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Intrapreneurship and Business Performance among Micro, Small and Medium Enterprises in the Philippines

Abstract

This study aimed to evaluate the intrapreneurship and business performance of micro, small, and medium enterprises in Iloilo City, Philippines. Intrapreneurship includes new business ventures, innovation, self-renewal, and proactiveness. Business performance includes financial and market performance. Survey data were collected from 162 enterprise owners or managers from industries such as manufacturing, wholesale, retail trade and repair services, accommodation/food services, financial and insurance services, and others. The results confirm a positive correlation between intrapreneurship and business performance. A significant difference was detected in the level of innovativeness when enterprises were grouped according to their business type. The majority of the enterprises were operating for between 5 and 14 years, mostly micro enterprises and sole proprietorships. Marketing and operations activities were highly practiced by the enterprises. Support from other entities was rated the highest in comparison with partnerships with academe and government support. The highest mean score for proactiveness indicates a high level of intrapreneurship. Medium enterprises and those operating for 45 or more years have very high market performance. To encourage an intrapreneurship culture within the organization, where creativity and innovation can be fostered to enhance business performance, an efficient and effective intrapreneurship program is recommended.

Keywords:

intrapreneurship; business performance; micro; small and medium enterprises

Introduction

Micro-, small-, and medium-sized enterprises (MSMEs) have been affected by rapid and dynamic changes in

the global business environment. MSMEs hold approximately 90% of enterprises and more than 50% of all jobs worldwide (Kituyi, 2020). They are regarded

as the foundation of economies worldwide and contribute significantly to the growth of the global economy and the generation of jobs. These businesses face challenges such as increased competition; the ability to adapt to rapid changes in market demand and technology; and capacity constraints in knowledge, creativity, and innovation (Yoshino & Hesary, 2016).

Modern businesses must continually reevaluate the purpose of their existence and improve flexibility because of the escalating levels of competition and globalization of markets. Companies are under pressure to respond to circumstances, redefine the marketplaces in which they compete, and develop new business models in line with the recently created conditions (Stoilkovska, Milenkovska, & Ristovska, n.d.).

Over 70% of the working population is employed by MSMEs, accounting for 99.5% of all registered firms in the Philippines. There are 995,745 (99.5%) MSMEs out of 1,000,506 active business firms nationwide (Philippine Statistics Authority, 2019). The country's score of 3.8, ranking 5th out of 10 ASEAN countries, was described by the (NEDA) Director Dacanay as modest. One of the main issues that needs to be solved to realize the sector's potential and play a growth-promoting role is access to capital, technology, and market.

Innovation is important to an organization's growth and prosperity in a world where customer needs are becoming complex (Ahmed & Shepherd, 2010). Successful firms have found answers in the ongoing innovation process, which is a crucial aspect of intrapreneurship (Stoilkovska et al., n.d.). Intrapreneurship was first developed as a concept to demonstrate how large corporations innovate. This should be prioritized as a key management strategy for all businesses, as it has been developed to improve corporate performance (Baruah & Ward, 2015). This is an essential capacity for encouraging corporate innovation and growth (Sinha and Srivastava, 2013; Woo, 2018).

Miranda (2020) demonstrated that majority of company leaders in the Philippines view innovation as essential in the face of market uncertainty. Furthermore, 88% of decision makers in the country see innovation as a tool that can hasten development. Since innovation is a key component of intrapreneurship, it is critical to understand how inventive MSMEs are in the nation. The Philippines was ranked 50th on the Global Innovation Index (GII) 2020. It rose to the 54th spot in 2019, from the 73rd position in 2018. The GII 2020 study revealed that the nation's innovation performance was above expectations for its stage of economic development for the 2nd year in a row. This signifies that a country's corporate sector is becoming more inventive. Government support is crucial to raising a nation's innovation rating. Even though the GII ranking has significantly improved, Philippine business entities should continue to innovate to boost productivity.

From 2014 to 2016, Iloilo City continuously cut the Cities and Municipalities Competitive Index (CMCI) released by the National Competitive Council (2017). More than 100 cities were evaluated for their economic dynamism, efficiency, and infrastructure, and the city was ranked among the top 10 most competitive cities. Iloilo City improved its competitiveness by 21 notches, moving up to 11th place among 33 highly urbanized cities (HUCs) from 32nd place in 2017 to 8th place in 2016, as shown in the CMCI. It was ranked 9th in 2019 and 12th in 2020 (Department of Trade and Industry, 2021). Iloilo City was not in the top 10 in 2017, 2018, and 2020. One of the pillars of a city's competitiveness is economic dynamism, and MSMEs, as members of the business community, contribute to the improvement of this sector.

Researchers have conducted studies on the relationship between intrapreneurship and business performance; however, these studies apply only to large businesses. Aca, Topal, and Kaya (2012) restricted participants in their study

to the top executives of Turkish manufacturing enterprises with 100 or more employees. Delic, Alibegovic, and Mesanovic's (2016) study included large production companies that employ managers. Since large enterprises are the focus of most research studies, researchers would like to investigate whether MSMEs would produce different results.

This study offers details on the value of intrapreneurship in terms of new business ventures, innovation, self-renewal, and proactiveness as a strategy to help MSMEs enhance the efficiency of their operations, including financial and market performance. The findings of this study may serve as a foundation for an intrapreneurship program that MSMEs in Iloilo City may choose to implement through the Department of Trade and Industry (DTI). This initiative aimed to increase business performance by strengthening the intrapreneurship culture within the company and opening the door for potential partnerships among MSMEs, the government, academia, and private businesses. This study aims to determine the relationship between intrapreneurship and business performance among MSMEs in Iloilo City, Philippines.

Literature Review and Hypothesis Development

The Schumpeterian Entrepreneurship Theory and Resource-based View Theory served as the foundation of this study.

Innovation and knowledge are the two fundamental catalysts for successful enterprises. In a highly competitive market, entrepreneurs need creativity to increase earnings. New products and production techniques are introduced, new markets are opened, new sources of raw materials are found, and new sources for an entity are implemented as part of this innovation. These factors have led to economic development. The Schumpeterian philosophy is visible in how small, medium, and large businesses operate, which emphasizes company enhancements to raise

sales, profits, and market value (Mehmood, 2019). Innovation and financial success for a company are the results of entrepreneurial action (Schumpeter, 1939, as cited in Sampath, 2017).

The resource-based View (RBV) theory emphasizes an entity's internal resources (David, 2017). For a company to survive in today's dynamic business world, it must have competitive advantage. For an organization to remain competitive, it must constantly acquire, grow, or upgrade its resources and capabilities (Shafique, 2016). Resources do not simply refer to a company's tangible assets but to the organization's personnel. Their expertise and innovativeness are crucial components for enhancing an entity's business performance. Intrapreneurship is crucial for a company to be profitable and competitive. An enterprise should have the necessary resources and abilities; as a result, the type of personnel and resources the corporation possesses would increase the likelihood that it would launch a new business endeavor. With internal and external resources, the business would be more proactive in implementing new strategies and actively taking risks to gain competitive advantage.

Organizations that engage in intrapreneurial activities are anticipated to have greater levels of growth and profitability than those that do not (Antoncic 2000). Intrapreneurship adds favorably to an organization's profitability goals (Taştan & Gücel, 2014; Schachtebeck & Nieuwenhuizen, 2018). A company's profitability and expansion may be advantageous (Antoncic, 2007). Profitability was found to be inversely associated to self-renewal (Fitzsimmons, Douglas, Antoncic & Hisrich, 2005). Intrapreneurship is a method of reviving and enhancing organizational performance (Shin, 2013). The intrapreneurship dimensions of new business ventures, innovativeness, self-renewal, and proactiveness were adapted from Antoncic and Hisrich (2001).

Hypotheses of the Study

1. No significant difference exists in the level of intrapreneurship of MSMEs in terms of new business venturing, innovativeness, self-renewal, and proactiveness, when grouped according to years of operation, forms of business, types of business, and size of business.
2. No significant difference exists in the business performance of MSMEs in terms of financial and market performance when grouped according to their business profile.
3. There was no significant relationship between the business environment in terms of internal factors such as management, marketing, accounting and finance, production, research and development, and management information systems and external factors in terms of government support, partnership with academe and support from other concerned entities, and intrapreneurship of MSMEs.
4. No significant relationship exists between the business environment, in terms of internal factors such as management, marketing, accounting and finance, production, research and development and management information system and external factors in terms of government support, partnership with academe and support from other concerned entities, and business performance of MSMEs; and
5. No significant relationship exists between MSMEs' intrapreneurship, in terms of new business venturing, innovativeness, self-renewal, and proactiveness, and business performance in terms of financial and market performance.

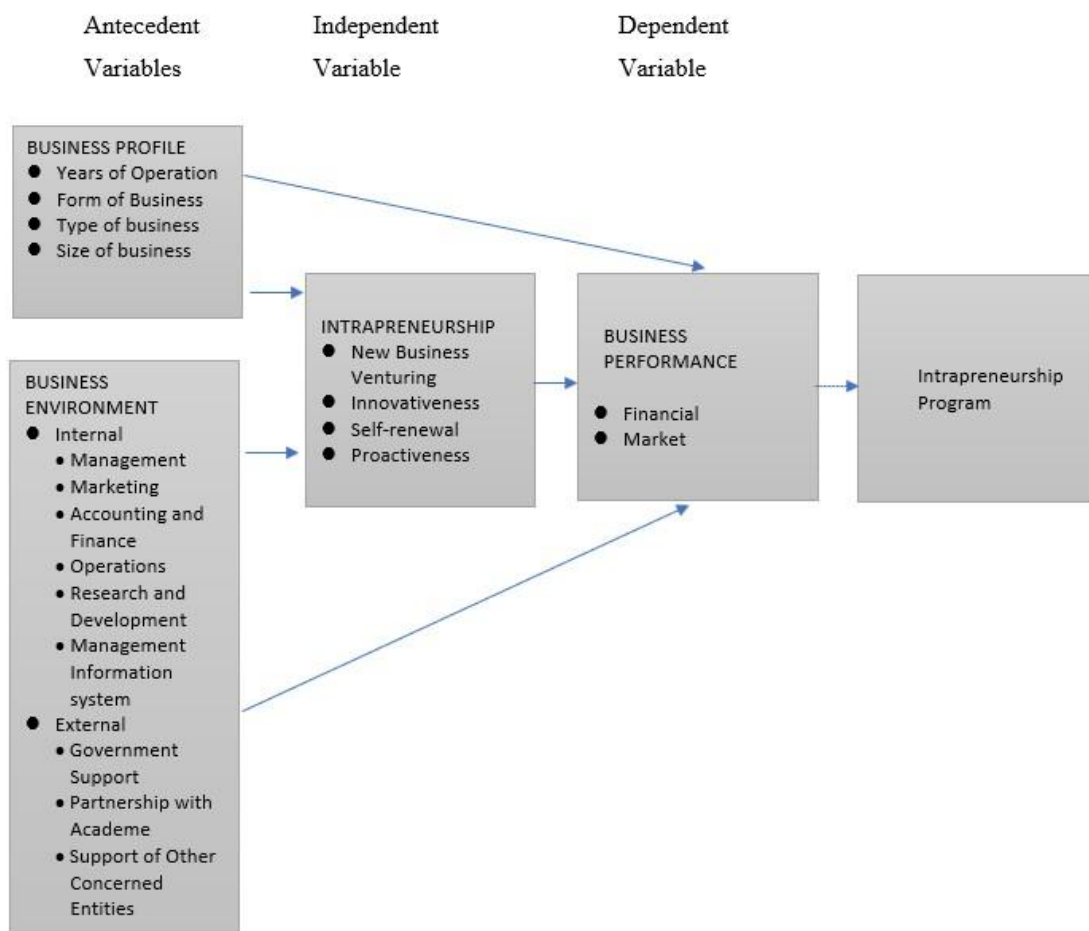


Figure 1. Paradigm of the Study

Source: Author

Conceptual Framework

The interplay between the variables is shown in Figure 1. This study utilized the concept of the connection between intrapreneurship and business performance in terms of financial and market performance because of its direct impact on the creation of an intrapreneurship program among MSMEs. Companies engaged in intrapreneurial activities, such as developing new concepts and product lines, regularly reinventing their goods and services, and keeping abreast of market trends, may see an increase in profitability and an improvement in business performance, which then contributes to the country's economic development.

Method

Research Design and Sampling

This study employed a descriptive-correlational research design using convenience sampling. The MSMEs chosen for this 2021 study are those involved in the top five industrial sector activities: wholesale and retail commerce, auto and motorcycle repairs, accommodation and food services, manufacturing, other service activities, and financial and insurance activities. A total of 162 owners and managers participated in the study. Some business owners declined to participate because of the negative effects of the Covid 19 pandemic. Enterprises with fewer than 200 employees who had been in operation for at least five years were included in the study.

Research Instrument and Data Analysis

The research instrument was reviewed and validated by experts and was examined by the university's research ethics committee. Frequency, mean, and standard deviation were used for the descriptive statistics. Analysis of Variance (ANOVA) was used to test differences, and Pearson's *r* was used to test the relationship between variables.

Table 1.
Business Profile of Micro, Small and Medium Enterprises (MSMEs)

Category (n=162)	F	%
Years of operation		
5-14 years	103	63.6
15-24 years	32	19.8
25-34 years	17	10.5
35-44 years	5	3.1
45 years and above	5	3.1
Form of Business		
Sole proprietorship	125	77.2
Partnership	7	4.3
Corporation	29	17.9
Cooperative	1	0.6
Type of Business		
Manufacturing	24	14.8
Wholesale, Retail Trade or Repair	39	24.1
Accommodation/Food	41	25.3
Financial and insurance	4	2.5
Other Services	54	33.3
Size of Business		
Micro	105	64.8
Small	54	33.3
Medium	3	1.9

Source: Author

Table 2.
Business Environment of MSMEs in terms of Internal and External Factors

Category	M	SD
Internal factors		
Management	4.12	0.68
Marketing	4.22	0.67
Accounting and Finance	4.17	0.66
Production/Operation	4.24	0.67
Research and Development	3.82	0.85
Management Information System	3.98	0.80
External factors		
Government Support	3.30	0.95
Partnership with Academe	3.41	0.83
Support from Other Concerned Entities	3.47	0.90

Note. Mean description: 4.21 - 5.00, very high; 3.41 - 4.20, high; 2.61 - 3.40, moderate; 1.81 - 2.60, low; 1.00 - 1.80, very low

Source: Author

Results and Discussions

The descriptive statistics of the MSME profiles are shown in Table 1.

Table 2 demonstrates how heavily practised marketing (M=4.22) and production/

operations (M=4.24) activities are within the organization.

The external variables of the corporate environment demonstrate that MSMEs receive a high level of academic partnership (M=3.41), support from other concerned entities (M=3.47), and a moderate level of government assistance (M=3.30), with an SD of less than 1, indicating credible data. Support from the government had the lowest mean score.

With the highest mean for businesses operating for 45 years and above (M=3.83) and the lowest mean for those operating for 35–44 years (M=3.51), this demonstrates that the level of new business venturing is high, regardless of the years of operation (see Table 3). The level of new business ventures is high for sole proprietorship (M=3.65), partnerships (M=3.94),

and corporations (M=3.87), with a very high level for cooperatives (M=4.57) when categorized by business form.

Grouping MSMEs by business type reveals that new business venturing occurs at a high rate, with the exception of financial and insurance companies, which have a moderate level (M = 3.32). When MSMEs are classified by business size, the level of new business venturing is high, with a mean of 3.65 and 3.86 for micro and small companies, respectively.

New social businesses are developed through cooperative enterprises (Zahra et al., 2008; Camargo Benavides, 2021). MSMEs in Iloilo City engage in a high level of new business ventures, regardless of how long they have been in operation or how large their enterprises are. The results demonstrate that no differences were found using ANOVA for years of operation (p=0.982), business form (p=.372), company type (p=.222), and business size (p=.266). The intrapreneurship level, when categorized by business profile, does not change significantly; hence, the null hypothesis should not be rejected.

Table 4 shows that MSMEs operating for 35–44 years have moderate levels of innovation (M=3.40), and the rest have high innovativeness levels.

When businesses are grouped by legal structure, sole proprietorships, partnerships, and corporations all display high levels of innovativeness (M=3.72, M=3.77, and M=4.01, respectively), whereas cooperatives display very high levels of innovativeness (M=4.58). Francisco-Atienza (2014) found that the majority of cooperatives in universities on Panay Island were innovative, supporting this finding. Furthermore, the results indicate that when enterprises are grouped by business type and size, there is a high level of innovation.

These findings suggest that MSMEs understand the value of innovation in the workplace. The ability to successfully apply new sources of change and

Table 3.
Differences in Intrapreneurship
in Terms of New Business Venturing
Classified by Business Profile

Business Profile	M	Description	F-value	Sig.
Years of Operation				
5-14 years	3.72	High	.100	.982
15-24 years	3.72	High		
25-34 years	3.69	High		
35-44 years	3.51	High		
45 years and above	3.83	High		
Form of Business				
Sole proprietorship	3.65	High	1.050	.372
Partnership	3.94	High		
Corporation	3.87	High		
Cooperative	4.57	Very High		
Types of Business				
Manufacturing	3.96	High	1.444	.222
Wholesale, Retail Trade or Repair	3.50	High		
Accommodation/ Food	3.79	High	3.32	.222
Financial and insurance	3.32	Moderate		
Other Services	3.72	High		
Size of Business				
Micro	3.65	High	1.335	.266
Small	3.86	High		
Medium	3.38	Moderate		

p<0.05

Source: Author

opportunity in the form of enhanced processes, services, and products requires innovation. It is a component of the modern technological era that presents opportunities for corporate competitiveness and organizational profitability (Stoilkovska et al, n.d.).

The ANOVA results revealed no statistically significant differences when innovativeness was categorized by years of operation ($p=0.591$), business form ($p=.286$), and enterprise size ($p=.274$). There is a significant difference when MSMEs are categorized by business type ($p=.020$); hence, the null hypothesis is rejected. The innovation level in manufacturing firms differs significantly from that in firms for wholesale, retail, or the repair of cars and motorcycles. Different industries place different values on innovation (Cavazos, 2012; Sampath, 2017).

Table 5 shows that businesses operating for 45 years or more have a very high level of self-renewal ($M=4.40$). When a firm continues for a

longer period, it regularly modifies its strategies to fit the current state of its operations. It aims to update or reimagine how their business units compete and can be viewed through the updating of the fundamental principles around which they are founded (Guth and Ginsberg 1990; Zahra 1991). The level of self-renewal is high for sole proprietorships ($M=3.79$), partnerships ($M=3.69$), and corporations ($M=3.98$) but very high for cooperatives ($M=4.67$). Cooperatives, despite receiving less attention, support social stability and reduce poverty in the communities where they are founded (Simmons & Berchall, 2008; Camargo-Benavides et. al, 2021).

Table 5 demonstrates that MSMEs have a high level of self-renewal when categorized by business type, with manufacturing firms having the highest mean ($M=4.12$), wholesaling, and finance and insurance having the lowest mean.

MSMEs that had been in business for 45 years or more and those that had been in business for

Table 4.
Differences in Intrapreneurship
in Terms of Innovativeness When Classified by Business Profile

Business Profile	M	Description	F-value	Sig.
Years of Operation				
5-14 years	3.80	High	.703	.591
15-24 years	3.66	High		
25-34 years	3.89	High		
35-44 years	3.40	Moderate		
45 years and above	4.12	High		
Form of Business				
Sole proprietorship	3.72	High	1.272	.286
Partnership	3.77	High		
Corporation	4.01	High		
Cooperative	4.58	Very High		
Type of Business				
Manufacturing	4.10	High	3.016	.020
Wholesale, Retail Trade or Repair	3.45	High		
Accommodation/Food	3.89	High		
Financial and insurance	3.42	High		
Other Services	3.83	High		
Size of Business				
Micro	3.70	High	1.305	.274
Small	3.92	High		
Medium	3.92	High		

** $p<0.05$*

Source: Author

Table 5.
Differences in Intrapreneurship
in Terms of Self-Renewal when Classified by Business Profile

Business Profile	M	Description	F-value	Sig.
Years of Operation				
5-14 years	3.83	High		
15-24 years	3.74	High	1.736	.145
25-34 years	3.97	High		
35-44 years	3.13	Moderate		
45 years and above	4.40	Very High		
Form of Business				
Sole proprietorship	3.79	High		
Partnership	3.69	High	.781	.506
Corporation	3.98	High		
Cooperative	4.67	Very High		
Type of Business				
Manufacturing	4.12	High		
Wholesale, Retail Trade or Repair	3.57	High	2.002	.097
Accommodation/Food	3.87	High		
Financial and insurance	3.46	High		
Other Services	3.88	High		
Size of Business				
Micro	3.76	High	1.189	.307
Small	3.96	High		
Medium	3.94	High		

$p < 0.05$

Source: Author

Table 6.
Differences in Intrapreneurship
in Terms of Proactiveness when Classified by Business Profile

Category	M	Description	F-value	Sig.
Years of Operation				
5-14 years	3.95	High	1.454	.219
15-24 years	3.93	High		
25-34 years	4.25	Very High		
35-44 years	3.60	High		
45 years and above	4.40	Very High		
Form of Business				
Sole proprietorship	3.93	High	1.270	.287
Partnership	4.02	High		
Corporation	4.16	High		
Cooperative	4.83	Very High		
Types of Business				
Manufacturing	4.17	High	1.661	.162
Wholesale, Retail Trade or Repair	3.75	High		
Accommodation/Food	4.09	High		
Financial and insurance	3.96	High		
Other Services	3.97	High		
Size of Business				
Micro	3.94	High	.390	.678
Small	4.05	High		
Medium	3.94	High		

$p < 0.05$

Source: Author

25 to 34 years (M=4.25) both exhibited very high levels of proactiveness, as shown in Table 6. When classified by business form, corporations (M=4.16), partnerships (M=4.02), and sole proprietorships (M=3.93) have high levels of proactiveness, but cooperatives (M=4.83) have extremely high levels.

There is a high level of proactiveness when enterprises are classified by business type. Manufacturing businesses had the greatest mean (M=4.17) of the five groups, while wholesale, retail, and repair businesses had the lowest (M=3.75). MSMEs have high level of proactiveness. The findings demonstrate that there is no significant difference in the level of proactiveness when businesses are classified by years of operation ($p=0.219$), business form ($p=.287$), business type ($p=.162$), and business size ($p=.678$), thus, the null hypothesis is not rejected.

Table 7 demonstrates that, regardless of how long they have been in business, MSMEs have high financial performance, regardless of business

form: sole proprietorship (M=3.49), partnership (M=3.62), corporation (M=3.49), and cooperative (M=3.89). The outcome indicates high financial results for manufacturing (M=3.75), lodging/food (M=3.41), finance and insurance (M=3.75), and other services (M=3.54) but only fair results for wholesale, retail trade, or repairs (M=3.36).

When businesses are classified by size, micro and small businesses have high financial performance, with mean values ranging from 3.48 to 3.56, while medium-sized businesses have moderate financial performance. When MSMEs were classified by year of operation ($p=0.162$), form of business ($p=.886$), business type ($p=.138$), and business size ($p=.678$), no differences were detected using an ANOVA in terms of financial performance. Thus, the null hypothesis is not rejected.

Table 8 shows that when MSMEs are classified by years of operation, those in business for 34–44 years have a moderate level of market performance (M=3.33), whereas those that have

Table 7.
Differences in Business Performance in Terms of Financial Performance among MSMEs When Classified by Business Profile

Business Profile	M	Description	F-value	Sig.
Years of Operation				
5-14 years	3.47	High	1.661	.162
15-24 years	3.46	High		
25-34 years	3.75	High		
35-44 years	3.22	High		
45 years and above	3.96	High		
Form of Business				
Sole proprietorship	3.49	High	.216	.886
Partnership	3.62	High		
Corporation	3.49	High		
Cooperative	3.89	High		
Types of Business				
Manufacturing	3.75	High	1.766	.138
Wholesale, Retail Trade or Repair	3.36	Moderate		
Accommodation/Food	3.41	High		
Financial and insurance	3.75	High		
Other Services	3.54	High		
Size of Business				
Micro	3.48	High	.390	.678
Small	3.56	High		
Medium	3.30	Moderate		

$p<0.05$

Source: Author

been in business for 45 years or more have a very high level (M=4.35).

Moreover, when MSMEs are classified by business structure, sole proprietorship (M=3.82), partnerships (M=3.67), and corporations (M=4.03) have high market performance, while cooperatives have moderate performance (M=3.08). High market performance suggests that businesses prioritize their locations, prices, and offerings. Market performance is high when businesses are organized by business type. The mean score for manufacturing businesses was the highest (M=4.05), while that for wholesale, retail, and repair businesses was the lowest (M=3.60). Regardless of industry classification, MSMEs in Iloilo City perform well in the market.

When businesses are classified by size, the outcome for medium-sized businesses stands out from that of micro and small businesses, having a very high market performance (M=4.64). This demonstrates how effectively medium-sized

businesses sell their goods and services in Iloilo. Prior to the Covid 19 pandemic, the city's economy thrived, which led to a particularly strong market performance among medium-sized businesses. Western Visayas' gross domestic product (GDP) grew by 8.3 percent in 2015, the fastest in the long term (NCC, 2017).

Table 8 shows that there is no significant difference in market performance between the groups for years of operation ($p=0.127$), business form ($p=.303$), company type ($p=.054$), and business size ($p=.109$). As a result, the null hypothesis is not rejected.

Table 9 demonstrates a moderately significant positive correlation between management ($r=.542$, $p=.000$), accounting and finance ($r=.517$, $p=.000$), production/operations ($r=.515$, $p=.000$), R&D or R&D ($r=.680$, $p=.000$), management information system or MIS ($r=.635$, $p=.000$), and new business ventures.

Table 8.
Differences in Market Performance
among MSMEs when Classified by Business Profile

Business Profile	M	Description	F-value	Sig.
Years of Operation				
5-14 years	3.82	High	1.821	.127
15-24 years	3.80	High		
25-34 years	4.08	High		
35-44 years	3.33	Moderate		
45 years and above	4.35	Very High		
Form of Business				
Sole proprietorship	3.82	High	1.224	.303
Partnership	3.67	High		
Corporation	4.03	High		
Cooperative	3.08	Moderate		
Types of Business				
Manufacturing	4.05	High	2.375	.054
Wholesale, Retail Trade or Repair	3.60	High		
Accommodation/Food	3.88	High		
Financial and insurance	3.42	High		
Other Services	3.94	High		
Business Size				
Micro	3.80	High	2.245	.109
Small	3.90	High		
Medium	4.64	Very High		

$p<0.05$

Source: Author

Marketing and new business venturing have a weak positive connection that is statistically significant ($r=.470$; $p=.000$). It demonstrates how elements related to the internal company environment have an impact on how entrepreneurial an intrapreneur is. Because there is a substantial association between the mentioned variables, the researcher should reject the null hypothesis.

The findings of studies by Soriano and Martinez (2007), Ireland et. al. (2009), and Alpkan, et al. (2010) indicate intrapreneurship is influenced by several internal elements as stated by Felicio, et al. (2012) support the strong association between internal factors and intrapreneurship.

Table 9 demonstrates a moderately substantial positive correlation between new company ventures and partnerships with academic institutions ($r=.631$, $p=.000$) and support from other interested parties ($r=.634$, $p=.000$). The results indicate a weak but statistically significant positive association ($r=.374$, $p=.000$) between government funding and new business ventures. The weak correlation shows that not all MSMEs

take advantage of this support, even though they are aware of government programs. The significant relationship between government support and new business ventures shows that MSMEs took advantage of the government's assistance in creating new businesses. A significant relationship exists between business venturing and the external business environment; therefore, researchers should reject the null hypothesis.

Table 10 demonstrates a moderately significant positive correlation between the level of innovativeness among MSMEs and management ($r=.511$, $p=.000$), accounting and finance ($r=.518$, $p=.000$), operations ($r=.550$, $p=.000$), and MIS ($r=.619$, $p=.000$). Marketing and innovation had a weak but statistically significant positive correlation ($r=.478$, $p=.000$). Innovation and R&D are significantly and positively correlated ($r=.715$, $p=.000$). Extensive research and development (R&D) can result in innovation. It demonstrates how aspects of the internal corporate environment impact how innovative an intrapreneur is. There is a substantial association between the given variables; hence, the null hypothesis is rejected.

Table 10 shows that there is a moderately substantial positive association between innovativeness and collaboration

Table 9.
Correlation Between Business Environment and Intrapreneurship in Terms of New Business Venturing

Category	New Business Venturing	
	r	p-value*
Internal Factors		
Management	.542	.000
Marketing	.470	.000
Accounting and Finance	.517	.000
Production/Operations	.515	.000
Research and Development	.680	.000
Management Information System	.635	.000
External Factors		
Government Support	.374	.000
Partnership with Academe	.631	.000
Support from Other Concerned Entities	.634	.000

*at significant level $p<.05$

Source: Author

Table 10.
Correlation Between Business Environment and Intrapreneurship in Terms of Innovativeness

Category	Innovativeness	
	r	p-value*
Internal Factors		
Management	.511	.000
Marketing	.478	.000
Accounting and Finance	.518	.000
Production/Operations	.550	.000
Research and Development	.715	.000
Management Information System	.619	.000
External Factors		
Government Support	.347	.000
Partnership with Academe	.673	.000
Support from Other Concerned Entities	.601	.000

*at significant level $p<0.05$

Source: Author

with academe ($r=.673$, $p=.000$), and between innovativeness and support from other concerned entities ($r=.601$, $p=.000$). The results indicate a weak but statistically significant positive association ($r=.347$, $p=.000$) between government support and innovation. Innovation and the external business environment are significantly correlated; therefore, researchers should reject the null hypothesis. Environmental setting is related to innovativeness, which is a significant starting point for further conceptual development (Woodman et al., 1993; Shin, 2013).

There was a significant moderate positive correlation among management ($r=.547$, $p=.000$), accounting and finance ($r=.511$, $p=.000$), production/operations ($r=.613$, $p=.000$), R&D ($r=.663$, $p=.000$), MIS ($r=.614$, $p=.000$) and self-renewal. There was a significantly weak positive correlation between marketing ($r=.446$; $p=.000$) and self-renewal (see Table 11). Despite the strength of the correlation, the relationship between internal business environment factors and the level of self-renewal is significant. Thus, the null hypothesis was rejected.

Furthermore, there was a significant moderate positive correlation between partnerships with academe ($r=.655$, $p=.000$),

support from other concerned entities ($r=.606$, $p=.000$), and self-renewal. A significantly weak positive correlation between government support and self-renewal ($r=.354$, $p=.000$) exists; hence, researchers should reject the null hypothesis.

There is a significant moderate positive correlation between management ($r=.513$, $p=.000$), accounting and finance ($r=.526$, $p=.000$), production/operations ($r=.551$, $p=.000$), R&D ($r=.502$, $p=.000$), MIS ($r=.547$, $p=.000$), and proactiveness. There was a significantly weak positive correlation between marketing ($r=.423$; $p=.000$) and self-renewal. They show varied degree of correlation from low to high, but it can be noticed that the relationship among variables is significant (see Table 12). Hence, the null hypothesis is rejected.

Furthermore, there was a very weak positive correlation between government support and proactiveness ($r=.206$, $p=.009$). The results show that there is a significantly weak positive correlation between partnership with academe and proactiveness ($r=.477$, $p=.000$), while there is a significantly moderate positive correlation ($r=.515$, $p=.000$) between support from other concerned entities and proactiveness. Thus, the null hypothesis was rejected.

Table 11.
Correlation Between Business Environment and Intrapreneurship in terms of Self-Renewal

Category	Self-Renewal	
	r	p-value
Internal Factors		
Management	.547	.000
Marketing	.446	.000
Accounting and Finance	.511	.000
Production/Operations	.613	.000
Research and Development	.663	.000
Management Information System	.614	.000
External Factors		
Government Support	.354	.000
Partnership with Academe	.655	.000
Support from Other Concerned Entities	.606	.000

$p<0.05$

Source: Author

Table 12.
Correlation Between Business Environment and Intrapreneurship in terms of Proactiveness

Category	Proactiveness	
	r	p-value*
Internal Factors		
Management	.513	.000
Marketing	.423	.000
Accounting and Finance	.526	.000
Production/Operations	.551	.000
Research and Development	.502	.000
Management Information System	.547	.000
External Factors		
Government Support	.206	.009
Partnership with Academe	.477	.000
Support from Other Concerned Entities	.515	.000

* $p<0.05$

Source: Author

Table 13 shows that there is a significant relationship between internal business environment factors and financial performance. A weak positive correlation exists between management ($r=.480, p=.000$), marketing ($r=.408, p=.000$), R&D ($r=.383, p=.000$), MIS ($r=.369, p=.000$), and financial performance. There was a moderate positive correlation between accounting and finance ($r=.577; p=.000$), operations ($r=.521; p=.000$), and financial performance; thus, the null hypothesis was rejected.

The significant positive relationship between internal business environment factors and financial performance is consistent with Antoncic's (2007) findings, wherein firms that nurture organizational structures and values related to intrapreneurial activities are more likely to have high growth and profitability, and an innovation-supportive culture is not significantly related to firm growth (Chandler et al., 2000).

Table 13 shows a significant but very weak positive correlation between government support and financial performance ($r=.234, p=.000$). There was a significantly low positive correlation between partnership with academe ($r=.442, p=.000$), support from other entities ($r=.429,$

$p=.000$), and financial performance. Thus, the null hypothesis was rejected. Government support functions as an important formal regulatory mechanism that remedies the adverse effects of institutional voids and helps organize effective business operations (Shu et al., 2015; Shu et al., 2019). A positive relationship has been found between receiving a subsidy in the form of soft loans or grants and growth (Becchetti and Trovato, 2002; Story, 2012).

Table 14 shows a significant relationship between internal business environment factors and market performance. A weak positive correlation exists between management ($r=.489, p=.000$), marketing ($r=.486, p=.000$), production/operations ($r=.462, p=.000$), R&D ($r=.447, p=.000$), MIS ($r=.368, p=.000$), and financial performance.

There is a moderate positive correlation between accounting and finance ($r=.512; p=.000$) and market performance; thus, the null hypothesis is rejected. Butarbutar and Lisdayanti (2020) discovered a strong correlation between the internal environment in marketing and market performance. The better a company understands and identifies its internal environment, the more successful it is in developing marketing strategies that ultimately increase market performance.

Table 13.
Correlation Between Internal and External Business Environment and Financial Performance

Category	Financial Performance	
	r	p-value*
Internal Factors		
Management	.480	.000
Marketing	.408	.000
Accounting and Finance	.577	.000
Production/Operations	.521	.000
Research and Development	.383	.000
Management Information System	.369	.000
External Factors		
Government Support	.234	.003
Partnership with Academe	.442	.000
Support from Other Concerned Entities	.429	.000

* $p<0.05$

Source: Author

Table 14.
Correlation Business Environment and Market Performance

Category	Market Performance	
	r	p-value*
Internal Factors		
Management	.489	.000
Marketing	.486	.000
Accounting and Finance	.512	.000
Production/Operations	.462	.000
Research and Development	.447	.000
Management Information System	.368	.000
External Factors		
Government Support	.392	.000
Partnership with Academe	.460	.000
Support from Other Concerned Entities	.441	.000

* $p<0.05$

Source: Author

Table 14 shows a significant correlation between market performance and the external business environment. Government backing ($r=.392, p=.000$), academic partnerships ($r=.460, p=.000$), and support from other entities ($r=.441, p=.000$) all have weak positive links with market performance. The null hypothesis should be rejected because there is an association between the external business environment characteristics and the market performance of MSMEs.

In Table 15, the data show that there is a significant moderate positive correlation between intrapreneurship and new business venturing ($r=.515, p=.000$), innovativeness ($r=.534, p=.000$), self-renewal ($r=.549, p=.000$), proactiveness ($r=.554, p=.000$) and financial performance. The findings of Antoncic and Hisrich (2001) that intrapreneurship is highly, positively, and significantly related to both growth and profitability are consistent with the results of this study, which show a significant relationship between intrapreneurship and financial performance. There is a positive linear association between intrapreneurial activity and firm performance (Said and Mohamad, n.d.).

Innovativeness (Rajapathirana and Hui, 2018) has a direct impact on organizational success. Yıldız, Baştürk, and Taştan Boz (2014) also noted in their study that innovation positively affects corporate performance. Fitzsimmons et al. (2005) discovered an alternative result regarding self-renewing. Proactiveness and company success have a favorable and significant association, according to Jalali et al. (2013). Thus, the null hypothesis was rejected.

Table 15.
Correlation Between Intrapreneurship and Financial Performance

Category	Financial Performance	
	r	p-value*
New Business Venturing	.515	.000
Innovativeness	.534	.000
Self-Renewal	.549	.000
Proactiveness	.554	.000

* $p<0.05$

Source: Author

The data in Table 16 show that there is a significant moderate positive correlation between intrapreneurship in terms of new business venturing ($r=.598, p=.000$), innovativeness ($r=.584, p=.000$), self-renewal ($r=.589, p=.000$), proactiveness ($r=.590, p=.000$), and market performance; hence, the researchers should reject the null hypothesis.

Innovation has a favorable impact on customer service. Businesses can transform transient benefits from a single new product into sustained, superior performance with many product releases and maintain market dominance (Rubera and Kirca, 2012).

Table 16.
Correlation Between Intrapreneurship and Market Performance

Category	Market Performance	
	r	p-value*
New Business Venturing	.598	.000
Innovativeness	.584	.000
Self-Renewal	.589	.000
Proactiveness	.590	.000

* $p<0.05$

Source: Author

Conclusions

Most MSMEs have been in business for five to 14 years. The majority of businesses were sole proprietorships and micro companies and engaged in other services businesses. In contrast to partnerships and corporations, sole proprietorships are more popular among business owners because they are the simplest and least expensive type of business. Given that this sector of the economy has lower labor costs and staff requirements than the manufacturing sector, it may be concluded that the majority of them are in the service sector.

Marketing and operations are prioritized by entities in Iloilo City among the internal business environment aspects. The primary focus of MSMEs is to develop methods for maintaining high-quality and cost-competitive individual products and

services, ensuring that they have clearly defined target markets and efficient sales management.

Government support was evaluated at a moderate level. Respondents believed that assistance from government agencies was not very strong.

Intrapreneurship is prevalent in MSMEs. Although it was highly developed in all four dimensions, proactiveness received the highest score. This demonstrates the ability of organizations to adapt to technological changes. They were researching competitors, assessing risks, discovering opportunities, and adapting to business laws and regulations.

MSMEs experience strong business outcomes in terms of market and financial performance. When businesses were categorized into manufacturing, wholesale, retail, repair of automobiles and motorcycles, lodging/food services, financial and insurance enterprises, and other services, there was a considerable variation in the level of innovativeness. Innovation and self-renewal in cooperatives are extremely high. Companies with a history of 25–34 and 45 years or more have a very high level of proactivity. The very high level of self-renewal among entities that had been in existence for more than 45 years was a sign that self-renewal increased with the length of the operation. Clearly, when an organization runs for a longer time, it regularly modifies its tactics to fit the current state of the industry. Marketing strategies that focus on accessibility of place of business, fair prices, and the quality of offered goods and services can lead to very high market performance among medium-sized businesses that have been in operation for 45 years or more. Market performance improves as companies operate for longer.

A high degree of correlation between innovativeness and R&D is favorable. The association between government help and new business venturing shows that MSMEs used government support to launch new companies, whereas the weak association shows that not all

MSMEs use support, even when they are aware of government initiatives.

The level of intrapreneurship and business performance of the MSMEs were significantly correlated. Numerous researchers' conclusions corroborate the findings of this study, which found a significant connection between intrapreneurship and financial performance. There is a strong correlation between intrapreneurship and business performance, suggesting that the more MSMEs engage in intrapreneurship, the better their performance.

Implications

The findings of this study provide a basis for the development of an efficient and effective intrapreneurship program that can meet the demands of MSMEs. The high level of intrapreneurship in terms of new business venturing, innovativeness, self-renewal, and proactiveness was a sign that entrepreneurship existed within these entities. The significant relationship between intrapreneurship and business performance implies that intrapreneurship positively affects an organization's overall performance. This intrapreneurship programme attempts to foster the creative thinking skills of an organization's staff. Every company has a person or a group of people who are proactive, inventive, and creative in their approach to creating something new and unusual. Firms can encourage their workforce to adopt an innovative mentality and foster an entrepreneurial culture, leading to the creation of new products and markets. This intrapreneurship program can be strengthened through collaboration with government agencies, business organizations, and academia.

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