



Intrapreneurship as a means of achieving the efficacy of state-owned enterprises



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Background: It is an imperative in most developing countries to improve the performance of state-owned enterprises (SOEs) and increase the accessibility of government services. State-Owned Enterprises have failed to deliver public value rendering most public services inefficient and costly.

Aim: This study seeks to establish the influence of intrapreneurship on the efficacy of SOEs in developing countries, using the case of SOEs in Zimbabwe.

Setting: The study took place in Zimbabwe.

Methods: A mixed research approach was adopted and a cross-sectional survey was used to collect data from managers and employees of 39 parastatals in Zimbabwe. Data collection instruments were questionnaires and interviews. Data collected from questionnaires were analysed using STATA version 12, whilst data from interviews were analysed using thematic analysis.

Results: The study revealed that most SOEs have a poor Intrapreneurship Orientation, which negatively impacts on the performance of SOEs. Most SOEs generally have low innovation levels and have not developed services in line with customer demands. However, SOEs anchored in an intrapreneurial architecture were able to achieve greater public value through innovations which led to better service delivery and cost effectiveness.

Conclusion: This study advances the notion of intrapreneurship and revealed that intrapreneurship is a strategic workplace activity which can be adopted to improve SOEs' organisational performance.

Contribution: This study provides empirical evidence of the use of intrapreneurship as a systematic mechanism that can improve organisational performance and assist SOEs in emerging economies to sustain their role as engines of economic growth.

Keywords: intrapreneurship; intrapreneurial orientation (IO); organisational performance; public value; service delivery.

Introduction

The Fourth Industrial Revolution (4IR), as well as the effects of the unprecedented coronavirus disease 2019 (COVID-19) pandemic, has created profound and substantial changes in the business environment worldwide. These changes make it vital for businesses to re-examine their mandate and implement strategies in pursuit of greater levels of public value. State-owned enterprises (SOEs) are created to meet specific goals and mandates that the private sector would not usually find profitable. However, the situation in most developing countries is that these institutions are unable to provide services for which they have been established. Gaspar, Amaglobeli and Garcia-Escribano (2019) highlight that service provision is poor, and at least 2 billion people continue without basic services such as safe water, reliable electricity, health services and quality education. Hence the increased call from academics, politicians, legislators and the general public for the implementation of intrapreneurship in SOEs as a way to deliver public value and carry out their mandate effectively.

Intrapreneurship, defined as entrepreneurial activities within the existing organisation, is an essential component of organisational and economic growth and development (Antoncic & Hisrich 2011). Literature suggests intrapreneurship as a vehicle that creates indispensable and invaluable outcomes for society, such as social initiatives, alleviating poverty (Foss, Klein & Bjornskov 2019).

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Thus, the concept has been envisaged as a means by which organisations can improve service delivery and organisational performance (OP). The results of intrapreneurship within organisations can be measured in terms of increased revenue, profit, product innovation, new strategic business units, concern for public welfare and social legitimacy (Witzell 2014). Intrapreneurship is valuable to the economy as it helps in increasing efficiency in resource utilisation, improving organisational systems and enhancing effectiveness, thereby generating public value.

The concept of intrapreneurship has not been well embraced by SOEs as a way of creating value, and Taylor (2018) highlights that till today value in these organisations is generated mainly by adherence to standards with little attention being paid to innovation. Most of these enterprises have not devised new services and methods of service delivery to provide a better experience for customers, and this resulted in poor service delivery and inefficiency. Johnson (2012) asserts that the public sector provides most of the employment and consumes most of the expenditure on the budgets of most economies in Africa, about 60% of the Gross Domestic Product (GDP). This clearly underscores the strategic importance of SOEs to the economies of developing countries and makes good performance an imperative. The lack of literature on the effects of intrapreneurship on OP in public sector entities, as well as the continued poor performance of these organisations, has had a dent on the economies of these countries. Subsequently, most African countries would benefit from a well-functioning public sector that generates public value efficiently. Hence, the purpose of this study is to investigate the influence of intrapreneurship on the efficacy of SOEs. This is based on the premise that intrapreneurship is an engine of economic growth and development. The research intends to answer the following question: What is the influence of intrapreneurship on the OP of SOEs? The research objectives are to examine the influence of intrapreneurial orientation (IO) on the intrapreneurial activities in SOEs, as well as to establish the influence of intrapreneurship on OP of SOEs. The study contributes to literature on public intrapreneurship and OP and contributes to new knowledge on fostering the practice of intrapreneurship in SOEs of developing countries.

Literature review

Intrapreneurship and organisational performance

The phenomenon of intrapreneurship assists in rejuvenation and improvement of OP. It assumes the presence of organisations with an intrapreneurial spirit and considers intrapreneurship as a tool to regenerate firms (Taylor 2018). Its purpose, therefore, is to exploit the entrepreneurial spirit of small organisations and blend it with the culture of the established entities. Intrapreneurship involves extending the firm's sphere of proficiency through efficient resource utilisation and innovation. Burgelman (2004) states that the results of intrapreneurship within established organisations can be measured in terms of

increased revenue, profit, product innovation, growth in market share and social legitimacy.

The term 'intrapreneurship' was propounded by Pinchot in 1985 (Pinchot 1985), which in short means 'intra-corporate entrepreneurship', and describes the exercise of entrepreneurship in established organisations. The term is used in business today to refer to organisations that are willing to explore opportunities and create innovative products or services (Kearney & Meynhardt 2016). Intrapreneurship refers to the process that is implemented within an enterprise and that yields outcomes such as the development of new products, services, technologies, strategic business units, administrative techniques and new or enhanced strategies (Heinonen 2013). Intrapreneurship is therefore considered as entrepreneurship within an established business entity.

Meynhardt and Diefenbach (2012:764) describe intrapreneurship in the public sector as 'a process of creating value for citizens by bringing together unique combinations of public and private resources to exploit social opportunities'. Like entrepreneurship, Taylor (2018) highlights the fact that intrapreneurship is a dynamic phenomenon producing innovative ways of addressing socio-economic issues of the citizens. These two authors provide a contextual definition of intrapreneurship in the public sector, which embodies providing services to citizens whilst focusing on social-capital values. Thus, intrapreneurship in public sector organisations is mainly concerned with the quest for innovation, generation of new revenue streams as well as provision of enhanced services whilst attaining optimum levels of efficiency and effectiveness (Heinonen 2000; Morris, Kuratko & Covin 2011). This alludes to a paradigm shift in the modus operandi of public sector organisations.

According to Kuratko and Hodgetts (2007), the need for intrapreneurship has risen from a variety of unrelenting challenges amongst big organisations, including unproductivity, decline in quality of services and the increased calls for improved service delivery. The authors outline that in response to dynamic changes in both the internal and external business environments, most organisations in the private and public sectors are turning to intrapreneurship because they are not experiencing the sustainable innovation, growth and value creation that they once had.

Organisational performance is a complex measure that includes variables such as financial indicators as well as non-financial measures such as growth and internal performance such as business process efficiency and productivity (Kearney, Hisrich & Roche 2017). Mbo (2017) highlights that financial measures remain the objective and most relevant given the commercial mandate of SOEs; however, non-financial measures are considered to measure performance. These include operational efficiency measures, customer-oriented measures and social impact measures. The justification is that high performance in non-financial

aspects tends to lead to good financial performance in the future. Hence, the two measures present two sides to the coin (Kearny et al. 2017). Gursay (2016) highlights that innovation is a tool of intrapreneurship by which employees participate in creative processes, and experiment on new ideas, which results in the implementation of new production methods or new products or services for both current or new markets. These factors affect the financial performance of the organisation, especially, return on sales (ROS) and return on assets (ROA). Hence, organisational performance (OP) is influenced by intrapreneurship through advancing innovation and is manifested in method efficiency, increased activity and profitability.

Taylor (2018), highlights the paradox for SOEs, as being faced with growing demands for both more rapid product development and enhanced features and improved quality and lower prices. Faced with these demands, intrapreneurship becomes a viable option for rejuvenating these large organisations so that they continue to meet the demands of their customers and improve service delivery more cost-effectively. Intrapreneurship in this light is viewed as strategic renewal, which implies that it is a persistent search to adjust a firm's strategic capabilities and intent. It is a process that allows organisations to alter their traditional path by transforming their strategic intent and capabilities (Fabian 2013). Hence, it is key to the continued survival and competitiveness of a firm. Intrapreneurship as strategic renewal can take three forms, strategic direction, an initiative from below or autonomous business creativity or any combination of these three. The outcomes of public sector intrapreneurship include increased effectiveness, efficiency, customer satisfaction and citizen involvement (De Vries 2016). Thus intrapreneurship can be seen as a mechanism to improve public sector efficacy by progressing innovation.

State-owned enterprises

State-owned enterprises or parastatals are 'enterprises where the state has significant control through full, majority, or significant minority ownership' (Organisation for Economic Co-operation and Development 2015). Governments establish parastatals because of market failure as well as the imperative to provide critical societal needs such as health, education and infrastructure (Kearney & Meynhardt 2016). Hence, SOEs are entities owned by the state on behalf of the public to offer essential services.

State-owned enterprises have had a significant impact on the global economy over the past decade. Gasper, Medas and Raylea (2019) highlight that the number of SOEs amongst the Fortune Global 500 has risen from 9% in 2005 to 23% in 2018, including a more noteworthy presence in the top rankings. The contribution of SOEs to the global GDP has also increased significantly driven by SOEs in emerging markets and their net worth of \$45 trillion that amounts to half of the global GDP. The heavy presence of SOEs in the Global 500 has been influenced by Chinese

parastatals. This increase in SOEs worldwide, is, therefore, an indication that well-governed and financially sound SOEs are fundamental to any economy, as they generate both public value and economic value.

In terms of the Constitution of Zimbabwe, SOEs are expected to implement generally acknowledged standards of good corporate governance in their operations as well as retain commercial viability (Musanzikwa & Mandith 2018). However, the prevailing situation is that most SOEs in Zimbabwe are performing dismally both in terms of service delivery and meeting organisational objectives. Altana and Kojo (2019) postulate that whilst key SOEs such as the Grain Marketing Board (GMB), National Oil Company of Zimbabwe (NOIC) and Zimbabwe Electricity Supply Authority (ZESA) receive the bulk of the Reserve Bank of Zimbabwe (RBZ)'s foreign exchange allocation for the importation of grain, fuel and electricity, respectively, the organisations continue to perform far below the government's expectations. Also inter-parastatal debt has caused serious liquidity problems amongst SOEs and with depreciated financial position, parastatals are failing to execute their mandate effectively.

This is in tandem with the observation by Gasper et al. (2019) who state that SOEs are performing dismally in most developing countries where more than 2 billion people remain without access to water and 0.8 billion lack dependable electricity. Thus, SOEs in Zimbabwe are exhibiting poor performance and not generating the optimal public value desired by their citizens. This confirms the need to implement a strategic change option that ensures innovation, business process renewal and improved OP and this is intrapreneurship. Literature has revealed that SOEs face a dynamic environment and increased anticipations to enhance public value creation, and scholars and practitioners have recurrently advocated that SOEs should become more intrapreneurially focused to react to these challenges. Whilst in the private sector, the benefits of a firm's IO have been researched on expansively, such studies are rare in the public sector. However, the public and private sectors differ immensely, which makes the transferability of concepts difficult. Hence, it is of paramount importance to understand the factors leading to the success of intrapreneurship in SOEs, and how intrapreneurship is related to OP and creation of public value, in order to improve efficacy of public sector organisations. This is the thrust of this article.

Conceptual framework

Research theory on the influence of intrapreneurship on OP is still in its infancy and is mostly situated in entrepreneurship. Additionally, theoretical foundations of public sector intrapreneurship have not been adequately studied ensuing a vital need for contributions to both theory and practice (Kearney, Hisrich & Roche 2007). The focus of this research was to examine the influence of intrapreneurship on OP in selected SOEs in Zimbabwe. This is because intrapreneurship is alleged to contribute to the overall efficacy of businesses by harnessing the

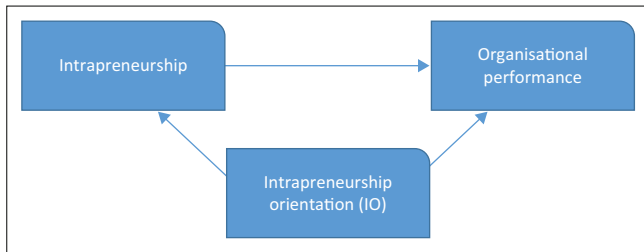


FIGURE 1: Conceptual model of the study.

strategic, tactical and operational activities to achieve optimal performance. This is achieved by adopting a positioning that is geared towards intrapreneurial activities, that is, a healthy IO. Intrapreneurship is related to IO, in that IO influences innovation in services as well as service delivery methods and so helps organisations to create value whilst executing its mandate (Wolcott & Lippitz 2007). Hence the development of the first hypothesis:

H1: There is a significant relationship between IO and Intrapreneurship in selected SOEs.

The study was influenced by the public value theory that was proposed by Moore (1995). Katsonsis (2019) defines public value as the worth created by the government through activities such as service provision, laws and regulations. Public value involves effectiveness in addressing what the public deems important in service delivery, as well as what they are entitled to. Moore (1995) cited in Katsonsis (2019) posited that public managers ought to partake in a degree of intrapreneurial decision-making, as this is how value is generated. This underscores the importance of managers in intrapreneurial activities which ultimately lead to public value creation. Grant et al. (2014) allude to the dimensions of public value as public satisfaction, economic value, service delivery quality, financial and non-financial performance. Hence, it is against these that we measure the public value delivery of SOEs. The authors conclude that organisations adopting the public value methodology will achieve greater organisational improvement. Hence the following hypothesis:

H2: There is a significant relationship between IO and OP in selected SOEs.

The study was also influenced by the balanced score-card developed by Kaplan and Norton (1992), which integrates financial and non-financial measures to deliver a 'balanced' assessment of OP (Mbo 2017). Thus, the OP variables considered for the study are financial (profitability, liquidity, budget execution rate), customer satisfaction (convenience of goods/services, customer care, pricing of goods and services, transaction methods and systems efficiency) and social impact (corporate social responsibility, governance and stakeholder involvement). Hence the following hypothesis:

H3: There is a positive significant relationship between intrapreneurship and OP in selected SOEs.

Research methodology

The study is influenced by the pragmatist paradigm. The underlying assumption of this philosophy is that collecting

different types of data using a mixed methods design provides a better understanding of the research problem (Leech & Onwuegbuzie 2016). Hence, a mixed-method research design was chosen for the study, on the premise that triangulation provides for credibility and makes firm the conclusions of the study (Creswell 2014). The study adopts a concurrent embedded approach, which simultaneously gathers both quantitative and qualitative data (Leech & Onwuegbuzie 2016). Hence, the study is a cross-sectional survey design. The benefit of being cross-sectional is that it is cost-effective, and there is potential to generalise the findings to large populations.

Population and sampling

In this research, the population comprises 78 SOEs spread across 13 sectors of the economy. The simple cluster sampling method was used to frame the SOEs population into groups (clusters) as per the sector of the economy. Teddlies and Tashakkori (2009), highlight that cluster sampling is used when there is a need to produce a more effective probability sample in view of monetary or time resources, or both. Three SOEs, from the thirteen sectors of the economy were chosen. Hence, 39 SOEs took part in the study. The target audience for questionnaires were from the five generic departments of SOEs, which are finance, human resources, information and communication technology (ICT), operations and marketing. State-owned enterprises have a generic structure that includes these five functions. Thus, participants were targeted from each of these departments and comprised junior employees, line managers and middle management. These are the people at the heart of intrapreneurship in SOEs. The total number of targeted respondents from the 13 organisations were 195 participants. The sample size was determined by the Krejcie and Morgan (1970) calculator to arrive at 150 respondents.

The key informants for interviews were senior management. Senior management is of particular importance as these do not only command intrapreneurship competencies of SOEs but also encourage and foster these amongst the employees. Hence, the researcher chose to interview the executives as these are the people behind strategy formulation and implementation in organisations. Senior management also influences IO, as well as the organisational culture of entities; thus, they provide a rich source of information regarding intrapreneurship within an organisation. Geographic location is another factor in considering interview participants. Because the researcher had preferred to have face-to-face interviews, there was a preference for parastatals located in the city of Harare; however, because of COVID-19 restrictions, most organisations did not permit visitors and as such interviews were held virtually via Zoom and Google Meet.

A questionnaire was the main data collection instrument for this study. A total of 150 questionnaires were distributed across the parastatals under study. The questionnaire contained closed-ended questions, because the study prioritised quantitative over qualitative data. The closed-ended questions generated quantitative data that the researcher easily analysed

using statistical tools. (Saunders et al. 2016). Interviews were held with open-ended questions in order to collect detailed views from senior management. The qualitative data triangulated the quantitative data thereby helping verify data obtained through quantitative means.

Data collected from the questionnaires were captured on a Microsoft Excel Spreadsheet uploaded on STATA version 12 and analysed using descriptive statistics, whilst those from the interviews were analysed by the thematic network analysis. Stata stands for Statistical Software for data science, and it is a software package for data manipulation, visualisation, statistics and automatic reporting (StataCorp 2011). Data obtained from the interviews were analysed thematically and coded for common patterns of thought. Presentation of quantitative data will be done in tables, whilst qualitative will be analysed using themes (Leech & Onwuegbuzie 2016)

Data analysis and presentation

Descriptive statistics

Demographic characteristics: A total of 148 questionnaires were collected, giving a response rate of 98.67%, which is very high. Women comprised 54.7% of the respondent population, whilst 45.3% were men. 6.7% of the respondents were Diploma holders, 10.6% were Higher National Diploma (HND), 62% had a Bachelor's degree, 18.7% had a Masters' qualification, whilst 2% were Ph.D. holders. The respondents were mainly from low management levels, 23.3% were general employees, 24.7% at the supervisory level, 19.3% were at junior management role, 25.4% at the middle management level and 7.3% at the senior management position. In terms of working experience, 11.4% of the respondents have less than 5 years experience, 23.6% have worked for between 6 and 10 years, while 23% have 11–15 years of experience and 42% have more than 15 years of working experience in SOEs. On organisational profile 50.2% of the organisations were fully government-owned, 40% had government majority shareholding, significant minority 8.6% and 1.2% were fully privatised entities. Regarding the nature of operations, 85.3% of the organisations were commercialised entities or profit making, whilst 14.7% were non-profit-making organisations. Large organisations comprised 60.3%, medium 32.7% and

small 7%. Figure 1 to Figure 9 summarise the demographic characteristics.

The IO index of the SOEs is 18.9 out of 35, which is generally low. Interview results also confirm this, as most of the senior managers stated that their organisations were moderate on IC and were particularly low on risk-taking capabilities. Intrapreneurial activity has a 7.2 index, which is very low. Interviews substantiate this as the majority of executives highlighted a low set of intrapreneurial activities, with most producing one new product or service per year or over a 3-year period for the benefit of customers. The executives also cited a low introduction or renewal of organisational techniques. Only a few cited that their organisations had new Strategic Business Units (SBUs).

Financial index is 12.7 out of 30, which is also low when compared with other OP indicators such as customer satisfaction index measuring 13 out of 20 and social impact index with an average of 9 out of 15. From the interviews with senior management, most confirm that SOEs are encountering liquidity challenges, have low budget execution rates and high inter-parastatal debts. Most of the SOEs are failing to meet their financial obligations and rely on government to give them money so that they remain viable. The executives attribute this to low innovation performance, as the entities

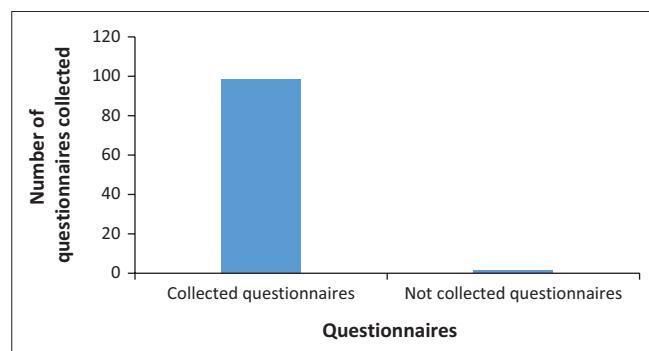


FIGURE 2: Response rate.

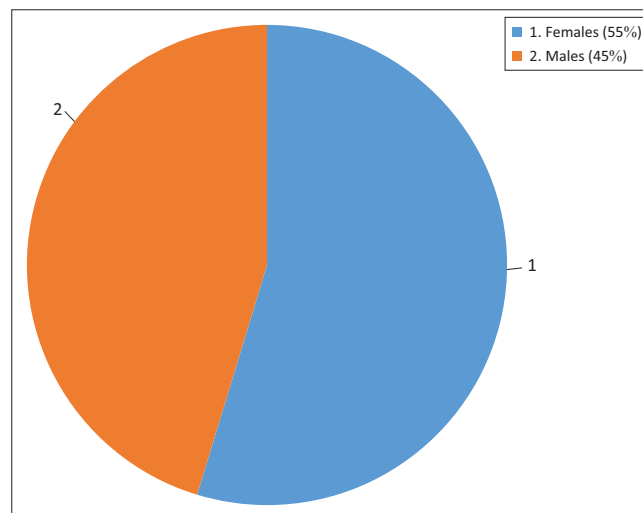


FIGURE 3: Respondents by gender.

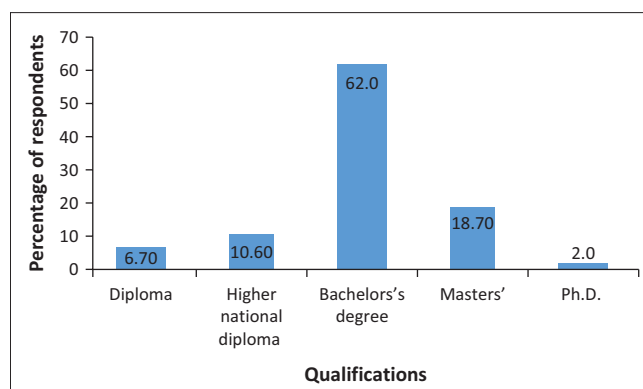


FIGURE 4: Level of education of respondents.

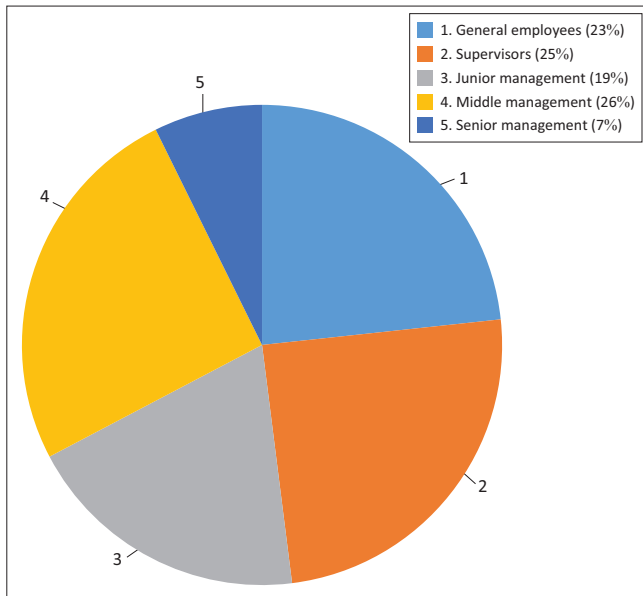


FIGURE 5: Respondents by level of management.

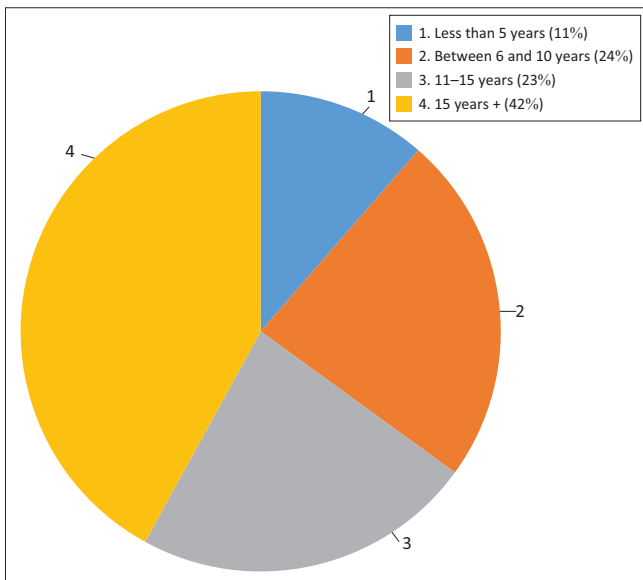


FIGURE 6: Respondents by length of service.

have no new ways of obtaining money from customers, compared with their counterparts in the private sector who are continuously innovating. The customer satisfaction index is nine, which is low. Most of the SOEs are not adequately meeting the expectations of their customers. Interview results confirm that public services are generally inaccessible, and the senior management admits that the transaction processes of obtaining goods or services are antiquated and generally not user-friendly. Most of the SOEs are still using old methods that do not resonate with current trends; most SOEs are still stuck in the physical realm when modern business operations are virtual or online. Most executives confirm that it is difficult to obtain their organisational services fully online, for most entities, the transaction has to be completed physically. The social impact index is seven that is satisfactory. Most SOEs seem to be performing satisfactorily on stakeholder involvement and corporate government compliance.

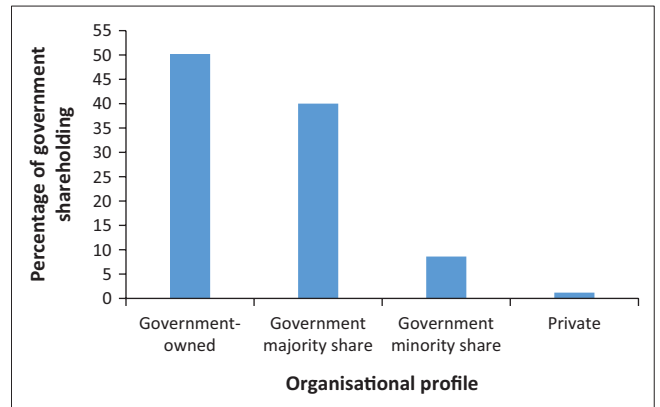


FIGURE 7: Organisational profile.

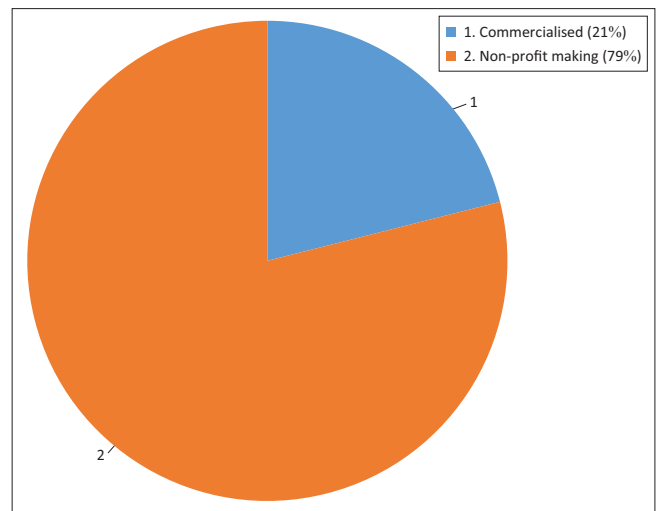


FIGURE 8: Nature of operations.

However, most SOE executives confirm that corporate social responsibility is still at very low levels.

Reliability and validity analysis

The study performed a factor analysis and the results are shown in Table 1.

The results in Table 2 show that indicator loadings range from 0.5 to a high of 0.845. According to Hair et al. (2019), factor loadings of 0.6 and above are acceptable in exploratory studies. Therefore, the indicator loadings were acceptable. The indicators were therefore a reliable measure of the constructs. The next test was for reliability using Cronbach's alpha and composite reliability (CR) as shown in Table 3.

The Cronbach's alpha value is above 0.7 indicating acceptable reliability. The CR values are also 0.7 and above (Nunnally & Bernstein, 1994) (Nunnally & Bernstein 1994). These values indicate acceptable reliability measures. The study applied the CR tests in addition to the Cronbach's alpha because the CR test is a more reliable test of reliability than the Cronbach's alpha (Hair et al. 2019). According to (Fornell & Larcker 1981) Average Variance Extracted (AVE) values of 0.5 and

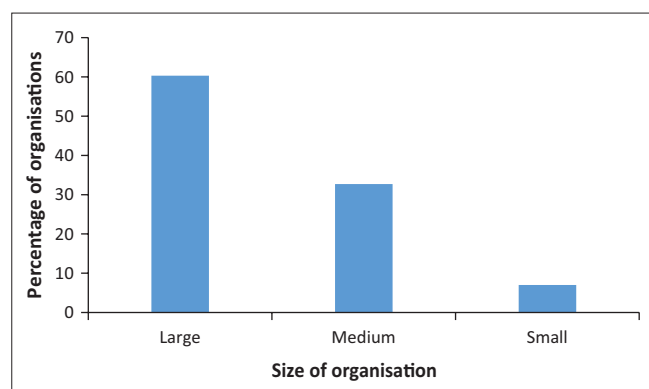


FIGURE 9: Size of organisation.

TABLE 1: Descriptive analysis of intrapreneurial orientation, innovation and performance.

Variables	Mean	SD
Intrapreneurial orientation index [5–35]	18.947	5.433
Intrapreneurial activity/innovation performance index [5–25]	7.233	5.355
Financial index [5–30]	12.740	5.524
Consumer satisfaction index [5–20]	13.040	3.738
Social impact index [5–15]	9.053	2.780

SD, standard deviation.

above provides a good measure of convergent validity. In this study, all AVE values were above 0.5 indicating convergent validity. This means the constructs explain at least 50% of the variance of its items (Hair et al., 2019). Therefore, the study met discriminant validity. Discriminant validity is important because it explains the extent to which a construct is empirically different from other constructs in the structural model (Fornell & Larcker 1981).

Coefficients of determination (R^2)

The R^2 of exogenous constructs were examined and show that IO significantly predicts the intrapreneurial activities of SOEs. This indicates that ($R^2 = 0.494$) representing 49.4% IO variability in innovation performance. There is a positive significant variation of intrapreneurship if the SOEs implement an intrapreneurial strategy. The results show that Intrapreneurship significantly predicts financial performance ($R^2 = 0.549$). Consequently, the SOEs with low innovation levels, which do not frequently produce new products or services, new administrative techniques, new service delivery techniques or new strategic business units, perform between low to average on financial performance. Results also show that intrapreneurship has a large effect on CSI ($R^2 = 0.547$), interviews with senior management confirm the findings as they attest that their organisations are not fully meeting client's expectations in terms of availability of new products and services, accessibility and ease of transaction processes). Results reveal that intrapreneurship has a moderate effect on social impact ($R^2 = 0.446$). Senior Management interviews also confirm moderate stakeholder involvement and overall low social impact.

These findings show that the practice of intrapreneurship has a positive influence on OP of SOEs and augments the public

TABLE 2: Structure loadings and cross loadings.

Variables	Intrapreneurial orientation	Intrapreneurial activity	Organisational performance
IO1	0.743	0.553	0.630
IO2	0.719	0.675	0.548
IO3	0.681	0.672	0.578
IO4	0.660	0.502	0.480
IO5	0.641	0.550	0.456
IO6	0.743	0.643	0.576
IO7	0.766	0.665	0.590
I1	0.635	0.879	0.620
I2	0.497	0.793	0.558
I3	0.543	0.822	0.547
I4	0.610	0.875	0.459
I5	0.572	0.857	0.575
F1	0.651	0.667	0.724
F2	0.581	0.520	0.605
F3	0.553	0.648	0.694
CSI-1	0.528	0.483	0.724
CSI-2	0.510	0.538	0.763
CSI-3	0.648	0.639	0.715
S1	0.642	0.563	0.777
S2	0.603	0.659	0.759
S3	0.656	0.668	0.796

IO, Intrapreneurial Orientation; I, Intrapreneurship; F, Finance; CSI, Corporate Social Responsibility; SI, Social Impact.

TABLE 3: Reliability statistics.

Cronbach's alpha	Number of items
0.965	65

TABLE 4: Summary of significance testing results of the structural model path coefficients.

Variable	Path coefficients	Beta	p	Decision
Intra > OP	0.069	0.27	0.001	Accept
IO > Intra	0.682	0.68	0.001	Accept
IO > OP	0.236	0.14	0.019	Accept

IO, intrapreneurial orientation; OP, organisational performance.

value theory. Through intrapreneurship, senior executives ensure that their organisations achieve increased customer satisfaction levels, increased social impact and improved financial performance, which are dimensions of public value. By ensuring that SOEs are constantly innovating to improve service delivery, managers assume their role in public value creation, as Moore (1995) highlights that it is the duty of public leaders to create public value.

The first objective of the study was to find out whether IO has a significant influence on intrapreneurial activity in parastatals. Hence, a positive significant result implies that an organisation's IO increases the intrapreneurial activity performed by an organisation. The findings reveal that IO in public sector organisations helps them to implement intrapreneurial activities and concurs with observations by Taylor (2018) that an organisation's predisposition towards processes, decision-making and practices that are intrapreneurial, increases the level of intrapreneurship.

Interview results also confirm that organisations with a low IO, that is, which are low on the intrapreneurial dimensions of agility, risk-taking, proactiveness and industry

competitiveness do not engage in many intrapreneurial activities. An interviewee highlighted that:

'[O]ur organisation is generally unresponsive to changes in the business environment, is very risk averse and more concerned with adhering to the old ways of carrying out tasks and service delivery. Basically, we don't innovate, we offer the same services in pretty much the same manner we used to about 10 years ago. Our risk-fearing nature has resulted in very low innovation activity and lack of intrapreneurship thereof.' (Participant 2, from undisclosed, 25 October 2020)

The findings reveal that the IO has a significant positive relationship with OP in parastatals ($\beta = 0.6$; $p < 0.01$). Interview findings confirm the findings from quantitative data as most participants alluded to the fact that low IO resulted in poor performance of parastatals. Another interviewee highlighted that:

'Our poor attitude towards intrapreneurship has resulted in our below average performance as we are not able to exploit opportunities in the business environment to make us competitive and organisations of excellence.' (Participant 13, from Bulawayo, 18 January 2021)

The results point towards the fact that IO in public sector organisations determines OP. The results concur with the recent findings from Aslam et al. (2020) who assert the importance of IO in increasing and enhancing the overall OP in public sector organisations. The study results are indicative of the fact that intrapreneurial traits and activities are important for organisations to survive and grow (Semrau et al. 2016).

The second objective of the study was to establish the influence of intrapreneurship on organisational performance. The study findings ($\beta = 0.27$, $p < 0.01$) reveal that intrapreneurship has positive significant influence on OP. Interview results also confirm the survey results, as most senior managers attribute low performance to a lack of intrapreneurial activity, whilst the few from successful enterprises cite intrapreneurial activity to improved OP. One senior manager commented:

'I have seen that our general lack of innovation and creativity has had a dent on our performance, we do not have anything new in our portfolio to create competitive advantage and also realise new revenue except for our old revenue lines which are diminishing because of competitors who are able to dish out new services and have crept into our market share.' (Participant 6, from Gweru, 10 November 2021)

The research findings therefore confirm that intrapreneurship has a positive influence on OP and cements the argument by Rankumise (2020:207) that adapting and encouraging intrapreneurship in the public sector results in benefits such as improved service delivery, better internal processes and improved turn-around time.

Discussion

This study demonstrated that intrapreneurship has a significant influence on OP of SOEs, which is an essential contribution to the theory and practice, (Kearney et al. 2017;

Wiklund & Shepherd 2003). The results are indicative of the positive impact of intrapreneurship on organisational performance. The SOEs that engage in intrapreneurial activities experience greater efficacy in terms of financial performance, customer satisfaction and social impact. In line with these findings, Kuratko et al. (2011) indicated that intrapreneurship intended to improve the product or service, the market and an internal organisation and customer satisfaction of the business.

Intrapreneurship is heavily influenced by an organisation's IO, which is measured by dimensions of agility, innovativeness, risk-taking capabilities, industry competitiveness, proactiveness and autonomy. Literature confirms that a strong IO results in social innovations that contribute to increased revenue, cost efficiency and higher budget execution rates, as well as customer experience and social impact in SOEs, hence the importance of intrapreneurship in the rejuvenation of OP (Rehman, Au Yong & Choong 2021; Zahra 1991). This also boosts economic activity by improving the quality of services provided to citizens and increases public value generated by these entities. Thus SOEs can improve their efficacy and maintain their role as engines of economic development when they practise intrapreneurship and produce social innovations that consequently result in improved OP (Mbo 2017).

Conclusion

Intrapreneurship is rarely achieved in SOEs in emerging economies such as Zimbabwe; hence, managers (top, middle and first-line) within SOEs have unique roles to play in supporting, expediting and fostering intrapreneurial actions and innovation in firms. Moore (1995) asserts that it is the duty of public leaders to create public value. Thus, leadership in SOEs has the duty to make these entities agile and build a resilient IO. This also calls on the executive teams of SOEs to convince the Board of Directors of the need to invest in intrapreneurship by having a clear-cut intrapreneurship strategy so that budgets are set aside for intrapreneurial activities.

Intrapreneurship helps SOEs in achieving efficacy by ensuring efficient utilisation of resources and by also redirecting resources towards more productive activities (Bruton, Ahlstrom & Si 2015). Although the innovation system in SOEs has always been characterised as being patchy, managers in these entities may change this by being cognisant of the impact of intrapreneurship on the overall performance of an organisation and thereby building an intrapreneurial architecture in SOEs. Consequently, SOEs that have intrapreneurial leaders who have the capacity to develop strategies and ensure that their organisations proffer innovations will achieve efficacy by operating efficiently and effectively.

In light of the findings, the study recommends the following:

- State-owned enterprises must be in a position to embrace a strategic planning culture, which embraces a long-term

perspective of intrapreneurial objectives, regardless of the size of the organisation as well as the nature of operations. Furthermore, the strategic direction and readiness must be understood by different levels of management to align their tasks and activities with the innovation targets of the firm. This will foster an adequate change management strategy that sustains intrapreneurship.

- State-owned enterprises must have systems in place to monitor and evaluate their level of intrapreneurship as this is critical to the sustainability of intrapreneurial outcomes, thereby ensuring that public value is continually generated effectively and efficiently.
- Notwithstanding the resource constraint in most developing countries for intrapreneurship, SOEs must find an affordable alternative to carry out intrapreneurial activities for sustainable efficacy.
- The policy-makers for SOEs should have an intrapreneurial framework or blue-print, against which to evaluate intrapreneurship initiatives in SOEs. This will assist in intrapreneurial performance appraisal of these entities.

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Competing interests

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Authors' contributions

L.C. is the principal author of the research article, and B.C. as the thesis supervisor, is the co-author.

Ethical considerations

All procedures performed in the study involving human participants were in accordance with the ethical standards of the Durban University of Technology, approved by the Faculty of Management Sciences, Research Ethics Committee (FREC), reference number: 18FREC. Informed consent was obtained from all individual participants involved in the study.

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Data availability

All data underlying the results are available as part of this article and no additional source data are required.

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