

## Application of Disruptive Innovation theory in the intrapreneurial orientation of SMEs in the eThekweni region

Tinaye Mahohoma

Department of Town & Regional Planning, Durban University of Technology

### Abstract

*This quantitative research investigates the application of Disruptive Innovation theory in intrapreneurial activities within Small and Medium Enterprises (SMEs) operating in the eThekweni region. There is a lack of structured support for intrapreneurship within many SMEs, including inadequate training programs, mentorship opportunities, and incentive structures to motivate employees to engage in innovative activities. The study aims to identify key determinants of intrapreneurial orientation, assess their impact on intrapreneurial performance, and provide recommendations for enhancing intrapreneurial capabilities among SMEs. A sample of 124 respondents from various SMEs in the region participated in the survey, providing data on demographics, organizational factors, and perceptions of intrapreneurial activities. The findings reveal significant influences on intrapreneurial orientation, including extensive work experience and high levels of educational attainment among employees. Moreover, innovation, problem-solving, creativity, and competitive advantage are highlighted as essential constructs driving intrapreneurial activities, contributing to organizational agility and competitive positioning. Regression analysis demonstrates that competitive advantage, problem-solving capabilities, and innovation positively predict intrapreneurial performance. However, an unexpected inverse relationship is found between creativity and intrapreneurial performance, suggesting a need for further exploration into its nuanced role in organizational contexts. Based on these findings, recommendations are provided to enhance intrapreneurial capabilities, including investment in training and development programs, fostering a supportive organizational culture, strategic resource allocation, and empowering leadership. These strategies aim to optimize intrapreneurial outcomes and sustain competitive advantage among SMEs.*

**Keywords:** disruptive innovation, intrapreneurial orientation, SMEs, performance measurement

**Corresponding author.** [tinasm12@gmail.com](mailto:tinasm12@gmail.com)

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## INTRODUCTION

The concept of disruptive innovation, as articulated by Clayton Christensen, has significant implications for intrapreneurial activities within Small and Medium-sized Enterprises (SMEs) (Christensen et al., 2018; Christensen et al., 2016). Disruptive innovation refers to the process by which a smaller company with fewer resources can successfully challenge established businesses by targeting overlooked segments of the market with simpler, more convenient, and often more affordable products or services (Christensen et al., 2018; Christensen et al., 2016; Blanka, 2019). Over time, these new entrants move upmarket, improving their

offerings and eventually displacing the established competitors. In the context of intrapreneurship within SMEs, this theory underscores the potential for internal entrepreneurial initiatives to drive transformative change and competitive advantage by leveraging innovative approaches to meet unmet market needs (Barrett et al., 2012; Bason, 2018).

a) Intrapreneurship within SMEs involves fostering an entrepreneurial mindset among employees, encouraging them to develop and implement innovative ideas that can contribute to the company's growth and adaptability (Hornsby et al., 2009). The application of disruptive innovation theory in

this setting highlights the importance of identifying and nurturing ideas that may initially seem insignificant or less profitable but have the potential to disrupt the market (Firouzyar & Kojouri, 2013). By empowering employees to explore new market niches and experiment with novel solutions, SMEs can create a dynamic environment where disruptive innovations can emerge and flourish (Azis & Amir, 2020; Marutlulle, 2017). This approach not only enhances the company's ability to compete with larger firms but also promotes a culture of continuous improvement and agility (Carland & Carland, 2007; Cummings & Worley, 2014).

*b)* Moreover, the practical application of disruptive innovation theory in intrapreneurial activities involves recognizing and overcoming the inherent challenges associated with innovation within established organizations (Kumar, 2014; Kuratko et al., 2014). SMEs, with their typically flatter organizational structures and more flexible decision-making processes, are uniquely positioned to capitalize on disruptive opportunities (Govender, 2020; Chumphong et al., 2020). SMEs often struggle to allocate sufficient resources to innovation due to financial constraints and limited access to advanced technologies and skilled personnel (Kanjere, 2016). This financial limitation restricts their ability to experiment and iterate on new ideas, which is crucial for fostering disruptive innovation (Madumo, 2015; Garrone, 2013). Furthermore, there is a lack of structured support for intrapreneurship within many SMEs, including inadequate training programs, mentorship opportunities, and incentive structures to motivate employees to engage in innovative activities (Khale & Worku, 2013; Cohen, 2013).

*c)* Moreover, the strategic alignment of business objectives with innovation goals remains a significant hurdle for SMEs in the eThekweni region (Tejeiro Koller, 2016). Many SMEs do not have formal processes for

integrating disruptive innovation into their overall business strategy, leading to a disconnect between innovation efforts and business outcomes (De Jager & Steenekamp, 2019; Local Government Municipal Finance Management Act, 2003). This misalignment can result in missed opportunities and the failure of potentially disruptive projects (Corruption Watch, 2014). Additionally, SMEs often operate in highly competitive environments where the pressure to maintain short-term profitability can overshadow long-term innovation goals (Amadi-Echendu, 2016; Müller, 2024). This creates a risk-averse culture that stifles intrapreneurial activities and discourages employees from pursuing bold, innovative ideas (Fayolle et al., 2010; Bartlett, 2017). By bridging the academic gap and providing practical strategies for implementing disruptive innovation, this study aims to empower SMEs in the eThekweni region to leverage their intrapreneurial potential, ultimately driving sustainable growth and enhancing their competitive position in the market. The study objectives are to determine the determinants of intrapreneurial orientation of SMEs in the eThekweni region, and to establish the association between intrapreneurial orientation and intrapreneurial performance of SMEs in the eThekweni region.

*d)* Disruptive Innovation theory, pioneered by Clayton Christensen, provides a compelling framework for understanding how smaller firms, including SMEs, can challenge established industry leaders by targeting underserved market segments with simpler, more affordable products or services (Christensen, 1997; Christensen & Raynor, 2003). These innovations may not initially meet mainstream performance standards but offer advantages such as lower costs and accessibility (Christensen, 2015). SMEs, with their agility and flexibility, are well-positioned to leverage disruptive innovation to identify and capitalize on emerging opportunities in niche markets that larger

competitors overlook (Markides, 2021). This strategic approach enables SMEs to establish a foothold and gradually expand their influence by addressing unmet customer needs through innovative solutions (Govindarajan & Kopalle, 2006; O'Reilly & Tushman, 2004).

*e)* Intrapreneurial orientation within SMEs is crucial for fostering a culture of innovation and proactive problem-solving (Gupta & Dutta, 2018). Leadership support is pivotal as it encourages employees to take risks and innovate (Amabile & Pratt, 2016). Leaders who prioritize innovation allocate resources towards R&D initiatives, creating an environment conducive to experimentation and creativity. Organizational culture plays a significant role in nurturing intrapreneurial behavior by promoting openness to new ideas and unconventional solutions (Farmer, Yao, & Kung-McIntyre, 2011). This cultural aspect supports creativity and ensures that intrapreneurial efforts are supported rather than hindered by organizational structures (Bosma, 2013).

*f)* Access to resources is critical for facilitating intrapreneurship within SMEs (Schumpeter, 2017). Adequate funding for research, development, and technology adoption enables SMEs to innovate and adapt to market demands (Pitelis, 2009; Lumpkin & Dess, 1996). External funding sources such as venture capital play a significant role in providing financial support for innovative ventures (Covin, Green, & Slevin, 2006). Moreover, partnerships and collaborations enhance the SME's capabilities to develop and implement innovative solutions effectively (Radjou, Prabhu, & Ahuja, 2012; Niemand et al., 2021). Employee autonomy further empowers individuals to drive innovation within the organization by reducing bureaucratic hurdles and fostering a culture of ownership (Bos, 2013).

*g)* Intrapreneurial performance within SMEs encompasses their ability to foster entrepreneurial behaviors that lead to innovative outcomes and sustainable competitive advantages (Baker & Nelson,

2005). Innovation is a cornerstone of intrapreneurial performance as SMEs continuously introduce new products or services that disrupt markets and create new segments. This capability enables SMEs to differentiate themselves, attract and retain customers through unique value propositions. Moreover, intrapreneurship enhances organizational agility, enabling SMEs to respond swiftly to changes in the business environment and maintain relevance in competitive markets (O'Reilly & Tushman, 2004).

*h)* Financially, intrapreneurial performance translates into increased profitability and growth for SMEs (Wiklund & Shepherd, 2005; Wiklund & Shepherd, 2003). By launching innovative products and services, SMEs capture new revenue streams and expand their market share (Miles & Morrison, 2020). Intrapreneurship also enhances cost-efficiency through process improvements and resource optimization, contributing to overall operational effectiveness (Teece et al., 2023). This improved financial performance not only ensures sustainability but also attracts investors who recognize the SME's innovative capabilities (Schneider & Veugelers, 2010).

*i)* Market share growth is a hallmark of intrapreneurial SMEs that proactively identify and capitalize on emerging market opportunities (Achtenhagen et al., 2013). By targeting unmet needs and underserved segments, these SMEs position themselves as early movers, gaining a competitive edge (Baum & Silverman, 2004). This proactive market engagement underscores the importance of intrapreneurial behavior in driving long-term growth and expansion (Mol & Birkinshaw, 2014).

*j)* Customer satisfaction and loyalty are positively influenced by intrapreneurial orientation as SMEs innovate to meet customer needs and enhance user experiences (Bojica & Fuentes, 2012). By delivering innovative solutions that exceed expectations, SMEs build strong customer relationships and

drive growth through positive word-of-mouth (Homburg, Workman Jr, & Jensen, 2000). However, achieving sustained intrapreneurial performance requires overcoming challenges such as limited resources, talent shortages, and risk aversion (Schumacher et al., 2023). Effective management of these challenges is essential for SMEs to maintain a balance between creativity and operational discipline while leveraging intrapreneurship to achieve long-term organizational goals (Ireland et al., 2009).

## **METHOD**

**Penelitian** This study adopted a deductive-positivist research design, grounded in the philosophy of positivism. This approach prioritizes scientific methods and aims to gather objective, empirical data for hypothesis testing and theory development (Kumar et al., 2019). Specifically, a cross-sectional design, often employed in surveys, was chosen to explore potential relationships between variables without manipulating them experimentally (Munyanyi et al., 2021). This design aligns well with the structured, systematic, and controlled nature of positivist research, favouring quantitative methods to analyse variable relationships and identify potential cause-and-effect mechanisms (Brannen, 2017). The study examined constructs of intrapreneurial orientation and intrapreneurial performance of SMEs, in the eThekweni region, in KwaZulu-Natal, South Africa.

The research focused on small and medium-sized enterprises (SMEs) in the eThekweni region of KwaZulu-Natal, with employee numbers ranging from 20 to 200. The target demographic was identified using the membership list from the Durban Chamber of Commerce and Industry (DCCI), which indicated 700 SMEs in the region. Due to the absence of comprehensive records, the sampling frame was limited to active SMEs in the eThekweni region, resulting in a final

sample of 248 owner-managers. A probability sampling technique, specifically simple random sampling, was used to select these participants. This method ensures that the sample accurately represents the population, enhancing the external validity of the study's findings.

A self-administered questionnaire served as the primary data collection tool for this study. Drawing inspiration from existing surveys like those used by Botha (2012), Fatoki and Chilya (2012) and Gachina (2016), the questionnaire was carefully crafted to align with the specific research objectives. The instrument was divided into the concise sections: (1) gathered basic biographical information about both the respondent ; (2) the determinants of intrapreneurial orientation of SMEs and (3) intrapreneurial performance of SMEs.

To maximize respondent engagement and encourage meaningful participation, the questionnaire was kept succinct and easy to navigate. It comprised closed-ended questions, utilizing a mix of dichotomous, multiple-choice, and rating formats for efficient data collection and analysis. Prior to widespread distribution, the questionnaire underwent a rigorous pre-testing phase involving ten randomly selected participants within the study area. This pilot exercise served three key purposes namely identifying and removing ambiguity: as two questions with potential for misinterpretation were identified and rephrased based on pilot feedback. Moreover, in analysing the pilot responses revealed an average completion time of 15 minutes, ensuring a feasible timeframe for all participating SMEs. Finally, the pilot confirmed that the questionnaire effectively captured information relevant to the study objectives, solidifying its suitability for the research endeavour. By adapting existing instruments, pre-testing for clarity and efficiency, and ensuring alignment with research goals, this study built a solid

foundation for reliable data collection through its self-administered questionnaire.

Recognizing the potential for high response rates, this study leveraged email as the primary data collection method. The literature confirms this advantage, highlighting the efficiency and convenience of online surveys in attracting participants (Singer & Couper, 2017). Respondents appreciate the flexibility to answer questions at their own pace and on their own schedules, which often translates to increased participation. Ethical considerations were paramount throughout the research process. Prior to initiating data collection, the researchers obtained clearance for the survey instrument from the DCCI. Additionally, all participants and stakeholders were provided with detailed information sheets and consent forms explaining the study's purpose, procedures, and participants' rights. Importantly, anonymity was preserved by allowing respondents to omit their names, addresses, and organizational phone numbers in their responses.

Data analysis forms the backbone of extracting knowledge and meaning from raw information. As Sileyew (2019) explain, it allows us to describe facts, uncover patterns, and test hypotheses. In this study, the journey of transforming raw data into valuable insights took the following steps. Data recording and coding, the information collected from 195 completed questionnaires was meticulously recorded and coded onto Microsoft Excel spreadsheets. This organized structure laid the foundation for efficient analysis. Extracting meaning with SPSS, to delve deeper into the data, we utilized the Statistical Package for the Social Sciences (SPSS) version 29 software. By running the coded data through SPSS, we were able to unveil valuable patterns and trends hidden within the information.: The results of the analysis are presented in clear and concise frequency tables. These tables offer a readily accessible window into the key takeaways and findings of the study.

To further enhance the understanding of this process, consider incorporating an infographic or flowchart. This visualization could depict the flow of data, starting from the questionnaires, moving through recording and coding, and finally reaching the analysis and presentation stages using SPSS and frequency tables.

## RESULT AND DISCUSSION

The results of the study reveal the following employment distribution among SMEs: 10% of respondents employed fewer than 50 full-time employees; 42% employed between 51 and 100 full-time employees; 25% employed between 101 and 150 full-time employees; and 23% employed between 151 and 200 full-time employees. These figures indicate that only 10% of the respondents represent small enterprises, while the majority, 90%, represent medium-sized enterprises. In terms of business operation duration, 15% of respondents have been in operation for less than 5 years; 37% have been in operation for 5 to 10 years; 29% have been operating for 11 to 15 years; 11% have been in business for 16 to 20 years; and the remaining 8% have been in operation for more than 20 years. This analysis shows that almost half of the respondents, 48%, are well-established, having been in business for more than 10 years. Regarding the highest educational qualification levels of the SME owners in the eThekweni region, 19% of respondents had no tertiary educational qualifications. The majority, 53%, possessed either a diploma or a degree, and 28% had a post-graduate qualification.

### Descriptive statistics

**Table 1. Determinants of Intrapreneurial Orientation**

Detail	Frequency	Percent
<b>1. Work experience</b>		
Less than 5 years	18	14.52
5-10 years	45	36.29
11-15 years	37	29.84
16-20 years	14	11.29
21+ years	10	8.06

Detail	Frequency	Percent
Total	124	100.00
<b>2. Education</b>		
Grade 12/ Std 10	22	17.74
Diploma/degree	65	52.42
Post Graduate	34	27.42
Other	3	2.42
Total	124	100.00
<b>3. Motivation</b>		
Strongly Agree	62	50.00
Agree	42	33.89
Neutral	5	4.00
Disagree	5	4.00
Strongly Disagree	10	8.01
Total	124	100.00
<b>4. Culture</b>		
Strongly Agree	68	54.84
Agree	39	31.45
Neutral	5	4.03
Disagree	1	0.81
Strongly Disagree	11	8.87
Total	124	100.00
<b>5. Leadership</b>		
Strongly Agree	64	51.62
Agree	37	29.84
Neutral	6	4.84
Disagree	7	5.64
Strongly Disagree	10	8.06
Total	124	100.00
<b>6. Resource availability</b>		
Strongly Agree	79	63.71
Agree	37	29.84
Neutral	1	0.81
Disagree	2	1.61
Strongly Disagree	5	4.03
Total	124	100.00

**Source:** Data processed, 2024

The findings reveal that the majority of respondents have substantial work experience, with 66.13% having more than 10 years of experience. This aligns with the research by Blanka (2019), who emphasizes the importance of experience in fostering intrapreneurial behavior. However, it contrasts with the findings of Covin and Wales (2011), who suggest that even less experienced employees can exhibit strong intrapreneurial traits under supportive leadership.

Educational attainment among respondents is high, with 79.84% holding a diploma, degree, or postgraduate qualification. This supports the argument by Lukovszki et al. (2020) that higher education levels correlate with enhanced intrapreneurial capabilities. However, this contradicts Gursoy and Guven (2016), who found that practical skills and continuous learning within the organization are more critical than formal education levels.

The strong motivation among respondents, with 83.89% agreeing or strongly agreeing on its importance, is consistent with Farrukh et al. (2017), who highlighted the role of motivation in driving intrapreneurial behavior. This high motivation level also resonates with the findings of Bartlett (2017), who found that motivated employees are more likely to engage in innovative activities. However, it contrasts with the study by Koma (2013), which suggested that systemic issues within organizations can sometimes overshadow individual motivation.

Organizational culture appears to be a significant determinant, with 86.29% of respondents agreeing or strongly agreeing that a supportive culture is crucial for intrapreneurial activities. This finding is consistent with the work of Barrett et al. (2012), who argued that a creative and supportive climate is essential for fostering innovation. Similarly, the study by Bason (2018) supports the idea that co-creating an innovative culture leads to better organizational outcomes. However, the findings diverge from Chumphong et al. (2020), who found that in some SMEs, a rigid culture can hinder the expression of intrapreneurial behaviors.

Leadership plays a crucial role in supporting intrapreneurial activities, with 81.46% of respondents recognizing its importance. This finding is in line with the research by Govender (2020), which highlighted the role of empowering

leadership in enhancing service delivery through innovation. Additionally, the study by Gwija et al. (2014) reinforces the idea that supportive leadership is essential for nurturing intrapreneurial talent. However, this contrasts with the findings of Madumo (2015), who pointed out that leadership in some South African municipalities often lacks the necessary vision to foster intrapreneurial initiatives.

Resource availability is another critical factor, with 93.55% of respondents agreeing or strongly agreeing that having adequate resources is essential for intrapreneurial activities. This aligns with the resource-based view articulated by Markovic (2019), which emphasizes the importance of resources in gaining a competitive advantage. The findings are also supported by the study of Lukovszki et al. (2020), which found that resource availability significantly impacts innovation in SMEs. However, Firouzyar and Kojouri (2013) noted that in some cases, even with adequate resources, organizational inertia can prevent effective utilization for intrapreneurial purposes.

**Table 2. Constructs of Intrapreneurial orientation**

Construct	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Innovation	35,8%	51,2%	9,8%	1,6%	1,6%	100%
Problem solving	60,7%	32,0%	4,9%	0,8%	1,5%	100%
Creativity	66,4%	25,4%	4,1%	1,6%	2,5%	100%
Competitive advantage	73,4%	18,7%	2,4%	0,8%	4,2%	100%

Source: Data processed, 2024

The findings reveal a strong inclination towards innovation, with 35.8% of respondents strongly agreeing and 51.2% agreeing that innovation is crucial, as demonstrated by the collective 87% positivity rate. This is supported by Barrett et al. (2012), who emphasize that a creative climate is a critical success factor for organizations in the

21st century. Furthermore, Lukovszki et al. (2020) highlight that innovation activities significantly enhance competitiveness in SMEs, aligning with the current findings.

The problem-solving construct exhibited a higher agreement, with 60.7% strongly agreeing and 32% agreeing, totaling 92.7%. This strong consensus indicates the critical role of problem-solving in driving intrapreneurial activities, echoing the sentiments of Farrukh et al. (2017), who assert that organizational commitment fosters problem-solving and intrapreneurial behavior. Similarly, Gursoy and Guven (2016) identify an innovative culture as pivotal in enhancing problem-solving capabilities within organizations, thereby supporting the study's findings.

Creativity also received substantial support, with 66.4% strongly agreeing and 25.4% agreeing, accumulating a significant 91.8% positive response. This highlights the essential nature of creativity in intrapreneurial activities, corroborated by Harju et al. (2016), who found that job crafting can reduce job boredom and increase work engagement, leading to enhanced creativity. Additionally, Gordon et al. (2018) discuss how individual job redesign, including creativity, can significantly impact job performance, reinforcing the study's outcomes.

The competitive advantage construct shows the highest strong agreement at 73.4%, with 18.7% agreeing, totaling 92.1%. This indicates that intrapreneurial activities significantly contribute to competitive advantage, aligning with the views of Anwar (2018), who discusses how business model innovation mediates the relationship between intrapreneurship and firm performance. Similarly, Lukovszki et al. (2020) emphasize the resource-based view of innovation activity, supporting the study's findings on competitive advantage.

The study's findings align with previous research in emphasizing the critical role of innovation, problem-solving, creativity, and competitive advantage in intrapreneurial

activities. However, some contradictions are noted. For instance, while Astrini et al. (2020) highlight the role of risk-taking in corporate entrepreneurship, the current study does not explicitly address this aspect, suggesting a potential area for further research. Additionally, the findings from Govender (2020), which emphasize the role of empowering leadership in municipal service delivery, provide a broader context that might influence intrapreneurial activities but is not directly addressed in the current study. The application of Disruptive Innovation theory in the intrapreneurial activities of SMEs in the eThekweni region demonstrates a strong positive impact on innovation, problem-solving, creativity, and competitive advantage. These findings are consistent with existing literature, although further exploration of risk-taking and leadership factors could provide a more comprehensive understanding of the dynamics involved.

**Table 3. Intrapreneurial performance**

Performance measurement	Frequency	Percent (%)
Turnover	66	53.2
Net Profit	48	38.7
Number of new products/services	6	4.8
Customer complaints	1	0.8
Value of Assets	3	2.4
Total	124	100.00
Intrapreneurial Performance	Frequency	Percent (%)
Very Successful	68	54.8
Successful	43	34.7
Neutral	9	7.3
Unsuccessful	2	1.6
Very Successful	2	1.6
	124	100

**Source:** Data processed, 2024

The study on the application of Disruptive Innovation theory in the intrapreneurial activities of SMEs in the eThekweni region includes performance measurement and intrapreneurial

performance analysis. The performance measurement data indicate that turnover is the most significant metric, with 53.2% of respondents identifying it as a key indicator. This aligns with the findings of Anwar (2018), who emphasizes the importance of turnover as a measure of business performance in the context of business model innovation. Similarly, Lukovszki, Rideg, and Sipos (2020) highlight that turnover is a critical indicator of competitive performance in SMEs.

Net profit, cited by 38.7% of respondents, is the second most important performance metric. This finding is supported by Astrini et al. (2020), who stress that financial performance, particularly net profit, is a crucial outcome of corporate entrepreneurship. The emphasis on net profit aligns with the resource-based view of innovation activity, as discussed by Lukovszki et al. (2020), where financial metrics are essential indicators of organizational success.

The number of new products or services introduced was noted by 4.8% of respondents, indicating a relatively lower emphasis on innovation output compared to financial metrics. This finding resonates with the study by Govender (2020), which suggests that while innovation is important, it is often measured by its financial impact rather than the sheer number of new products or services. This perspective highlights the need for a balanced approach to performance measurement that includes both financial and innovation metrics.

Customer complaints were mentioned by 0.8% of respondents, reflecting a minimal focus on this metric. This finding contrasts with the emphasis on customer satisfaction in other studies, such as those by Barrett et al. (2012), who highlight the importance of addressing customer complaints to foster a creative climate and enhance organizational success. The low emphasis on customer complaints may suggest a potential area for



improvement in intrapreneurial performance measurement in the eThekweni region.

The value of assets was cited by 2.4% of respondents, indicating a minor role in performance measurement. This finding aligns with the views of Astrini et al. (2020), who note that while asset value is important, it is often overshadowed by more immediate financial metrics like turnover and net profit. The resource-based view, as discussed by Lukovszki et al. (2020), supports the notion that asset value contributes to long-term competitive advantage but may not be the primary focus in intrapreneurial activities.

Intrapreneurial performance data reveal that 54.8% of respondents consider their activities to be very successful, while 34.7% rate them as successful, totaling 89.5%. This high level of perceived success is consistent with the findings of Gursoy and Guven (2016), who identify an innovative culture as a significant factor in achieving intrapreneurial success. The positive perception of intrapreneurial performance aligns with the study by Harju et al. (2016), which emphasizes the role of job crafting and proactive behavior in enhancing work engagement and performance. However, the minimal focus on failure metrics, such as customer complaints and the value of assets, suggests that there may be an underreporting of challenges faced in intrapreneurial activities.

The study's findings on performance measurement and intrapreneurial performance in the eThekweni region align with existing literature, emphasizing the importance of financial metrics and perceived success in evaluating intrapreneurial activities. The relatively lower emphasis on innovation output and customer complaints highlights areas for further exploration and improvement. The findings underscore the need for a balanced approach to performance measurement that includes both financial and non-financial metrics to provide a comprehensive view of intrapreneurial success.

**Inferential statistics**

**Table 4. Model summary**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.738 <sup>a</sup>	0.545	0.529	0.530

a. Predictors: (Constant), Competitive advantage, Problem solving, Creativity, Innovation

**Source:** Data processed, 2024

The analysis involves multiple regression to understand the impact of competitive advantage, problem solving, creativity, and innovation on intrapreneurial performance. The model summary shows that the predictors explain 54.5% of the variance in intrapreneurial performance (R Square = 0.545) with an adjusted R Square of 0.529 and a standard error of the estimate at 0.530.

**Table 5. Anova**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39,055	4	9,764	34,744	<.001 <sup>b</sup>
	Residual	32,588	116	0,281		
	Total	71,653	120			

a. Dependent Variable: Intrapreneurial Performance  
b. Predictors: (Constant), Competitive advantage, Problem solving, Creativity, Innovation

**Source:** Data processed, 2024

In the ANOVA table, the regression model is significant with an F value of 34.744 and a p-value less than 0.001, indicating that the predictors collectively have a significant impact on intrapreneurial performance.

**Table 6. Regression analysis**

Coefficients <sup>a</sup>									
Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta				Lower Bound	Upper Bound
		1	(Constant)	0.397	0.126				3.142
	Innovation	0.194	0.085	0.203	2.270	0.024	0.025	0.363	
	Problem solving	0.350	0.091	0.354	3.916	0.000	0.177	0.530	
	Creativity	-0.107	0.072	-0.207	-2.602	0.010	-0.309	-0.045	
	Competitive advantage	0.399	0.082	0.471	6.350	0.000	0.273	0.518	

a. Dependent Variable: Intrapreneurial Performance

**Source:** Data processed, 2024

The coefficients table provides further insights into the individual impact of each predictor. The constant (intercept) has a coefficient of 0.397 with a p-value of 0.002, indicating it is significantly different from zero. Innovation has a positive coefficient of 0.194, significant at the 0.024 level, suggesting that an increase in innovation is associated with an increase in intrapreneurial performance. Problem solving has a positive coefficient of 0.358, significant at the less than 0.001 level, showing a strong positive impact on performance. Creativity, on the other hand, has a negative coefficient of -0.187, significant at the 0.010 level, indicating that higher creativity is associated with lower intrapreneurial performance in this model. Competitive advantage has the highest positive coefficient of 0.396, significant at the less than 0.001 level, highlighting its substantial positive effect on intrapreneurial performance. The confidence intervals for the coefficients provide the range within which the true population parameter is expected to fall, with 95% confidence. For innovation, the interval ranges from 0.025 to 0.363, for problem solving from 0.177 to 0.538, for creativity from -0.329 to -0.045, and for competitive advantage from 0.273 to 0.519. These intervals indicate the reliability of the estimates.

For instance, findings support existing literature that highlights the positive relationship between competitive advantage and intrapreneurial performance (Azis & Amir, 2020). Similarly, the positive impact of problem-solving skills on intrapreneurial behavior is consistent with prior studies (Farrukh et al., 2017). However, the study diverges from others by suggesting that higher levels of creativity may not universally enhance intrapreneurial performance, as indicated by its negative coefficient. This contrasts with literature emphasizing creativity's role in fostering organizational innovation (Barrett et al., 2012). Nonetheless, the positive coefficient for innovation aligns

with research linking innovation to entrepreneurial outcomes (Marutlulle, 2017), indicating its importance in driving intrapreneurial initiatives

## **CONCLUSION**

This study examined the application of Disruptive Innovation theory within intrapreneurial activities among SMEs in the eThekweni region. The findings highlight several critical factors influencing intrapreneurial orientation. Key determinants identified include extensive work experience, high levels of educational attainment, intrinsic motivation, a supportive organizational culture, effective leadership, and sufficient resource availability. These factors collectively shape how SMEs in the region approach and engage in intrapreneurial activities, impacting their ability to innovate and adapt in competitive markets.

The study identified innovation, problem-solving, creativity, and competitive advantage as pivotal constructs influencing intrapreneurial activities. These elements are essential for enhancing organizational agility, market responsiveness, and sustainable growth. Moreover, the performance measurement analysis emphasized turnover and net profit as primary metrics for evaluating intrapreneurial success. A significant majority of respondents perceived their intrapreneurial initiatives as highly successful, underscoring positive business outcomes and enhanced competitive positioning as a result of these activities. Regression analysis further revealed that competitive advantage, problem-solving capabilities, and innovation significantly predict intrapreneurial performance. However, the study found a surprising inverse relationship between creativity and intrapreneurial performance in this context, suggesting a need for further exploration into the nuanced dynamics of creative processes within organizational settings.

Based on these findings, several recommendations can be proposed to enhance intrapreneurial capabilities among SMEs. Firstly, SMEs should invest in comprehensive training and development programs aimed at fostering problem-solving skills and nurturing innovative thinking among employees. These efforts should be closely aligned with overarching organizational goals to maximize their impact. Secondly, fostering a supportive organizational culture that encourages risk-taking and creativity is crucial. Organizations should incentivize and empower employees to pursue innovative ideas that align with strategic objectives, thereby fostering a culture conducive to intrapreneurial success. Effective resource allocation is another critical recommendation. SMEs should strategically allocate resources to support intrapreneurial initiatives, ensuring that financial constraints do not hinder innovation and growth opportunities. Lastly, empowering leadership plays a pivotal role in championing intrapreneurial activities within SMEs. Leaders should provide vision, guidance, and support to create an environment where intrapreneurship can thrive, aligning organizational efforts with innovative strategies.

To advance the understanding of intrapreneurial activities in SMEs, future research could explore various avenues, longitudinal studies could provide insights into the sustainability and long-term impacts of intrapreneurial initiatives on SME growth and competitiveness. Additionally, cross-cultural comparisons could highlight cultural influences on intrapreneurial behavior and identify global best practices in fostering innovation. Qualitative research could complement quantitative findings by exploring nuanced aspects of intrapreneurial behavior and organizational dynamics, offering deeper insights into the factors influencing successful intrapreneurship within SMEs.

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