors moderate the association between intrapreneurship and organizational success while also having a considerable beneficial impact on organizational performance. The study advocated for developing intrapreneurship within Palestinian banks with an emphasis on performance improvement.

Keywords: intrapreneurship; entrepreneurship; creativity; innovation; organizational performance; organizational factors; palestinian banks.

GJMBR-A Classification: DDC Code: 361.32 LCC Code: HV40

© 2023. Lina Musa Salameh Alswaiti. This research/review article is distributed under the terms of the Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0). You must give appropriate credit to authors and reference this article if parts of the article are reproduced in any manner. Applicable licensing terms are at https://creativecommons.org/licenses/by-nc-nd/4.0/.
Intrapreneurship and its Impact on Organizational Performance; Facilitated through Organizational Factors: An Empirical Study of Palestinian Banks

Lina Musa Salameh Alswaiti

Abstract- The purpose of this study is to look at the relationship between intrapreneurship dimensions and organizational factors, as well as the effects they can have on the performance of Palestinian banks in the West Bank. Furthermore, this research concentrated on both financial and non-financial performance.

Based on data collected from 7 West Bank Palestinian banks and 344 individual replies, preliminary findings revealed that intrapreneurship dimensions have statistically significant effects on organizational performance to diverse degrees and at varying impact strengths. Proactiveness, innovation, and offensive competitiveness appeared to be the most influential dimensions. Furthermore, organizational factors moderate the association between intrapreneurship and organizational success while also having a considerable beneficial impact on organizational performance. The study advocated for developing intrapreneurship within Palestinian banks with an emphasis on performance improvement. Furthermore, banks must embrace practices that encourage internal environmental elements in order to build an inventive culture that provides a competitive advantage.

Keywords: intrapreneurship; entrepreneurship; creativity; innovation; organizational performance; organizational factors; palestinian banks.

I. Introduction

Modern business environments have become more complex and dynamic due to the strong competition generated by globalization, rapid development of production technology, quality of services in terms of service requests, and rapid communications.

Business organizations have realized that their survival and continuity necessitate the adoption of new practices in order to maintain product quality and customer satisfaction, therefore enhancing competitiveness on both local and global levels.

These new realities have compelled organizations to closely monitor entrepreneurial trends to better withstand market challenges in hostile and competitive environments. As a result of these challenges, companies must now strive for excellence by leveraging creativity, innovation, and modernization to achieve better performance (Miller, 1983).

Intrapreneurship refers to entrepreneurial activities implemented within an existing organization of any size that lead to innovative products and services, as well as sustain entrepreneurial activities in highly competitive environments (R. D. Hisrich & Peters, 2002; Miller, 1983). The concept founder, (Aina & Solikin, 2020), describe intrapreneurship as a revolutionary system that accelerates innovation within organizations through utilizing the talents of staff entrepreneurs, they emphasize that entrepreneur employees are empowered when given the freedom of creativity within existing organizations, therefore this necessitates that these organizations to create a climate that stimulates and incentivizes creativity and innovation.

Intrapreneurship is a revolutionary initiative that helps improve organizational performance by capitalizing on the entrepreneurial talent of employees when faced with complex and competitive circumstances (Åmo & Kolvereid, 2005). In (1983), Danny Miller proposed a definition stating that a pioneering company that enters the marketplace through its innovations and acquisition of risky projects is typically the first to create proactive innovations to be superior to competitors (Miller, 1983). Therefore, intrapreneurship is integral to the success and growth of any organization. Miller regarded the three key dimensions of intrapreneurship to be creativity, risk-taking, and proactiveness (Covin & Wales, 2012).

Building on Miller's pre-research (1983), Lumpkin and Dess (1996) proposed that intrapreneurship could be visualized as a multidimensional phenomenon and suggested two additional dimensions: aggressive competition and autonomy in addition to the initial proposed dimensions (G Thomas Lumpkin & Dess, 2001).

The purpose of this study is to assess the impact of intrapreneurship dimensions on the organizational performance of Palestinian banks operating in the West Bank. It also aims to determine the impact of organizational factors on the relationship...
between intrapreneurship and organizational performance.

This study will provide the relevant literature review, research methodology, and accordingly, the hypotheses related to the research model will be developed and then statistical analysis and research results will be added. Finally, conclusions, recommendations and suggestions for future research will be presented based on the findings.

II. Literature Review

The term organizational intrapreneurship encompasses a group of best practices that allow innovative individuals privileges within their organization that serve to channel their spirit of initiative by providing a supportive environment that enables them to generate creative ideas that lead to innovations which the organization and its stakeholders may benefit from (Pinchot, 2010).

Additionally, intrapreneurship includes the process by which individuals identify and exploit new business opportunities within their organization or generate new ventures under the auspices of their existing organization, in the interest of serving their companies and the supply chain service with or without formal support (Pinchot, 2010). While intrapreneurship is included in entrepreneurship (Åmo & Kolvereid, 2005; Antoncic & Hisrich, 2001; Honig, 2001), there are quite a few differences between the former and the latter. First, in contrast to entrepreneurs, intrapreneurs take decisions fraught with risk using company resources instead of their own (Antoncic & Hisrich, 2001; Morris, Kuratko, & Covin, 2008). Second, intrapreneurship is organized among staff within their organizations, while the focus of entrepreneurship is external (Antoncic & Hisrich, 2001). Third, intrapreneurs are working to develop implicit knowledge in new organizations rather than using the visible knowledge that other companies use. In other words, intrapreneurs work within organizations that already have their own policies, language, procedures, standards, and operating processes (Åmo & Kolvereid, 2005). Despite the fact that intrapreneurship and entrepreneurship have differences, they also have similarities because intrapreneurship is considered entrepreneurship within organizations (Antoncic & Hisrich, 2001).

Creativity is a main factor for organizational development and the basis for remaining in the market. Organizational creativity is defined as “the capability to generate new and useful ideas that concern products, services, processes, managerial practices as well as competitive strategies which is treated as a main vehicle of organizational development and the basis for staying in the market and innovative success” (Olszak & Kisielnicki, 2016). According to (Behestifar & Kamani-Fard, 2013) were defined it as “create a new product, service, idea, presenting modern work methods related to the organizational structure and the administrative process to individuals who work together in a complex social system”.

In accordance to the aforementioned, researchers argue that organizational creativity is the process of establishing or developing existing ideas to obtain new ideas that lead to improving the current work, or a new work that did not exist beforehand on the product or service level.

These creativities may be at the individual level or at a group level within the organization. The impact of creativity in organizations can range from making slight improvements in performance to bringing substantive development; these improvements may include new products, methods in technology, organizational structures, management systems, new plans and programs for working individuals (Robbins, 1993).

Researchers have defined Proactiveness in various forms, some shed light on the advantages of being the primary mover in the market as the best strategy to exploit asymmetric market opportunities and face threats in the environment.

Proactive companies tend to be leaders (G Tom Lumpkin & Dess, 1996), these companies take initiative and seize opportunities by anticipating and meeting market requirements before they are exploited by others (Zahra & Garvis, 2000). If a company finds an opportunity in the market and was the first to act, accordingly, it can generate significant profits and establish brand recognition (G Tom Lumpkin & Dess, 1996). Proactive companies act according to future needs and are actively looking for new opportunities, thereby allowing being the first in the market (Nazdrol, Breen, & Josiassen, 2011).

Risk taking is a key feature of entrepreneurship and intrapreneurship (R. D. Hisrich & Peters, 2002). It involves a desire to seek risky opportunities with a high probability of loss in order to achieve high potential returns (Morris et al., 2008). The term “entrepreneur” refers to individuals who bear the risk of either profit or loss (Antoncic & Hisrich, 2003; G Tom Lumpkin & Dess, 1996). Researchers believe that what drives an entrepreneur towards the tendency to take risks is the strong desire to succeed and achieve the greatest possible return. Despite the strong relationship between risks and the rest of intrapreneurship’s dimensions, researchers in the past considered it a distinctive dimension of intrapreneurship (Antoncic & Hisrich, 2003).

Researchers believe that the offensive competition dimension – also called aggressive competition–is unavoidable between people and organizations with conflicting interests. Offensive competition by definition (Lyon, Lumpkin, & Dess, 2000), is the tendency for organizations to take a hostile attitude towards their competitors, and using an
extremely competitive approach in serious attempts to overcome them. Corporations adopt this strategy in an effort to protect their competitive standing in the market.

The autonomy dimension on the other hand, refers to the ability of making decisions independently and moving forward with a task through an individual or a team with the goal of creating a new project, concept, or vision that increases value and achieves competitive advantages without any restrictions or barriers (G Thomas Lumpkin, Cogliser, & Schneider, 2009; G Tom Lumpkin & Dess, 1996). It is associated with the offensive dimension. As individuals under psychological, administrative or material pressures cannot have the creative energy. Therefore, reducing organizational constraints and negative influences will allow for creative ideas to be implemented in the form of innovations that gain competitive advantages for the organization, and therefore workers continue to maintain the intellectual creativity that can be supported through learning and refinement, which increases the organization’s ability to search for and take advantage of new opportunities (Usta & Unsar, 2015).

Interest in studying the relationship between intrapreneurship and organizational performance has increased during the past three decades due to the effect of intrapreneurial activity on established organizations and improving their performance, which increases the welfare of the country. Studies show that intrapreneurial actions are associated with growth and profitability in business organizations (Antonicic & Hisrich, 2001; Zahra & Covin, 1995). Although the impact of intrapreneurship on organizational performance can be weak in the early years, it gradually increases in later years. Generally speaking, companies that take part in entrepreneurial activities acquire higher levels of expansion, survival, development and profitability compared to companies that do not attempt to undertake any of these activities. Thus, the level of intrapreneurship within companies is directly proportional to organizational growth and profitability (Covin & Miles, 1999; Zahra, 1993).

Determining the impact of intrapreneurship on organizational performance is not an easy task due to the complex dimensions of organizational performance. Scientists also revealed that the use of financial performance measures alone is not a sufficient assessment for overall performance. Therefore, scientists suggest the use of multiple performance indicators in organizational performance measurement due to the different variable positive and negative impacts entrepreneurial activities may have on different performance dimensions (Lumpkin & Dess, 1996; Zahra et al., 2002). As a result, scholars stress the importance of a true organizational performance evaluation that includes various organizational procedures such as marketing, production, human resources, research and development, employee satisfaction, customer satisfaction, reputation, innovation, market share and profitability (Anthony A Atkinson, John H Waterhouse, & Robert B Wells, 1997; Knight, 1997). Through integrating financial and non-financial metrics into the organizational performance appraisal system, managers are able to better appraise their performance and make the appropriate decisions. This study focused on financial and non-financial performances including innovation, customer satisfaction, market share, and social responsibility. Daft (Daft, 2000) defines organizational performance "as the ability of an organization to achieve its goals efficiently and effectively with optimal use of resources, as well as the extent of the organization's effective management and the value it provides to clients and stakeholders". Researchers believe that the modern vision for measuring performance is related to the extent to which the organization's goals are achieved and its ability to renew, develop, innovate and satisfy its customers and expand its market share along with its commitment to serving its community.

Innovation, is one of the main dimensions of intrapreneurship, which is defined as the practical application of creative ideas, has emerged through transforming creative ideas into products or services that add value to the organization and achieve competitive advantages to the evolution of performance, it is commonly known as the implementation of creative ideas to find a solution to a problem (Argabright, McGuire, & King, 2012). Most researchers believe that innovation is the core point of intrapreneurship. As well, as viewing intrapreneurs as creators and generators of ideas. Innovation can be implemented in several areas of the enterprise including products, services, processes, marketing innovation and so on. According to (Pearce & Carland, 1996), many researchers have emphasized the relationship between intrapreneurship and innovation by defining innovation as “the process of developing new products and new markets”. So that innovation and creativity are critical talents necessary for the success of improving performance. However, being creative does not necessarily imply entrepreneurship. This is because creativity may not affect organizational performance (Åmo & Kolvereid, 2005). Therefore, creativity is an essential component of intrapreneurship but is not the only one.

The second dimension of organizational performance is Customer Satisfaction. (Kotler & Keller, 2012) affirms the importance of the customer’s sense of satisfaction and happiness when purchasing a product or receiving a service that exceeds expectations.

Intrapreneurship is more likely to apply a customer focus culture through the constant renewal and innovation of products and services, which ultimately leads to greater customer value. This can be achieved by collecting market information and

...
monitoring developments so that customers’ needs are continuously identified and met.

(Luo, Zhou, & Liu, 2005) emphasized that intrapreneurship needs to monitor client trends, competitors and market opportunities more carefully; it must also have a faster response to market fluctuations, thereby allowing companies to take advantage of new opportunities. The development of organizational performance is directly related to customer satisfaction and their orientations. Therefore, entrepreneurial companies will focus heavily on customers’ needs, which leads to an increase in customer satisfaction with the company.

In reference to market share, which refers to the ratio of an organization’s sales in relation to the total volume of sales in a particular market or production sector (Kotler & Keller, 2012). Good market share is obtained through superior performance, innovation, and high-quality service (Simon, Bistlen, & Luby, 2006). Furthermore, social responsibility, as defined by the World Business Council for Sustainable Development (WBCSD), is the obligation employers have to contribute to sustainable development by working with their employees, families and the local and international community to improve people’s lives in a way that serves the levels of trade and development (Fox, Ward, & Howard, 2002).

In the empirical literature, it is indicated that organizational factors are key pillars for examining the relationship between intrapreneurship and organizational performance. (Covin & Slevin, 1991) reported that the internal environment of an organization has moderating influence on the intrapreneurship and business performance relationship. Zahra, Hayton and Salvato study (Zahra, Hayton, & Salvato, 2004) revealed that organizational factors influence the intrapreneurial behavior of an organization, supporting or discouraging factors according to the condition in which these factors are positive or negative. As for management support, reinforcing intrapreneurial behavior by encouraging creative ideas, developing accumulated experiences, and providing resources to put these ideas into practice to reach successful innovations (Hornsby, Kuratko, & Zahra, 2002). Management plays a prominent role in nurturing entrepreneurs by supporting and encouraging innovation. Hornsby, Kuratko, Holt and Wales added that organizations that do not encourage pioneers through management support, would fail to innovate, which will ultimately negatively affect their performance (Hornsby, Kuratko, Holt, & Wales, 2013), while (Halme, Lindeman, & Linna, 2012) added that in order to avoid creative obstruction in the organization, support to developing an intrapreneurial environment and culture must exist. Referring to organizational culture as one of the organizational factors, Lumpkin and Dess (G Tom Lumpkin & Dess, 1996) supported the view that organizational culture has a strong influence on the relationship between intrapreneurship and business performance. (Hornsby et al., 2002; Donald F Kuratko, Montagno, & Hornsby, 1990) found five internal factors in favor of intrapreneurial orientation: rewards, administrative support, resources availability (including time), organizational structure, and risk-taking. While Kuratko and Welsch (D. F. Kuratko & Welsch, 2004) found that, the organizational factors that have a significant impact on the relationship between intrapreneurship and business performance are management support, organizational structure, resources and rewards. Antoncic and Hisrich (Antonic & Hisrich, 2004) reinforced the above findings and emphasized that internal factors such as administrative support and effective reward system are important in terms of intrapreneurship and organizational performance. Therefore, the current study will address organizational factors, such as Management Support, Organizational Structure, Rewards Reinforcement, Resources Availability and Organizational Culture as measures to assess their impact on intrapreneurship within the organization and as a consequence on the Organizational performance. (Covin & Slevin, 1991) defined the organizational structure by the arrangement of workflows, communications, and power relations within the organization. Consequently, the organizational structure is an internal divisions and coordination mechanisms between all of them that aim to ensure oversight and supervision within the organization, cooperation between workers in different units, and the most prominent aspects of formal organization are the organizational structure, instructions and procedures used in the organization (Jones, 2013). Therefore, organizational factors must be designed in an effective way that motivates employees to engage in creative behavior and encourage intrapreneurship to work towards organizational goals and performance development (R. Hisrich, Peters, & Shepherd, 2013).

(Altinay & Altinay, 2004) study showed that there is a positive relationship between the decentralized structure and intrapreneurship, as it increases the independence of employees, which encourages employees to be creative and innovate new projects, goods and services, thus develop performance. In addition, the decentralized and informal structure helps increase information sharing among employees with their management. This promotes innovation and a better relationship between the supervisors and co-workers and leads to an increase in employee satisfaction; therefore, intrapreneurial organizational culture enhances employee satisfaction.

According to (Hitt, Ireland, & Hoskisson, 2007) definition, “Organizational Culture is a complex set of basic ideologies, symbols and values that are shared among workers and through which the organization does its work”. As for the innovative culture, it is one of the most important factors in achieving sustainable
competitive advantage by influencing employee behavior towards creative business and thus encouraging intrapreneurship (Gursoy & Guven, 2016). (Covin & Slevin, 1991) emphasized that entrepreneurs should be rewarded in proportion to the amount of effort and risks they may incur in creating new products or services. In addition to the organizational structure and rewards, entrepreneurs also need financial resources to start implementing their ideas (Hornsby et al., 2002). Therefore, the organization must provide the resources necessary to carry out innovative activities, including tangible and intangible resources, as well as provide the time needed to conduct intrapreneurial activities (Hornsby et al., 2002).

In larger and more complex organizations, and with increasing challenges in working for innovative intrapreneurs, management must empower employees by facilitating access to information, sharing their knowledge, and giving them responsibility while promoting accountability (Amabile & Khaire, 2008). For this study, Palestinian Banks have been selected as they form the backbone of the country’s economy and its development, and experience a highly competitive and dynamic environment. Banks in Palestine are struggling to maximize profits and utilize various intrapreneurial initiatives to obtain superior performance and provide innovate products and high-quality services. Many obstacles prevent from having competitive advantages that are satisfactory to existing customers, and simultaneously attracts new customers. The importance of this study lies in its highlighting of how creating business cultures and environments that supports creativity and innovation can help Palestinian banks in the West Bank overcome the risks, challenges, and competition from foreign banks and thereby improving their continuity and profitability. This will help organizations with their performances, as well as their market positions within a competitive environment fraught with risks.

The number of licensed banks in Palestine at the end of 2019 was 15 banks, including 4 local commercial banks, 8 foreign commercial banks, and 3 local Islamic banks. This study focused on 7 local Palestinian banks with a total of 194 branches and offices in Palestine, distributed across West Bank with 153 branches and 41 in the Gaza Strip. The Palestinian banks in this study included: Bank of Palestine, Palestinian Investment Bank, Al Quds Bank, The National Bank, The Arab Islamic Bank, The Palestinian Islamic Bank and Al-Safa Bank that located in west bank (Palestine Monetary Authority, 2021).

### III. What Distinguishes the Current Study?

This study adopted five dimensions of intrapreneurship that have the greatest influence on the organizational performance. Their different from other elements studied by researches that are more similar to the characteristics of human resources or organizational factors. This study is unique because it addresses the banking sector directly, which is considered an important component of the Palestinian economy. This study focused on the internal entrepreneurship characteristics that Palestinian banks enjoy, as well as how these organizational factors influence the relationship Vist a Vist intrapreneurship and organizational performance. Furthermore, the aforementioned arguments underscored the conceptual and empirical findings regarding the influence of intrapreneurship dimensions on organizational performance, as well as the organizational factors that explain this relationship, the following hypotheses is formed.

### IV. Hypotheses

Hypothesis 1 and its sub-hypotheses

**H01:** There is no statistically significant effect of intrapreneurship dimensions (creativity, proactiveness, risk taking, offensive competition and autonomy) on the combined organizational performance elements (Innovation, customer satisfaction, market share, and social responsibility) for Palestinian banks in the West Bank.

- **H01-1:** There is no statistically significant effect of creativity on the combined organizational performance elements (Innovation, customer satisfaction, market share, and social responsibility) for Palestinian banks in the West Bank.
- **H01-2:** There is no statistically significant effect of proactiveness on the combined organizational performance elements (Innovation, customer satisfaction, market share, and social responsibility) for Palestinian banks in the West Bank.
- **H01-3:** There is no statistically significant effect of risk taking on the combined organizational performance elements (Innovation, customer satisfaction, market share, and social responsibility) for Palestinian banks in the West Bank.
- **H01-4:** There is no statistically significant effect of offensive competition on the combined organizational performance elements (Innovation, customer satisfaction, market share, and social responsibility) for Palestinian banks in the West Bank.
- **H01-5:** There is no statistically significant effect of autonomy on the combined organizational performance elements (Innovation, customer satisfaction, market share, and social responsibility) for Palestinian banks in the West Bank.

Hypothesis 2 and its sub-hypotheses

**H02:** There is no statistically significant effect of organizational factors in West Bank Palestinian banks in
explaining the effect of intrapreneurship dimensions combined on the elements of organizational performance of these banks:

- **H02-1**: There is no statistically significant effect of intrapreneurship dimensions combined on the organizational factors of Palestinian banks in the West Bank.
- **H02-2**: There is no statistically significant effect of the organizational factors on the elements of organizational performance of Palestinian banks in the West Bank.

Hypothesis 3 and its sub-hypothesis

**H03**: There are no statistically significant differences in the opinions of the study sample in the intrapreneurship dimensions of West Bank Palestinian banks due to demographic and functional variables (gender, age, educational qualification, job title and years of banking experience).

- **H03-1**: There are no statistically significant differences in the opinions of the study sample in the intrapreneurship dimensions of West Bank Palestinian banks due to gender.
- **H03-2**: There are no statistically significant differences in the opinions of the study sample in the intrapreneurship dimensions of West Bank Palestinian banks due to age.
- **H03-3**: There are no statistically significant differences in the opinions of the study sample in the intrapreneurship dimensions of West Bank Palestinian banks due to educational qualification.
- **H03-4**: There are no statistically significant differences in the opinions of the study sample in the intrapreneurship dimensions of West Bank Palestinian banks due to job title.
- **H03-5**: There are no statistically significant differences in the opinions of the study sample in the intrapreneurship dimensions of West Bank Palestinian banks due to years of banking experience.

### V. Study Model

**Dependent Variables**

- Organizational Performance Elements
  - Innovation
  - Customer satisfaction
  - Market share
  - Social responsibility

**Intermediate Variable**

- Organizational Factors
  - Management support
  - Organizational structure
  - Rewards system
  - Resources availability
  - Organizational culture

**Independent Variables**

- Intrapreneurship Dimensions
  - Creativity
  - Proactiveness
  - Risk taking
  - Offensive competition
  - Autonomy

The researcher based the model preparation on the studies of (Miller, 1983), (G Tom Lumpkin & Dess, 1996) regarding the independent variable, (La Nafie, Nimran, Al Musadieq, & Suyadi, 2014), (Shamsuddin, Othman, Shahadan, & Zakaria, 2012) regarding the intermediate variable, then on the studies of (La Nafie et al., 2014; Lekmat & Chelliah, 2014) regarding the dependent variable.
The study model as shown in (Figure 1) represents a logical link between the independent variable represented in intrapreneurship dimensions and organizational performance elements as a dependent variable, as well as the intermediate variable represented in organizational factors was shown through the conceptual model.

VI. Methodology

a) Sample and Procedure

This study is an applied study as well as simultaneously a cross-sectional study according to the timeline. The study’s data is based on a sample from the opinions of individuals in a set time. Furthermore, the study is explanatory concerning its purpose, which is to measure the influence of organizational intrapreneurship on the institutional performance of West Bank Palestinian banks, and to highlight the mediator’s role in explicating the relationship between the independent and dependent variables. The researcher has chosen the questionnaire to be the study tool, which was divided into two parts; the first part presented the demographic variables, while the second presented the paragraphs of the questionnaire based on the five-pointed Likert scale. The questionnaire was designed out of (65) statements distributed in ten sections.

The study sample consisted of (344) individuals from senior, middle and lower management within the seven West Bank Palestinian banks, their total number of employees was (3266). The sample size represented was 10.53% of the community size, which was determined through the following formula:

\[
n = \frac{P (1-P) \cdot E^2}{n} + \frac{Z^2}{N} = 344 \text{ units}
\]

(Berenson & Levine, 1999: 392)

To improve the response rate, (400) questionnaires were distributed and (344) questionnaires were returned representing (86%) of the total sample, so it is statistically acceptable.

VII. Results

This section presents the statistical analysis of the collected data. Here, the characteristics of the study sample were presented, and the study hypotheses were tested according to the previously presented model.

### Table No. 1: Characteristics of the Sample According to Demographic Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>M</td>
<td>225</td>
<td>65.4</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>119</td>
<td>34.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>344</td>
<td>100.0</td>
</tr>
<tr>
<td>Age</td>
<td>20 to &lt; 25</td>
<td>41</td>
<td>11.9</td>
</tr>
<tr>
<td></td>
<td>25 to &lt; 30</td>
<td>88</td>
<td>25.6</td>
</tr>
<tr>
<td></td>
<td>30 to &lt; 35</td>
<td>112</td>
<td>32.6</td>
</tr>
<tr>
<td></td>
<td>35 to &lt; 40</td>
<td>54</td>
<td>15.7</td>
</tr>
<tr>
<td></td>
<td>40 and more</td>
<td>49</td>
<td>14.2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>344</td>
<td>100.0</td>
</tr>
<tr>
<td>Educational</td>
<td>High School</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>12</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Bachelors</td>
<td>277</td>
<td>80.5</td>
</tr>
<tr>
<td></td>
<td>Postgraduate</td>
<td>53</td>
<td>15.4</td>
</tr>
</tbody>
</table>
According to Table 1, (65.4%) of the sample were male, (34.6%) were female. In addition, (32.6%) of the sample were individuals whose age (30 - < 35) with a frequency of (112); followed by individuals whose age was (25 - < 30) by (25.6%) with a frequency of 88. Furthermore, (80.5%) of the sample for those holding a bachelor’s degree with a frequency of (277). Those holding a postgraduate degree were (15.4%) with a frequency of (53). As for the positions at the banks, (49.4%) of the sample were working in the lower levels with a frequency of (170), this is followed by the division chief position at (23.5%) and a frequency of (81). Finally, it was found that (28.8%) of the sample had 5 to 10 years of experience with a frequency of (99). On the other hand, those with less than five years of experience made up (28.2%) of the sample at a frequency of (97), the results looked narrow and the differences were not wide.

Table No. 2: Descriptive Results of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>344</td>
<td>3.92</td>
<td>0.76</td>
</tr>
<tr>
<td>Proactivity</td>
<td>344</td>
<td>4.09</td>
<td>0.73</td>
</tr>
<tr>
<td>Risk Taking</td>
<td>344</td>
<td>3.74</td>
<td>0.85</td>
</tr>
<tr>
<td>Offensive Competition</td>
<td>344</td>
<td>3.85</td>
<td>0.86</td>
</tr>
<tr>
<td>Autonomy</td>
<td>344</td>
<td>3.81</td>
<td>0.88</td>
</tr>
<tr>
<td>Intrapreneurship</td>
<td>344</td>
<td>3.88</td>
<td>0.80</td>
</tr>
<tr>
<td>Innovation</td>
<td>344</td>
<td>3.99</td>
<td>0.79</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>344</td>
<td>4.14</td>
<td>0.81</td>
</tr>
<tr>
<td>Market Share</td>
<td>344</td>
<td>4.13</td>
<td>0.77</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>344</td>
<td>4.10</td>
<td>0.79</td>
</tr>
</tbody>
</table>
As in Table 2, through the participants' responses, show their positive attitude towards variables, where the mean looks higher than 3.00 as a good indicator of responses.

**VIII. Reliability Test**

The reliability test was examined using Alpha Cronbach to confirm the reliability levels of the scales. The value of the independent variable was (0.91), and the intrapreneurship dimensions were as follows: creativity ($\alpha = 0.77$), proactiveness ($\alpha = 0.79$), risk taking ($\alpha = 0.82$), offensive competition ($\alpha = 0.89$) and autonomy ($\alpha = 0.88$). On the other hand, it was found that the value for the dependent variable was (0.93) and (0.92) for the intermediate variable, and the ranges for all paragraphs of the questionnaire ranged between (0.70) and (0.93). In addition, the alpha for each variable was greater than the acceptable percentage of (0.60), which is a reasonable value indicating the tool consistency that indicated to be used in the (J. F. Hair, Black, Babin, Anderson, & Tatham, 2006) study.

**a) Data Analysis and Hypotheses Tests**

**Table No. 3: Pearson Correlation Matrix for Independent Variables**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Creativity</th>
<th>Proactivity</th>
<th>Risk Taking</th>
<th>Offensive Competition</th>
<th>Autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactivity</td>
<td>.687</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Taking</td>
<td>.371</td>
<td>.390</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offensive Competition</td>
<td>.536</td>
<td>.579</td>
<td>.589</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>.256</td>
<td>.261</td>
<td>.443</td>
<td>.459</td>
<td>1</td>
</tr>
</tbody>
</table>

**Table No. 4: Pearson Correlation Matrix for Dependent Variables**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Innovation</th>
<th>Customer Satisfaction</th>
<th>Market Share</th>
<th>Social Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>.602</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Share</td>
<td>.515</td>
<td>.696</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>.463</td>
<td>.547</td>
<td>.621</td>
<td>1</td>
</tr>
</tbody>
</table>

To ensure the relevance of the data to the regression analysis assumptions which stipulate that there is no high correlation between the independent variables and no overlap between them as illustrated in Table 3 and 4, the Pearson correlation coefficient was calculated between those study variables, and the highest correlation between the sub-variables of the independent variable and the dependent variable was (0.589) and (0.696) respectively. Therefore, the degree of correlation of each dimension with the other dimensions is less than the maximum permitted levels, which is 0.80 (Sekaran & Bougie, 2010). Depending on the results of the data readiness and validity test, we can use regression analysis tests to investigate the hypotheses.
**Table No. 5:** Results of the Stepwise Multiple Regression Analysis of the Effect of Intrapreneurship on Organizational Performance

<table>
<thead>
<tr>
<th>Intrapreneurship Dimensions</th>
<th>( R )</th>
<th>( R^2 )</th>
<th>Adjusted ( R^2 )</th>
<th>( B )</th>
<th>Std. Error</th>
<th>Beta</th>
<th>( T )</th>
<th>F</th>
<th>Sig. ( T )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactiveness</td>
<td>0.74</td>
<td>0.54</td>
<td>0.54</td>
<td>0.66</td>
<td>0.03</td>
<td>0.74</td>
<td>20.19</td>
<td>407.58</td>
<td>.00</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>0.42</td>
<td>0.04</td>
<td>0.47</td>
<td>0.79</td>
<td>0.63</td>
<td>0.47</td>
<td>9.94</td>
<td>285.98</td>
<td>.00</td>
</tr>
<tr>
<td>Creativity</td>
<td>0.79</td>
<td>0.63</td>
<td>0.63</td>
<td>0.42</td>
<td>0.04</td>
<td>0.47</td>
<td>20.19</td>
<td>407.58</td>
<td>.00</td>
</tr>
<tr>
<td>Offensive Competition</td>
<td>0.28</td>
<td>0.4</td>
<td>0.34</td>
<td>0.66</td>
<td>0.03</td>
<td>0.74</td>
<td>19.89</td>
<td>346.94</td>
<td>.00</td>
</tr>
</tbody>
</table>

**Hypothesis 1 Test:** A multiple regression analysis test was applied to determine which intrapreneurship dimension had the most significant impact on organizational performance. Looking at Table 5, the (proactiveness) dimension explains (54.5%) of the total variance that occurs in (organizational performance), which is higher than the 50% of cut-off point (Falk & Miller, 1992), when adding (creativity) dimension to the (proactiveness) dimension, both explain the (62.8%) from the total variance in (organizational performance). Furthermore, when simultaneously adding (offensive competition), the explanation was (63.9%) of the total variance that occurs in (organizational performance). Risk taking and autonomy did not add much value in explaining the variation in organizational performance. Additionally, the different (F) levels in the three cases were respectively: (\( F = 407.58; F = 285.98; F = 199.60 \)) and all of them are within a significant level (Sig = 0.000) which confirms the regression significance and indicates that the effect of the variables in the three models are a statistically significant effect. In addition, the values of (\( \beta \)) in the (proactiveness), (proactiveness and creativity), then (proactiveness, creativity, and offensive competition) at the different (t) levels are at a significant level (Sig = 0.000, Sig = 0.000, Sig = 0.000). This supports the significance of the regression coefficients, because it is less than the significance level (0.05), which indicates that the effect of these variables in the three models is a statistically significant effect. Consequently, based on these findings, H01 is rejected.

**Table No. 6:** Simple Regression Analysis of the Effect of Intrapreneurship on Organizational Performance

<table>
<thead>
<tr>
<th>Sub Hypotheses</th>
<th>Intrapreneurship Dimensions</th>
<th>Model Summary</th>
<th>ANOVA</th>
<th>Dependent Variable</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>T</th>
<th>Sig.t</th>
</tr>
</thead>
<tbody>
<tr>
<td>H-01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-1</td>
<td></td>
<td>0.72</td>
<td>.51</td>
<td>1</td>
<td>.54</td>
<td>.03</td>
<td>.72</td>
<td>18.89</td>
<td>.00</td>
</tr>
<tr>
<td>01.2</td>
<td></td>
<td>0.74</td>
<td>.54</td>
<td>1</td>
<td>.66</td>
<td>.03</td>
<td>.74</td>
<td>20.19</td>
<td>.00</td>
</tr>
<tr>
<td>01-3 Risk taking</td>
<td></td>
<td>0.34</td>
<td>.11</td>
<td>1</td>
<td>.28</td>
<td>.4</td>
<td>.34</td>
<td>6.71</td>
<td>.00</td>
</tr>
</tbody>
</table>
Sub-Hypotheses Test for Hypothesis 1: Based on the results of the simple regression analysis with organizational performance as a dependent variable in Table 6, it was concluded that there was a statistically significant effect of all dimensions of intrapreneurship on the organizational performance elements combined. Accordingly, all the sub-hypotheses of the first main hypothesis are rejected.

Table No. 7: Direct and Indirect Effects of Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Std. Direct Impact</th>
<th>Sig.</th>
<th>Std. Indirect Impact</th>
<th>Std. Overall Effect</th>
<th>C. R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrapreneurship on Organizational Performance</td>
<td>0.52</td>
<td>.00</td>
<td>0.20</td>
<td>0.72</td>
<td>4.22</td>
<td>***</td>
</tr>
<tr>
<td>Organizational factors on Organizational Performance</td>
<td>0.32</td>
<td>.00</td>
<td></td>
<td>0.32</td>
<td>4.56</td>
<td>***</td>
</tr>
<tr>
<td>Intrapreneurship on Organizational factors</td>
<td>0.62</td>
<td>.00</td>
<td></td>
<td>0.62</td>
<td>4.29</td>
<td>***</td>
</tr>
</tbody>
</table>

Chi²=237.611 is significant at (0.05) level
Figure 2: AMOS (The Effect of Organizational Factors in Explaining the Relationship between Intrapreneurship Dimensions Combined on the Elements of Organizational Performance)
Hypothesis 2 Test: Based on the hypotheses supported in theory and represented in the research model (Figure 2) and in assessing the goodness of fit of the models, we began the analysis by validating the internal consistency of the direct and indirect impact for the intermediate variable. Using appropriate fit indices (J.F. Hair, Black, Babin, & Anderson, 2010), we found that the initial formulations have an appropriate fit, where (Chi2 = 237.611) at the level of significance (Sig = 0.000), and its relationship to the level of significance (0.05 ≥ α), (GFI = 0.920 and CFI = 0.958), and the two values are closer to the correct one, as for (RMSEA = 0.050) which closes to zero. All of the above confirm the suitability of the model for testing.

AMOS program was used to interpret and evaluate the causal effects. Looking at Table 7, the direct standard impact of intrapreneurship on organizational performance value was (0.516), and the direct impact of intrapreneurship on organizational factors value was (0.618). As for the effect of organizational factors on organizational performance, it reached (0.324). Accordingly, the standard indirect effect of intrapreneurship on organizational performance was shown by the presence of organizational factors with a value of (0.200). Consequently, the organizational factors explain (20%) of the overall impact of intrapreneurship on organizational performance. This means that the indirect impact between intrapreneurship dimensions combined on organizational performance is weaker than the direct impact between them, which is (0.516). So the organizational factors as an intermediate variable adjust the direct impact between Independent and dependent variables, and therefore the overall effect of these combined dimensions in organizational performance is (0.716), This means that the combined intrapreneurship dimensions were able to explain (71.6%) of the variance of the organizational performance, while the remainder of this percentage (28.4%) signifies that there are other variables, or they may be due to random error that affect organizational performance. Based on the abovementioned, we reject the second null hypothesis and accepts the alternative hypothesis; consequently, the organizational factors do moderate the relationship between Intrapreneurship and organizational performance.

Table No. 8: The Effect of Intrapreneurship on Organizational Factors, and the Effect of Organizational Factors on Organizational Performance

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model Summary</th>
<th>ANOVA</th>
<th>Dependent Variable</th>
<th>Coefficients</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>B</td>
<td>Std. error</td>
</tr>
<tr>
<td>Intrapreneurship</td>
<td>R 0.71 R² 0.50</td>
<td>DF 1</td>
<td>F 346.88 Sig. F .00</td>
<td>.94</td>
<td>.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Factors</td>
<td>R 0.66 R² 0.44</td>
<td>DF 1</td>
<td>F 266.48 Sig. F .00</td>
<td>.52</td>
<td>.03</td>
</tr>
</tbody>
</table>

Sub-Hypotheses Test for Hypothesis 2: Linear Regression was used to test these hypotheses as shown in Table 8.

H02-1: It is found that R (0.71) is the correlation of the Intrapreneurship and the organizational factors; F value of (346.88) is significant at (0.05) level. Therefore, there is a statistically significant influence of Intrapreneurship on Organizational Factors elements combined. Based on these findings, H02-1 is rejected.

H02-2: It is found that R (0.66) is the correlation of the organizational factors and the organizational performance, F value of (266.48) is significant at (0.05) level. Thus, there is a statistically significant influence of Organizational Factors on Organizational performance elements combined. Based on these findings, H02-2 is rejected.
Table No. 9: Summary of the Test Results

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Variable</th>
<th>Differences</th>
<th>Non-differences</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>03-1</td>
<td>Gender</td>
<td>Creativity And Proactiveness</td>
<td>Risk Taking, Offensive Competition, Autonomy</td>
<td>Reject</td>
</tr>
<tr>
<td>03-2</td>
<td>Age</td>
<td>——</td>
<td>All Dimensions</td>
<td>Accept</td>
</tr>
<tr>
<td>03-3</td>
<td>Educational Level</td>
<td>All Dimensions Except Autonomy</td>
<td>Autonomy</td>
<td>Reject</td>
</tr>
<tr>
<td>03-4</td>
<td>Position</td>
<td>——</td>
<td>All Dimensions</td>
<td>Accept</td>
</tr>
<tr>
<td>03-5</td>
<td>Experience</td>
<td>Creativity And Autonomy</td>
<td>Proactiveness’ Risk Taking, Offensive Competition</td>
<td>Reject</td>
</tr>
</tbody>
</table>

Hypnosis 3 and its Sub-Hypotheses

T-test and ANOVA were used to test the hypotheses of differences in opinions of sample groups, and the results were as follows:

According to Table 9, it is observed that there were statistically significant differences in the opinion of the study sample towards the intrapreneurship dimensions of Palestinian banks in the West Bank, attributable to gender, scientific qualification and years of experience. In contrast, there were no statistically significant differences in the opinion of the study sample towards the intrapreneurship dimensions of Palestinian banks in the West Bank, attributable to age and position.

IX. Conclusion and Recommendation

This empirical study investigated the impact of the intrapreneurship dimensions (creativity, proactiveness, risk taking, offensive competition and autonomy) on the organizational performance (innovation, customer satisfaction, market share and social responsibility) for Palestinian banks in the West Bank. Furthermore, the study included research on whether the organizational factors (management support, organizational structure, rewards system, resources availability and organizational culture), as intermediate variables, can explain the relationship between intrapreneurship and organizational performance. Most studies on this matter have adopted performance measures that cover only the financial aspect; in this study, both financial and non-financial performance measures were considered. This is because performance measurement systems that lack financial integration do not provide the wholistic information to formulate correct decisions in order to improve organizational performance (A. A. Atkinson, J. H. Waterhouse, & R. B. Wells, 1997; Knight, 1997).

The first hypothesis focused on determining whether intrapreneurship dimensions had a positive effect on the organizational performance of Palestinian banks in the West Bank. The result shows that the multidimensional structure of intrapreneurship has a positive and significant impact on organizational performance but in varying degrees and impacts. Proactiveness, creativity and offensive competition contribute to the interpretation of organizational performance at a percentage of (63.90%) with a direct relationship between these dimensions and organizational performance. This means that in the event of an increase or strengthening of proactivity by one measurement unit, it leads to an increase in organizational performance by (0.370) and vice versa. Additionally, when increasing or strengthening creativity by one measurement unit, it leads to an increase in organizational performance by (0.270) and vice versa. Similarly, in the case of increasing or strengthening offensive competition by one unit, it leads to an increase in organizational performance by (0.104) and vice versa. Consequently, there is a strong positive correlation between intrapreneurship and organizational performance, and proactive, creative and offensive competition play the most important role in improving the Palestinian banks’ performance in the West Bank. Therefore, this encourages creativity and innovation in their products and services. This study agrees with (Lekmat & Chelliah, 2014), whereas the results showed a strong positive correlation between intrapreneurship and organizational performance. However, the study differed in that it showed that creativity was considered
to have the most important role in improving overall performance, and that proactiveness plays the most important role in improving organizational performance in Palestinian banks in the West Bank. This study is also consistent with the findings by (Karacaoglu, Bayrakdaroglu, & San, 2013; Shamsuddin et al., 2012) that showed a strong positive correlation between intrapreneurship and organizational performance with the organizational factors as an intermediate variable, but the study diverged from (Karacaoglu et al., 2013; Shamsuddin et al., 2012) due to their consideration of financial performance only.

Regarding the second hypothesis, which was to determine whether the organizational factors as an intermediate variable can explain the relationship between intrapreneurship and organizational performance; the study found that the ratio of direct impact of intrapreneurship on organizational performance was (0.516), and with organizational factors, the indirect effect of entrepreneurship on organizational performance was (0.200), and therefore the overall effect was (0.716), which means that organizational factors have an impact as an independent variable more than being an intermediate variable between independent and dependent variables. This is consistent with the findings of (Antonicic & Hisrich, 2004; D.F. Kuratko & Welsch, 2004) in that organizational factors such as administrative support, organizational structure, resources, and rewards have a significant influence on the relationship between intrapreneurship and organizational performance. It also agrees with (La Nafie et al., 2014) that the internal factors represented in administrative support and the rewards system used in banks have had a significant positive impact on performance and differ with this study in the availability of resources, which has had a negative and negligible effect.

Based on the findings of this study, and the above argument, it can be inferred that intrapreneurship dimensions in organizations generally improve their performance. Furthermore, the existence of organizational factors at the same importance level as intrapreneurship is crucial to achieve better performance. Therefore, organizations must adopt behaviors to promote internal environmental factors and intrapreneurship to develop an innovative culture to achieve competitive advantage. Whereas some studies confirm that organizational factors and intrapreneurship are still emergent in organizations, this study underlines the importance of the promotion and adoption for sustainability.

As a result, a pioneering business strategy must be utilized so that businesses are able to exploit opportunities provided by the environment and deal with threats posed by hostile environments. Other important recommendations include:

- Giving a greater area of independence to workers in Palestinian banks participating in banking activities and services, and integrate that within the organizational culture in order to facilitate entrepreneurial behaviors, without condemning internal control.
- Supporting the creative ideas of workers in Palestinian banks, which leads to turning these ideas into successful innovations that contribute to improving organizational performance. This can be done through channels of communication between workers in different organizations that allow the flow and exchange of ideas without restrictions, and create communication channels that allow creative ideas to flow easily to managers, without any obstacles, and to be the first mover in developing clear business plans that help to seize opportunities and invest them efficiently before competitor banks seize them.
- Reinforcing innovation in Palestinian banks through access to the latest technological developments and innovations achieved by international banks especially in the field of electronic banking.
- The study is able to contribute significantly to the intrapreneurship research literature, by helping researchers and academics had better understand the relationship between intrapreneurship, organizational performance and organizational factors to support banking industries. Therefore, I recommend conducting the following future studies:
  - Conduct similar studies on other organizations to show the differences between the entrepreneurial orientations in various economic sectors, as well as the difference of entrepreneurial orientations between the public and private sectors, to address the following points:
  - Integrate other factors such as organizational learning and management flexibility, as internal organizational factors, and studying their impact on intrapreneurship and organizational performance.
  - Study the impact of external factors on the relation between intrapreneurship and organizational performance.
  - Promote collaboration between universities and other scientific institutions with organizations in the private sector in order to exploit creative ideas.

**References Références Referencias**


instrument for an effective corporate entrepreneurial environment. Strategic management journal, 49-58.