

The Moderating Role of Operational Control in the Relationship between Entrepreneurial Activity and Innovation Performance in Car Industry of Thailand

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Abstract—The main focus of the current study is to investigate the moderating role of operational control in the relationship between entrepreneurial activity and innovation performance. The present research aims to observe the association between antecedents and operations control mechanism, innovation performance, and corporate entrepreneurship. Innovation performance is defined as the extent of a firms' level of attained success in achieving technologically innovative and product market goals. A theoretical base of current study states that there is no contradiction among the operations control mechanism and corporate entrepreneurship interests. The SEM-PLS is employed as a statistical tool to analyze the data. The current data revealed that strong positive influence of risk control as moderator was found on the innovation performance and organizational boundaries relationship, and a strong negative effect on the organizations' innovation performance and time availability relationship. Thus, the possible influence caused by operation control variables must also be acknowledged. The recent research suggested that innovation should be taken and treated by managers as a responsive process for a disciplined and structured supervision. In addition, undertaking innovative initiatives require managers to deliberately construct and understand the means of generating desirable innovation outcomes.

Keywords: *Operational control, entrepreneurial activity and innovation performance*

1. Background

Corporate entrepreneurship is the process of pursuing entrepreneurial initiatives and actions, and the transformation of existing firms into new domains, such as technological arenas or new product-market segments, by extending the scope of organizational operations or the strategic renewal of its processes [1, 43]. Corporate entrepreneurial organizations are generally viewed as flexible and dynamic organizations, preparing to avail new business opportunities [2]. Furthermore, these organizations try to discover new business domains and ways to improve businesses in already established

domains. Such firms rapidly deviate from their prior strategies, routines, operating environments, and business models and adopt new combination of resources for achieving innovation. Generally, corporate entrepreneurship grows well when individuals could freely pursue new initiatives and actions. However, in order to be successful entrepreneurial activities and organizational strategies must be integrated [3].

The fusion of discretion and formality lead to high efficiency and effectiveness [4]. However, the control-based systems, structures, management philosophies, and existing policies in established organizations act as obstacles in the successful adoption of entrepreneurial behavior. Above all, control-related organizational functions exist partly within the organization to ensure compliance with the prior routines, avoidance of any unforeseen effects of uncertainty [5], promote exploitative learning and efficiency within the organizations' operational boundaries, and perfect deviations from organizational behaviors. The entrepreneurial activity is steered by certain factors, including high worker discretion in task performance and underpinning resources for innovative ideas. Although, these factors may fail to provide firm level superior innovation performance if the control mechanism does not work efficiently. It seems true as the entrepreneurial activities are basically productive, focused, strategically relevant, and cumulative. Over the years, several studies [6] have discussed the significance of unveiling firms' entrepreneurial potential through eliminating the behavioral constraints. Although, the exhibition and success of corporate entrepreneurship are separate affairs. Moreover, firms which display corporate entrepreneurial activities develop unrelated but interesting opportunities that do not just drive towards desirable future but may have profit potential for the firms to gain [7]. Thus, the factors' ability to produce highly innovative performance through corporate entrepreneurship activity is likely to be dependent upon the ability of an

organization to wisely undertake the operations control mechanism to guide, select, and terminate initiatives and actions of corporate entrepreneurship [2]. During last two decades the car manufacturing of Thai auto firms and those of global firms operating in Thailand has increased significantly (See figure 1.)

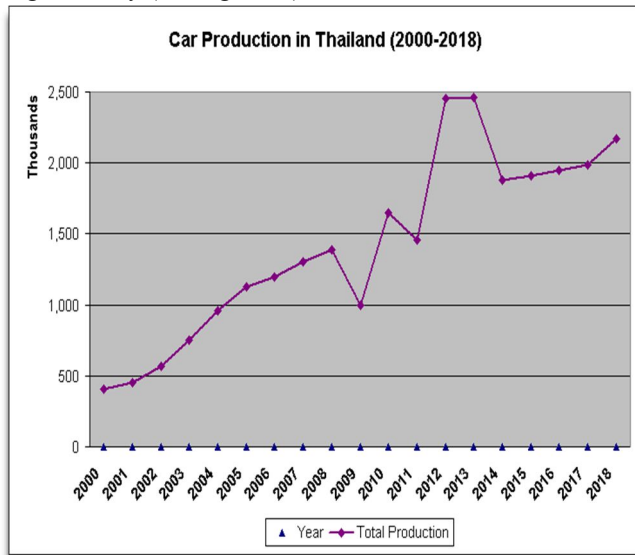


Figure 1: car production in Thailand

The present research aims to observe the association between antecedents and operations control mechanism, innovation performance, and corporate entrepreneurship. Innovation performance is defined as the extent of a firms' level of attained success in achieving technologically innovative and product market goals. A theoretical base of current study states that there is no contradiction among the operations control mechanism and corporate entrepreneurship interests. In fact, in existing firms, the entrepreneurship driven factors operate in harmony with the operations control mechanism for stimulating innovation performance. The current research aims to clarify that why and in what ways operations control mechanism play its role in the firms' innovation performance through organizational qualities. In this paper, we analyze the operation control mechanism as a moderator in the innovation performance and corporate entrepreneurship relationship. Our initial hypothesis assumes operational control as a well-defined moderator.

2. Literature Review

2.1 Innovation performance and organizational antecedents of corporate entrepreneurship

Numerous researchers have recognized significance of the antecedents of internal organization in supporting and stimulating the innovation performance [8, 44]. Author stated that appropriate organizational antecedents are required to perpetuate and support the exploitation and recognition of a set of entrepreneurial opportunities. Regardless of extreme pro-entrepreneurial members of

organization, systematic exploitation and recognition of entrepreneurial opportunities might not happen without the particular organizational elements which provide support and encouragement to the entrepreneurial behaviors.

The research has identified particular antecedents to entrepreneurial behavior exhibited by individuals. [9] have discovered three most important factors as potential entrepreneurial behavior antecedents of managers, namely organizational structure, rewards, and management support. A cross-cultural study has been extended and replicated and reported five significant factors of manager' entrepreneurial behavior in Canadian firms. These are: autonomy or work discretion, organizational boundaries, top management support, time availability and rewards that are possessed by the individuals to act as entrepreneurs. Based on above researches, the Corporate Entrepreneurship Assessment Instrument (CEAI) has been proposed with a purpose of measuring the above mentioned five corporate entrepreneurship's organizational antecedents. This instrument provides the basis for effective management, assessment, improvement and facilitation of managers' corporate entrepreneurship activities individuals. [9]. Within the CEAI, the psychometric scale properties and theoretical structure has been developed through further research such as [10]. As a whole, theoretical and empirical findings concerning CEAI suggest that five stable antecedents of entrepreneurial behavior of managers were found, which are discussed as follow:

2.1.1 Work discretion

A degree of recognizing organization's tolerance level towards failure, freedom from extreme failure, freedom to take decisions, and assigning responsibility as well as authority to workers and managers [11]. It has been suggested by previous researches, that recognition of entrepreneurial opportunities is often done by those who encourage and support experimentation and who are cautious to understand ways to perform their duty.

2.1.2 Top management support

A degree of recognizing that top managers assist, promote, as well as support individual entrepreneurial behaviors, such as providing required resources for undertaking entrepreneurial activities as well as promoting new and innovative ideas. Moreover, positive association exists among top management support and entrepreneurial outcomes [2, 12].

2.1.3 Rewards and reinforcement

The degree of recognizing and using reward system by organization, on the basis of entrepreneurial success and

activity [11]. Reinforcement or reward system which promote innovation and risk-taking, strongly influence the tendency of individuals to act entrepreneurially [13]. Resource availability and reward system were empirically found as an important determinant for the first and middle level managers' entrepreneurial behavior [11].

2.1.4 Organizational boundaries

Discussion of certain expected organizational outcomes obtained from work and development process of a firm, to select, perform, and evaluate organizational tasks. According to scholar, flexible organizational boundaries encourage entrepreneurial activity, as these boundaries improve the information flow among external environment and organizations and departments. Nonetheless, taking innovation as a purposeful and structured system give rise to the emergence of innovative outcomes [14]. In addition, organization theorists have acknowledged and realized that productive outcomes of organizational system are accomplished when the goals led by uncertainty are managed adequately, by setting organizational boundaries which direct, encourage and induce coordinated behavior throughout the firm [15]. Briefly, productive utilization of innovation can be ensured through setting organizational boundaries.

2.1.5 Time availability

Work routines and workloads establish the required time available to the groups and individuals for undertaking innovative opportunities, with jobs that support such innovative efforts and help attaining organizational goals (short term and long term). Prior studies [16, 17] indicate that a factor of time availability acts as an important mean to bring about entrepreneurial outcomes. Such that, the availability of free time allows the consideration of innovative opportunities among new or would-be entrepreneurs, which may have been prevented due to their routine work.

2.2 Operations Control and Corporate Entrepreneurship

Research conducted on operations strategy addressed the continuous changes in competitive environment, by making progress from generic strategies and key trade-offs towards the strategy formulation process [18]. The former part of research discovered means for knowledge acquisition, which could help in achieving competitive advantage, whereas, the latter stream of research developed a framework for identifying an ideal fit among operations strategy, competitive environment, decisions, and objectives. For instance, a significant association was found in a study by [5] among plant performance and generic strategies, by adopting [19] framework with three generic manufacturing strategies dimensions, namely, product line complexity, process structure complexity, and organizational scope. In service operations, [20] customer

contact model specifies the important replacement of service strategy with complexity and customer contact dimensions. Hence, there are various kind of operations control mechanisms that are generally exercised by firms. Organizational structure, culture, policies, procedures, and systems could be used within organization as control mechanism. The two commonly recognized focal points are process control formality and risk control, which direct and constrain organizational behavior to successfully display the entrepreneurial initiatives and actions.

2.3 Risk control and corporate entrepreneurship

Pursuing innovative initiatives may include the risk assumption, i.e. possibility of obtaining outcomes involving loss. The prior study, [21] have attempted to analyze operational risks using various perspectives, such as supply chain disruption, supply chain agility, risk management, and adverse circumstances. Still there is needed to closely examine the entrepreneurial activity process with respect to operations risk.

Organizations generally manage and control risk by emphasizing upon the adoption of a wait-and-see posture if there is no need for taking immediate actions, initiating normal return projects, advertisement of tried-and-true services and products, and progressive deviation from routine organizational behaviors when faced with new circumstances [22]. Thus, risk control is expected to influence the relationship among organizational antecedents with innovation performance and corporate entrepreneurship.

During low levels of risk control, innovation performance is expected to be more positively affected by management support, as the endorsement by management support indicates the thorough examination of the innovative actions that are adopted by organization [23]. In that case, the additional constraints such as risk control, imposed on the process of innovative efforts may act as obstacle in the organizational success. Contrarily, risk control positively assists in work discretion and innovation performance linkage, as autonomous emergence of innovative initiatives and behaviors have not been examined thoroughly by higher authorities and exhibit more chances of poor consistency towards the organizational interests of strategic organizations. Similarly, autonomy or risk discretion unassociated with risk control may lead to lower innovation performance.

Likewise, the reinforcements or rewards efficiently promote innovation performance only in the presence of risk controls. Particularly, the rewarded and carefully evaluated innovative initiatives and behaviors may obtain motivation in an organization [24]. In addition, the system of reward supports and inspires apprehensively judged innovative initiatives and behaviors to possess adequate

risk-return probability, resulting in successful innovation performance.

It is assumed that risk control may negatively moderate the relationship among time availability and innovation performance. Such that, innovation performance and time availability are likely to be more positively associated during lower risk control. On the other hand, insignificant positive association of time availability to innovative performance could occur during times of higher risk control. In line with proposed hypothesis 1d, if the efforts and energy are restricted with time constraints, the innovative initiative and behaviors are undertaken by organizational members, thereby lowering the quality and quantity of overall innovative outcomes [25]. In such a case, occurrence of higher risk control establishes those innovative initiatives and behaviors which could positively contribute in the overall welfare of organization. Briefly, risk control somehow diminishes the absence of time availability's negative effect expected on the innovation performance.

Finally, during higher risk control, organizational boundaries is expected to have significant positive influence over innovation performance. This relationship has been proposed considering the possibility of implicitly permitting innovative initiatives and behaviors by organizational boundaries. Since organizational boundaries explain the job-related expectations, acceptable behaviors, required procedures and processes, standards, as well as similar innovative initiatives and behaviors which appear in such situation, can be viewed as the divergence from what is expected and not acceptable. Risk control mechanism in times of high organizational boundaries confirm that innovative initiatives are in line with organizational interests, resulting in desirable outcomes of innovation performance.

2.4 Process control formality and corporate entrepreneurship

The current research proposed second operations control variable i.e. process control formality as the moderator in the relation among innovation performance and corporate entrepreneurship's organizational antecedent. It is difficult to direct and manage less process control formality processes with highly uniform style and formal communication channels across the business. However, in case of high process control formality, it is feasible to direct and manage tasks using high management style and uniformity [4]. Generally, mechanistic structured firms are characterized by high process control formality whereas, organic structured firms are characterized by low process control formality. Following the directed process and emphasizing upon structured organization not only remove performance-based uncertainty but also minimizes the freedom of

employees, in order to assess ways to achieve organizational objectives in high process control formality. This is consistent with the structural complexity concept proposed by [26]. Process control formality varies based on the organizational culture and desire of its manager to designate the ways to perform tasks, mainly because it can be observed in more centralized decision making and organizational control, leading to lower monitoring cost for organizations with high process formality. Contrarily, since low process control formality is observed during decentralized decision making and organizational control, therefore it will lead to higher monitoring costs for organizations with low process control formality.

The above-mentioned effects are the expected process control formality effects that are observed in an association among a firm's innovation performance and organization's corporate entrepreneurship antecedent. In terms of management support, there is a possibility of negative moderation effect cause by process control formality on the firm's innovation process and this variables' relationship [27]. Particularly, the constraints are imposed by process control formality in case of pursuing an authorized innovative initiatives and behaviors through management support and these constraints also restrict the organizational ability of learning content-related and innovation process matters, thus hindering the organization's overall innovation performance. In other words, the paths of innovative efforts that are supported by management may be restricted during process control formality, which could also discourage innovative performance-related learning. Contrarily, under process control formality, the predicted association among innovation performance and autonomy/work discretion is strengthened. It is due to the fact that work discretion is complemented with process control formality to accomplish organizational tasks. This is in line with the observations of [3] that through which means lower-level employees acquire support in terms of innovative ideas to adopt these ideas through formal organizational structure. Furthermore, process control formality advance channels, processes, and structure that are required by the independent corporate entrepreneurs to potentially recognize and validate their ideas by resource providers.

Similarly, under high process control formality, reinforcements or reward system positively influence the innovation process. Process control formality in a firm indicates that the rewarded innovative initiatives and behaviors are exposed to the management's disciplined approach, involving knowledge regarding facilitation and support of these initiatives that are deep rooted in the organizational processes and structure [28]. Putting differently, the concept of process control formality acts

as a system of leveraging previously gained knowledge concerning innovative activities in the process of organizational innovation. The expected outcomes for process control formality exhibit high innovation performance when the concerned innovative initiatives and behaviors are reinforced or rewarded by the organization. In contrast, under high process control formality conditions, time availability is likely to be less positively associated with innovation performance. It seems true as inadequate time given to innovative initiatives demands to search for non-sanctioned and alternative channels to undertake innovative activities by corporate entrepreneurs. In addition, these channels represent organizations having process control formality of lower levels.

While pursuing innovative initiatives, following rules concerning process control formality may be damaging to achieve innovation performance, particularly when there is limited time available to undertake these initiatives [29]. Lastly, the positive association among innovation process and organizational boundaries may get augmented by the high process control formality. Specifically, the emergence of innovative initiatives and behaviors during high organizational boundaries would give consideration to the set demand on the members as part of members' job responsibilities. Firm with high process control formality also explain the ways for executing innovative initiatives and behaviors under pre-determined organizational processes and structure. Similarly, organizational boundaries when integrated with process control formality complement it, thereby indicating towards disciplined innovation and suggest that greater innovation performance is found when taken as discipline-based approach [4].

2.5 Hypothesis

H1: The management support has significant impact on the innovation performance.

H2: The work discretion has significant impact on the innovation performance

H3: The rewards have significant impact on the innovation performance

H4: The time availability has significant impact on the innovation performance

H5: The organizational boundaries have significant impact on the innovation performance

H6: The risk control has significant impact on the innovation performance

H7: The process control formality has significant impact on the innovation performance.

H8: The risk control moderates the relationship between management support and the innovation performance.

H9: The risk control moderates the relationship between work discretion and the innovation performance.

H10: The risk control moderates the relationship between rewards and the innovation performance.

H11: The risk control moderates the relationship between time availability and the innovation performance.

H12: The risk control moderates the relationship between organizational boundaries and the innovation performance.

H13: The process control formality moderates the relationship between management support and the innovation performance.

H14: The process control formality moderates the relationship between work discretion and the innovation performance.

H15: The process control formality moderates the relationship between rewards and the innovation performance.

H16: The process control formality moderates the relationship between time availability and the innovation performance.

H17: The process control formality moderates the relationship between organizational boundaries and the innovation performance.

3. Methodology

The study has adopted the survey-based method and the response rate is 47 percent. It was stated by author that partial least square technique is also regarded as structural equation modeling of second generation. The PLS technique is appropriate for analyzing the latent variables and casual relations among the variables in structural equation models. It was claimed by [30] that PLS is most suitable for building statistical model and prediction of variable association. The approach is useful in several ways. In this study, this method has been adopted, as it is advantageous in dealing with complicated models and applicable in real world [31, 32]. The relationship among the variables (exogenous and endogenous) will be explained in this study and the indirect influences created on them. Another possible reason for using PLS method is the normality issue. Most of the times, the data is not distributed normally and PLS method can be used for both. In social science, most of the studies have to deal with abnormal data and this issue can be resolved suitably with PLS.

Another significant reason behind the use of PLS is its ability to estimate the relation between the constructs in the structural model and the association among the estimates and their unobserved constructs respectively [33]. These attributes of PLS method make it best technique in statistics. Considering this discussion, PLS method can be used to evaluate the reliability and validity of constructs.

4. Results

The measurement model is evaluated in the first step of PLS-SEM approach. This results in the structural model. The basic standards for evaluating the measurement model are the determination of the reliability as well as validity of the model in PLS method. It has been suggested by [34] and [35] that the measurement model should be based on reliability of every item, internal consistency reliability, and content validity, discriminant and convergent validity. The following is the outer model of this study:

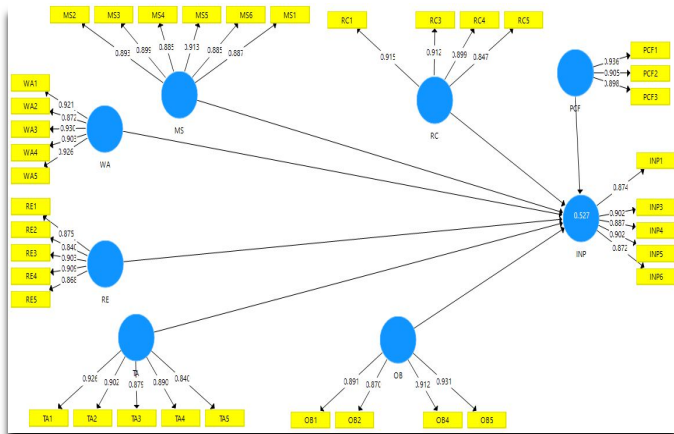


Figure 2. Measurement Model

Table 1. outer loadings

	INP	MS	OB	PCF	RC	RE	TA	WA
INP1	0.874							
INP3	0.902							
INP4	0.887							
INP5	0.902							
INP6	0.872							
MS2		0.893						
MS3		0.899						
MS4		0.885						
MS5		0.913						
MS6		0.885						
OB1			0.891					
OB2			0.870					
OB4			0.912					
OB5			0.931					
PCF1				0.936				
PCF2				0.905				
PCF3				0.898				
RC1					0.915			
RC3					0.912			
RC4					0.899			
RC5					0.847			
RE1						0.875		
RE2						0.840		
RE3						0.903		

RE4					0.909		
RE5					0.868		
TA1						0.926	
TA2						0.902	
TA3						0.879	
TA4						0.890	
TA5						0.840	
WA1							0.921
WA2							0.872
WA3							0.930
WA4							0.903
WA5							0.926
MS1	0.887						

Several researchers have suggested that the reliability of every item should be determined by each item loading [31, 33, 36]. The benchmark for item loadings is set at 0.70 and any value less than this should be eliminated as per the suggestion of [35]. Internal reliability can be determined through composite reliability in PLS path model. This reliability is defined through the value of Cronbach's α . Its value should be higher than the benchmark 0.70 [37]. The composite reliability value for the variables has been shown in table, which reflects that the range of the values is 0.844-0.985 and these values are greater than 0.70 making it acceptable. Therefore, the reliability in the research is acceptable. The convergent validity has been described by [38] the level with which an item is determined by multiple items. The convergent validity has been determined in this study based on the AVE as per the support of [39]. It is recommended that the value of AVE should be greater than 0.5 and any value lesser than 0.5 should be eliminated to improve the value of AVE.

Table 2. Reliability

	Cronbach's Alpha	rho_A	CR	(AVE)
INP	0.933	0.936	0.949	0.788
MS	0.950	0.950	0.960	0.799
OB	0.923	0.926	0.945	0.812
PCF	0.900	0.900	0.938	0.834
RC	0.916	0.924	0.941	0.799
RE	0.926	0.928	0.944	0.773
TA	0.933	0.936	0.949	0.789
WA	0.948	0.952	0.960	0.829

Discriminant validity is related to the level of items' difference among the constructs. This has been explained by [33] as the difference of one item in the study from the other variables of the study. In order to evaluate the discriminant validity, there are two measures suggested by [36]. These measures are the criterion of Fornell-Larcker and square root of AVE value. In the measure of Fornell-

Larcker, the value of AVE should be higher than the association among the variables [39].

Table 3. Discriminant Validity

	INP	MS	OB	PCF	RC	RE	TA	WA
INP	0.888							
MS	0.716	0.894						
OB	0.778	0.773	0.901					
PCF	0.776	0.770	0.803	0.913				
RC	0.748	0.769	0.793	0.899	0.894			
RE	0.753	0.811	0.724	0.722	0.711	0.879		
TA	0.751	0.790	0.721	0.772	0.876	0.695	0.888	
WA	0.715	0.892	0.770	0.754	0.791	0.716	0.749	0.911

The second step in the PLS method is to assess the outer model, which is the structural model. as per the recommendations of [34], the effect size, value of R2, Path coefficients, predictive relevance and moderating effect has been determined to evaluate the outer model. The structural model of the study has been represented as below:

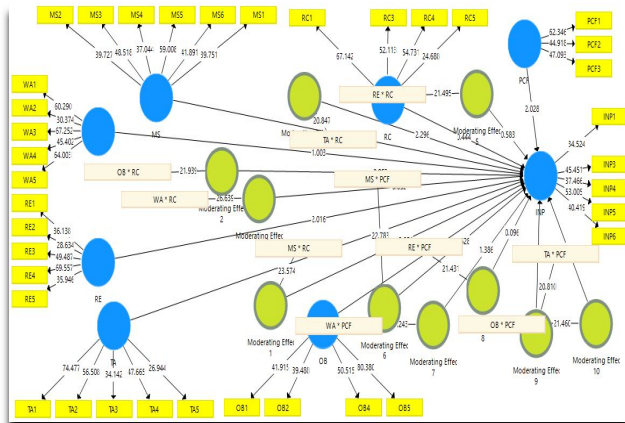


Figure 3. Structural Model

For determining the path coefficient significance, the procedure of standard bootstrapping has been used. A sample based on 266 cases and 5000 bootstrap has been used [34-36].

Table 4. Structural results

	O	M	STDEV	T Statistics	P Values
MS -> INP	0.167	0.158	0.162	3.030	0.000
Moderating Effect 1 -> INP	0.735	0.773	0.358	2.051	0.020
Moderating Effect 10 -> INP	0.354	0.390	0.298	4.188	0.000
Moderating Effect 2 -> INP	0.269	0.309	0.281	4.957	0.000
Moderating Effect 3 -> INP	0.018	0.046	0.337	4.052	0.000
Moderating Effect 4 -> INP	0.770	0.771	0.335	2.296	0.011
Moderating Effect 5 -> INP	0.220	0.180	0.377	4.583	0.000
Moderating Effect 6 -> INP	0.602	0.668	0.370	2.628	0.052
Moderating Effect 7 -> INP	0.424	0.450	0.306	2.386	0.083
Moderating Effect 8 -> INP	0.039	0.072	0.405	3.096	0.000
Moderating Effect 9 -> INP	0.659	0.660	0.341	1.932	0.027

OB -> INP	0.100	0.093	0.185	3.542	0.000
PCF -> INP	0.309	0.351	0.153	2.028	0.021
RC -> INP	0.071	0.044	0.159	3.444	0.000
RE -> INP	0.338	0.339	0.168	2.016	0.022
TA -> INP	0.031	0.028	0.152	3.204	0.000
WA -> INP	0.167	0.160	0.167	3.003	0.000

In PLS-SEM method, the main criteria for the determination of structural model are the variance in the dependent variable represented by R². It shows the variation in the dependent variance because of the independent variable [35, 36]. The value of R square is considered weak, moderate, and substantial when it comes out to be 0.24, 0.50, and 0.75.

Table 5. R-Square

	R Square
INP	0.527

There is need for the research to apply the measures that reflect the analytical significance for quality evaluation of the model during the use PLS-SEM as per the recommendation of [36]. the test of Stone-Geisser has been used in this study for testing the goodness of fit in PLS method [33]. Blindfolding procedure is the only estimate of the dependent latent variables having a model with multi dimensions. Latent variable is described as reflective measures that lead to difference in indicators' set. The nature of study is reflective and blindfold method has been used. A cross-validated measure of redundancy has been used to evaluate the research model's analytical significance (Q²) [30, 35, 36].

Table 6. Q-square

	Q ² (=1-SSE/SSO)
INP	0.445

5. Conclusion

The results obtained for this study provide a number of theoretical implications. Primarily, the theory i.e. release of organization's entrepreneurial hostages by sanctioning or removing restrictions [6] upon their innovative ideas and behaviors somehow ignores the significance of organizations' innovative performance through distinct directing, motivating, prohibiting, and constraining unfeasible innovative initiatives and behaviors with respect to the structure of these initiatives for better interest of organization. However, since all corporate behaviors may not be good enough for the firm, still the corporate entrepreneurship literature completely regard these entrepreneurial behaviors to be virtuous which is somehow biased. [40] stated that motivating corporate entrepreneurship may often leads to ineffective and rogue behavior of the members of organization. Secondly,

connected with the first point, displaying or exercising operations control does not indicate mutual incompatibility with the corporate entrepreneurship's interests, rather it is fundamental for such entrepreneurial interests. Similarly, the researchers' observations that successful innovation could not be achieved during operations control are unpretentious. Thus, the bias behavior regarding operation control's adverse effects on the innovation performance have been largely appeared from the researches on innovation. Mainly, the operation control-based theorists [41, 42] view control operations in a much informed and positive manner. Thirdly, operations control variables' effects (positive or negative) must not be generalized upon the association among those factors which theoretically realize and promote innovation and innovation performance outcomes. In fact, the moderating effects of these variable exhibit various dimensions depending upon the corporate entrepreneurship' organizational antecedent and operations control variable. The current data revealed that strong positive influence of risk control as moderator was found on the innovation performance and organizational boundaries relationship, and a strong negative effect on the organizations' innovation performance and time availability relationship. Thus, the possible influence caused by operation control variables must also be acknowledged. Three important implications are deduced such as: 1) the intended outcomes are not guaranteed by carefully developing and designing the system having characteristics that exhibit corporate entrepreneurship's antecedent. Furthermore, the task of manager is not merely to establish organization with those capabilities that are beneficial in the innovation process, but to develop and design control-facilitating and innovation-facilitating system in which they complement each other in a way that the vested entrepreneurial potential is achieved for the best and highest organizational objectives; 2) The recent research suggested that innovation should be taken and treated by managers as a responsive process for a disciplined and structured supervision. In addition, undertaking innovative initiatives require managers to deliberately construct and understand the means of generating desirable innovation outcomes. There are rules, process knowledge and methods accompanying with resources that successfully facilitates in innovative efforts.

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