

# Corporate Entrepreneurial Impact on Formal Fast food Sector

Nabila Khan

Faculty of Management Sciences Indus International Institute DG Khan

Nadeem Iqbal

Faculty of Management Sciences Ghazi university DG Khan

E-mail address: [drnadeemiqbal@gmail.com](mailto:drnadeemiqbal@gmail.com)

## Abstract

This study aims to get aware how integrating strategies boost up corporate entrepreneurship process. The concept corporate entrepreneurship cover up a broad array of entrepreneurial activities involving innovation, new varieties offered, and new service categories in terms of minor to major change. Purpose of this study is to find out the relationship among corporate entrepreneurship and formal fast sector. For this empirical research primary data is collected by questionnaires and observation method. With help of SPSS, descriptive statistics, correlation and regression model is developed to interpret the results. Basically two variables corporate entrepreneurship (independent) and wealth maximization of formal fast food sector by different determinants(dependant). Results reveal that few determinants have positive relationship while others have negatively correlated with each other.

**Keywords:** Entrepreneurship; Entrepreneurial activities; Innovation ; New services categories ; Food Industry; Intrapreneurship

## Introduction

Entrepreneurship is an approach and philosophy where an individual seeks innovation and employment. It can be described as creative and innovative response to the Environment and exploiting opportunities. Successful entrepreneurs someone who undertakes, sets up business and takes financial risk in hope of profit. They find market gaps and innovation for new products and services. Entrepreneurship is a process for developing and creating something new and distinguish that maximize individuals' wealth. Entrepreneur devotes efforts and time by accompanying different sort of risks, rewards and independence. It is basically value adding process that pursuit opportunities and utilization of resources with more potential manners.

In last decades, scholars and economist have recognized Entrepreneurship process as function of risk taking, improbability and uncertainty . Some writers identified this concept as harmonization and management of productive resources, awareness of technical terms and practices as well as the introduction of innovation. The term Entrepreneur initiated by French verb *Entreprendre* and also German word *unternehmen* means someone who undertakes

In 2012 European commission, Euro barometer conducted entrepreneurship survey where target population was general residents of European union and united state. Response from survey revealed that first essential cause for entrepreneurship is self fulfillment or independence. Secondary reason related to Freedom of working conditions. Fascinatingly, mostly Americans seek to self employment rather than commercial employment. Peak impetus and motivation for entrepreneurs viewed strong future in this process. High -tech CEOs study followed a term that used for entrepreneurs "Do something valuable and through to be my own Boss". So comparison of these studies shows division between entrepreneurial kinds means some individual take initiative as an opportunity while so many adopt it by disruption.

Conception of entrepreneurship and intrapreneurship developed with the prominence and fame of Adam smith 's writing ,wealth of nation and also its production model. Smith's finding indicated that wealthy nations not known as wealthy resources but also with the capability to utilize them in efficient and effective way that is the primary responsibility of entrepreneurs. Entrepreneurship concept firstly appeared in literature by the efforts of "Cantillon" he termed it as resource mobilization practice. Economic growth and development is achievable through successful entrepreneurial activities because it compels the process of production, promotes industrialization and capital formation, as well as minimize income discrepancy and gap. Different studies and survey has conducted just to observe how the food market needs varied by definite standards in different areas. Changes in some elements of PESTEL also influence the dietary needs of people. In entrepreneurship process, initiator view fast food industry more attractive because it satisfy four basic necessities of human being like as food , thirst , lodging and as well as travelling . By fulfilling these needs and updating its products, that industry not much influenced via economic and fiscal collapse.

Competition and contest within the food chain can be assumed as an undetectable fighting among traditional family sized food points and modern fast food chain. Some stereotype customers prefer traditional tastes and argued that local brands have ability to satisfy the needs of local diners. So that much harder for

entrepreneurs in international brands to regulate and amend creative and compatible ideas with culture of targeted market by fully understanding their taste and habits of eating. GEM (global Entrepreneurship Monitor) conducts yearly survey in US which discover Entrepreneurial attitude and covers current and emerging Entrepreneurs. PSED (panel study of entrepreneurial dynamics) , during survey found different studies for overcoming prospective and potential errors which recognized as survivorship partiality.

Formal fast food sector have become more essential aspect for entrepreneurial opportunity either in developing countries or developed. To contribute in economy by generating income, creating employment and reducing poverty by offering different opportunistic options. Financial achievement and self realization are foremost career reasons to actual and nascent initiatives. Financial motive is significantly associated with growth and development intentions. In Malaysia, from 14<sup>th</sup> Nov to 20<sup>th</sup> 2011 , GEW (Global Entrepreneurship Week) held which discuss the inspiration of young initiatives how they embrace creativity updated knowledge and innovativeness. Global Entrepreneurship Week (GEW) is an association and work as pressure group about new generation unleashes their creativity to search for better ways through utilizing youth capabilities, aptitude and networks. So they can develop and nurture creative and innovative business ventures by having significant influence on their own lifestyle, folks, and society. Their state provide them different opportunities to take initiative for start-up by providing exposure about entrepreneurship and corporate entrepreneurship with the help of institution, preplanned agendas and conferences. EIM entrepreneurship Institute Malaysia work as professional development association that give membership to Entrepreneurs and corporate entrepreneurs. Mission of this institute concerned with 'Implication of theory' and think that entrepreneurship can be present caught as well as thought. EIM offers training and development programs also by mentoring where Entrepreneurs and intrapreneurs seek better understanding of entrepreneurial activities and strategic management.

Most of the research studies determine entrepreneurship as the phase of passion either establish new venture or entrepreneurship to carry on current business by adopting creativity and innovation. Initiative being passionate about making business venture more successful and committed to opportunities, while become creative and innovative in order to achieve competitive edge in the dynamic market.

The aim of this study is to explore the impact of entrepreneurship process on fast food chain, how much change occur in sales growth and profitability of fast food industry by updating its products and satisfying the demanding customers.

### **Literature Review**

This research study is going to review the literature of Entrepreneurship, corporate entrepreneurial activities, Entrapreneurships, innovation, adaptation of new trends while meeting the needs of customers. According to the Minnitiem & Levesque (2008:603) individual takes initiative with strong enthusiasm also carrying forms of arbitrage involved monetary risk. corporate entrepreneurship activities reinforce to maintain market share and develop stability in company's position in current market even as allow them to come into innovative and more productive growth fields.

According to Zahra, Filatotchev and Wright (2009:248). Entrepreneurship encompass an act of corporate creativity that occurs inside or outside by exploiting opportunities to expand and sustain a venture , building and developing entrepreneurial team and managing required resources for long term capital gain. ( Aardt, Hewitt, Bendeman, Bezuidenout, Rensburg, Aardt, Van Der Bank and Visser (2011:04) Encouraging and co-operative settings and environment, partial and bounded access to infrastructures and market as starting new ventures but when they got experience through initial attempt, after this bring out error free results and achieved all planned objectives within short time frame. (Ekasi Entrepreneurship Conference, 2012).

Young and infantile Entrepreneurs either in formal or informal setup is on the developing stage and this research deal by the former generation which must shape their society through creative ideas and innovative solutions (Bremmen, 2013). Mostly frequent challenge for entrepreneurs to face limited monetary resources and updated knowledge, technical skills and mentoring by professional trainers during development programs provided by entrepreneurial development institute. (Makhafola, 2013). According to Manzini & Mdebuka, (2013) so as to develop more sustainable and prolong Income, they try to empower their personnel , attract potential customers and as well as reduce the stereotype thought of people regarding formal setup. Entrepreneurship possessed proactive strategic planning and direction just to provide corporate vision for innovativeness. . (Turró, et al., 2013) Different research studies revealed that entrapreneurship is adequate for the business ventures in rising economies of Asian countries to avail entrepreneurial opportunities and advanced technology in pursuit of venture innovativeness in dynamic market. Yan Yu et al, (2013).

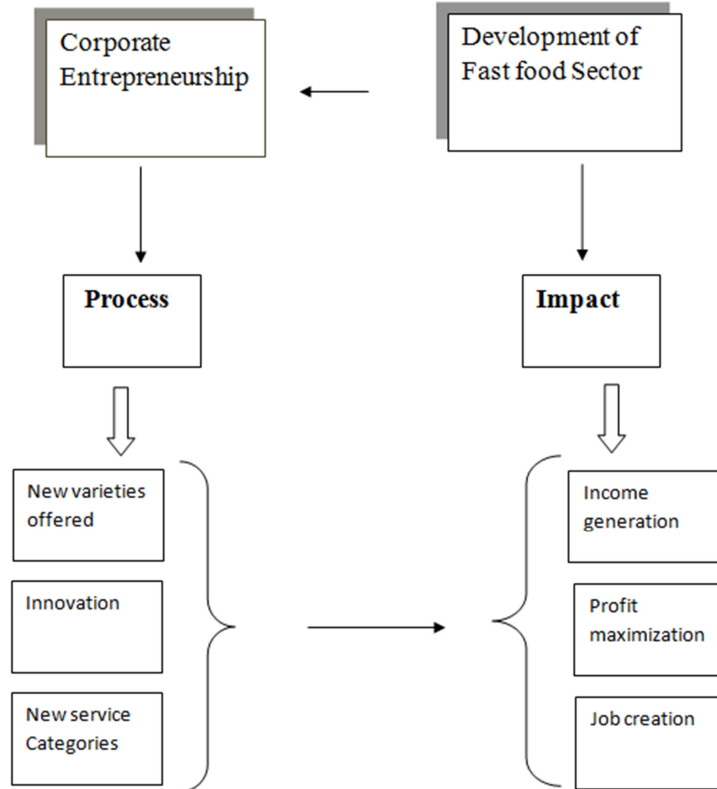
### **Objective of study**

Main objective of this research is to understand the corporate entrepreneurial affects on formal fast food sector in Pakistan. This sector has much influenced on the workers and operators with reference to employment generation and variation in economic conditions. By offering innovation in terms of new varieties of food items

attract the potential as well as retain the current customers. corporate Entrepreneurs have to emphasize on each key element of change which customers willing to view in their franchise either in the form of major service innovation, product line extension or style change. By adopting any new service categories they try to enhance the profitability, income as well as opportunities for employment.

### Conceptual Framework

Based on cited literature review, following conceptual framework or model has been developed



### Research Methodology

Keep in mind the objectives of study, research rely on quantitative and qualitative study, aim and intend to depict the influence of entrepreneurial practices on formal food sector in different cities of Pakistan. Data collection for primary research, structured questionnaire is used just to get fully exhaustive information from respondents on the impacts of corporate entrepreneurship of food venture. Questionnaire also discovers improved and enhanced quality of life as well as stable economic conditions. Total 30 corporate entrepreneurs answered the questions all of these people is located in different cities of Pakistan. To get understanding of contemporary research study on fast food sector, it also emphasize on a broad array of books, research journals, corporate reports, by this develop the theory and discussion. Observation method has been used to view and observe the perception and relations of customers with the entrepreneurs and corporate entrepreneurs

### Results & Discussion

Table: 1

Regression Analysis- Income generation

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.859	.386	4.814	.000
	Variety	.048	.089	.102	.593

a. Dependent Variable: income

Regression analysis is performed to test the corporate entrepreneurship influence on formal fast food sectors that is showed in above table. Regression results show  $\beta$  value is positive .102 and level of significance is  $.000 < .005$  which is less than standard. It reveals that positive relationship among income generation and new

offered varieties it means that food ventures by offering different new sort of product varieties, in this way they can enhance revenue and got stable economic position in market. Correlation outcome shows that positive and significant relationship between new offering and income enhancement (sig= .593 r = .102)

**Table : 2**  
**Regression Analysis- Profit**

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	5.759	.722		7.976	.000
	innovation	-.379	.688	-.104	-.551	.586

a. Dependent Variable: profit

Statistical analysis is performed to test the corporate entrepreneurial impact on profitability of fast food sector. In table 2, Results reveal that no more change occur in profit due to launching innovation in food venture due to high cost bearing in production. The value of  $\beta$  is .379(Which is negative) and according to result R Square is .011 which implies as 1% change in profit is occurred by innovation which is less significant. If corporate entrepreneurs of food ventures adopt change in its products and also maintained its cost then they can earn profitability. In Correlation outcome, profit and innovation is negatively correlated as shown above ( r = -.104)

**Table:3**  
**Statistical Analysis – Job Creation**

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	6.698	2.801		2.391	.024
	NSC	-.651	.648	-.187	-1.005	.324

a. Dependent Variable: job creation

Regression Analysis is performed to test the linkage among new service categories and job creation. In accordance to finding both variables are negatively correlated with each other. Regression model is developed to find out the significance which reveals by  $p = .324 > .005$ . The value of  $\beta$  is -.651 that is more cleared new service categories has no more significant influence on job creation means food venture adopt and execute new service categories in terms of major change to minor one but could not become the source of employment. They are performed their tasks by existing workforce. So entrepreneurship process is the major contributor of creating job opportunities but the corporate entrepreneurship enhance income of the business venture by offering new varieties.

### Conclusion

In this research study all key words and questions has been identified, study objectives has cleared and review of literature has been developed to get understanding of entrepreneurship and corporate entrepreneurship concepts , innovation ,new service categories . It is concluded that formal fast food sector generates and enhance income and wealth by offering different new varieties in food item. But it is crystal cleared by finding that food business venture by launching innovation through major change in products , could not maximize profit it may be due to bearing high production cost. if they maintained its production cost then by adopting major change in venture enhance market share, satisfy demanding customers on adequate charges. Corporate entrepreneurship also proved no more significant source of creating employment. Got understanding the food intrapreneurs attributes and traits will helpful for destination marketing association to aid and assist formal fast food ventures.

### Direction for Future Research

Future research study must deal with how greatly and through what methods food corporate entrepreneurs stimulates themselves become the part of creativity and innovation from minor change to major change by reducing production cost and generate maximum revenue. Aspirant corporate entrepreneurs will discover potential and useful this latest information about vital issues in food sector. By analyzing advanced information and execute it in current business practices by increasing efficiency for positivity, minimize deficit elements and

improve overall performance and productivity. Though this research efforts has emphasized just on three determinants of corporate Entrepreneurship (New varieties offered, innovation, new service categories ). So many others determinants of corporate entrepreneurship also subsists that demands investigation with respect to different measures of performance and productivity in formal fast food sector.

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Table: 1  
 Regression Analysis- Income Generation

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.102 <sup>a</sup>	.010	-.025	.25686

a. Predictors: (Constant), variety

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.019	1	.019	.292	.593 <sup>b</sup>
	Residual	1.847	28	.066		
	Total	1.867	29			

a. Dependent Variable: income

**Descriptive Statistics**

Descriptive Statistics			
	Mean	Std. Deviation	N
variety	4.3000	.53498	30
income	2.0667	.25371	30

**Correlation**

Correlations			
		variety	Income
variety	Pearson Correlation	1	.102
	Sig. (2-tailed)		.593
	N	30	30
income	Pearson Correlation	.102	1
	Sig. (2-tailed)	.593	
	N	30	30

Table: 2  
 Regression Analysis- Profit

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.104 <sup>a</sup>	.011	-.025	.67685

a. Predictors: (Constant), innovation

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.139	1	.139	.304	.586 <sup>b</sup>
	Residual	12.828	28	.458		
	Total	12.967	29			

a. Dependent Variable: profit

b. Predictors: (Constant), innovation

**Descriptive Statistics**

	Mean	Std. Deviation	N
innovation	1.0333	.18257	30
profit	5.3667	.66868	30

**Correlations**

		innovation	Profit
Innovation	Pearson Correlation	1	-.104
	Sig. (2-tailed)		.586
	N	30	30
Profit	Pearson Correlation	-.104	1
	Sig. (2-tailed)	.586	
	N	30	30

Table: 3  
 Regression Analysis- Job creation

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.187 <sup>a</sup>	.035	.000	1.62604

a. Predictors: (Constant), NSC

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.668	1	2.668	1.009	.324 <sup>b</sup>
	Residual	74.032	28	2.644		
	Total	76.700	29			

a. Dependent Variable: job creation

b. Predictors: (Constant), NSC

**Descriptive Statistics**

	Mean	Std. Deviation	N
NSC	4.3000	.46609	30
Job creation	3.9000	1.62629	30

**Correlations**

		NSC	Job creation
NSC	Pearson Correlation	1	-.187
	Sig. (2-tailed)		.324
	N	30	30
Job creation	Pearson Correlation	-.187	1
	Sig. (2-tailed)	.324	
	N	30	30

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