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Investing in intrapreneurial capabilities for improved performance in state-owned enterprises

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Background: State-owned enterprises (SOEs) are pivotal to the socio-economic development of any country. However, in most developing countries, these entities are failing to execute their mandate effectively. State-owned enterprises have failed to be responsive to citizens' needs and deliver public value efficiently because of low investment in intrapreneurial activities by leadership in these entities.

Aim: This study set out to examine the effect of intrapreneurial capabilities (ICs) on organisational performance of SOEs.

Setting: The population under study was SOEs in Zimbabwe, located in the Southern African Development Community, in Africa.

Methods: The study used a qualitative research design. Interviews were the main data collection technique. Data collected from interviews were analysed using thematic network analysis. Document analysis was also used to establish the performance of the SOEs.

Results: The study established that ICs have a significant influence on the organisational performance of SOEs. Organisations with stronger ICs developed greater strategic agility and delivered greater public value, in terms of service delivery, customer satisfaction, financial performance and social impact.

Conclusion: The study provided evidence of the influence of ICs on intrapreneurial activities and consequently on organisational performance. The study will assist leadership in SOEs to invest in an intrapreneurial architecture in order to assist SOEs to deliver both economic and public value.

Contribution: The study has important implications for both practitioners and researchers in that it highlights the importance of investing in superior IC as a means of addressing service and performance challenges faced by SOEs.

Keywords: intrapreneurial capabilities; intrapreneurship; state-owned enterprises; strategic agility; organisational performance; public value.

Introduction

The general challenge of state-owned enterprises (SOEs), like all businesses, is the need to realise the intrapreneurial necessity for organisational success in the 21st century (Kuratko, Hornsby & Hayton 2015), as well as how to attain and sustain organisational performance and competitiveness (Mbo 2017). The continued calls by governments, academics and citizens for SOEs to deliver superior levels of service to customers and improve general efficiency and effectiveness makes it imperative for SOEs to think nontraditionally in order to cope with challenges in the 'volatile, uncertain, complex and ambiguous' (VUCA) business world (Derera 2022). State-owned enterprises need to explore the benefits of implementing intrapreneurship by investing in their intrapreneurial capabilities (ICs) to exploit opportunities present in the dynamic business environment.

The contribution of ICs to organisational performance, although not fully clear, is at the centre of academic debate (Baia & Ferreira 2019). Literature shows that established companies benefit from having ICs in crafting new business and corporate strategies (Bowman & Ambrosini 2003), entering new markets (King & Tucci 2002), completing successful mergers, learning new skills (Bowman & Ambrosini 2003; Zollo & Winter 2002), overcoming inertia (King & Tucci 2002; Repenning & Sterman 2002), leveraging other resources (Bowman & Ambrosini 2003), introducing innovative programmes that stimulate strategic change (Repenning & Sterman 2002) and successfully commercialising new technologies generated within their R&D units (Marsh & Stock

2003). Therefore, SOEs need to invest in ICs to compete in the new business arena. Klofsten, Urbano and Heaton (2020) posit that ICs can be understood as an 'organisation's ability to react quickly and innovatively to internal or external changes in order to adapt to and shape new environments'. These capabilities foster an intrapreneurial disposition that allows firms to maximise on innovation performance and consequently improve organisational performance.

State-owned enterprises are created by government to provide products or services that the private sector would not usually find profitable. However, the current situation in most developing countries is that these entities are failing to provide services for which they have been established. 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, as much as about 60% of the gross domestic product. Despite their strategic importance, SOEs continue to perform dismally, much to the dissatisfaction of the government and citizens. Most SOEs are still entrenched in the traditional public management method which calls for adhering to standards as the approach to public value delivery and for achieving efficiency and effectiveness, notwithstanding the calls for implementing intrapreneurship, which is the premise of the public value approach (Grant et al. 2014).

Intrapreneurship has been established as an approach to improving organisational performance and is a critical component of organisational and economic development and wealth creation (Taylor 2018). The concept has been envisaged as means by which organisations can improve service delivery and organisational performance through using a firm's ICs to exploit opportunities in the business arena. The strategic use of intrapreneurship is increasingly acknowledged as an essential pathway to value creation, profitability, new products, services, administrative techniques, strategies and a competitive posture (Fabian 2013). However, most SOEs in Zimbabwe do not seem to have fostered the development of ICs in their organisations in order to cope with the hostile business environment in the country, as evidenced by the continued poor performance. These entities are required by citizens and government to operate both efficiently and effectively in order to optimally generate value by exploiting the benefits of intrapreneurship.

Literature has revealed that SOEs face a dynamic environment and increasing expectations to achieve efficiency and enhance public value creation. Scholars such as Mbo (2017) and Taylor (2018) have alluded to the fact that these organisations should become more intrapreneurially oriented to adequately respond to both organisational and macro-environmental challenges. However, there has been little research relating to ICs and organisational performance in the public sector. This is despite the need by practitioners and scholars to learn more about managing ICs for better orchestration of resources for organisational performance (Klofsten et al. 2020). Hence, there is a need to understand better the ICs of SOEs and how the capabilities relate to organisational performance and public value creation in these entities. This article therefore seeks to establish the influence of ICs on organisational performance. This is because of the influence of ICs in fostering intrapreneurship, whose benefits have been cited to include exploring new opportunities, developing new products and/or business process efficiency, which in turn improves organisational performance of SOEs.

The research objectives therefore are to establish the effect of ICs on intrapreneurship or intrapreneurial activities in SOEs, as well as to establish the influence of IC on organisational performance of SOEs.

Theoretical framework

There are many schools of thought on how organisations can achieve sustainable organisational performance. The dynamic capabilities view (DCV) is one such theory that attempts to explain how a firm can enjoy sustained superior performance in a rapidly changing environment through continuous proactive and reactive change (Teece 2007). The DCV advocates that holding strategic or valuable assets is not enough, but firms need the capacity to be agile and adopt elastic product innovations, together with the capability to organise and redeploy competencies (Morgan 2012). The DCV manifests as a competitive advantage theory that applies to volatile and dynamic circumstances and suggests that successful organisations are focused on developing excellent capabilities or getting a competitive edge by doing things extraordinarily well. The DCV concept is concerned with how firms can sustain and enhance their competitive advantage, notably when facing dynamic environments using organisational capabilities. This theory is relevant to improving the performance of SOEs, as Klofsten, Urbano and Heaton (2020) assert that the dynamics of organisational success in the 21st century demand that firms innovatively combine external resources with internal assets and capabilities. This, in essence, involves investing in ICs for strategic agility, which will enhance sustainable organisational performance.

Teece (2018) defines an organisational capability as the organisation's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments. The main premise of this idea is the firm's ability to alter its resource base, which allows for continuous adaptation to change. According to Breznik and Hisrich (2014), organisations need ICs to exploit opportunities in the business environment for the customers as well as for organisational survival and success. In this study, these dynamic capabilities are geared towards intrapreneurship; hence, they are referred to as ICs, as organisations need these capabilities to foster intrapreneurial activities. Peteraf (2013) posits that ICs can be viewed as the organisational and strategic routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve and die, or the capacity of an organisation to purposefully create, extend or modify its resource base. Klofsten et al. (2020) define ICs as the organisation's ability to react quickly and innovatively to internal and external environmental changes for achieving the organisation's survival and success, especially in uncertain and turbulent environments. This suggests that ICs have the potential to enhance organisational performance.

The limitation of the DCV lies in its heavy reliance on management for the firm's performance, despite the fact that managers are endowed with different traits and attributes. Critics such as Helfat and Peteraf (2015) point to the fact that cognitive capabilities are heterogeneously distributed among managers. Thus, it follows that each manager differs in his or her capabilities in sensing and seizing opportunities and transforming the resource base (Chamba 2021). Thus, some managers will be able to sense new opportunities more accurately than others, while some managers will design more effective business models (Teece 2018) and make more astute investment decisions than others, and some, who have better language and social capabilities, will find it easier to gather support and implement strategic change. This implies that by virtue of having different individuals leading them, organisations will perform differently. Easterby-Smith, Lyles and Peteraf (2009) posit that another challenge of the theory is that it is does not spell out how to establish clearer linkages about how dynamic capabilities include the utilisation of resources and the implementation of new processes. However, the DCV is important to the study of firm performance, as dynamic capabilities are 'in pursuit of improved effectiveness' (Zollo & Winter 2002:340).

Intrapreneurial capabilities and organisational performance

Researchers such as Rodrigo-Alarcon et al. (2018) argue that ICs promote intrapreneurial orientation (IO) inside the firm and also facilitate intrapreneurship. Zahra et al. (2006) propose that applying different ICs to the management of new ventures and established companies can improve their ability to continuously create, define, discover and exploit entrepreneurial opportunities. Similarly, Criado-Gomis, Cervera-Taulet and Iniesta-Bonillo (2017) reiterate the same view that ICs can help leverage organisational resources that improve the firm's performance by promoting sustainability and strengthening the firm's intrapreneurial mindset. Intrapreneurial capabilities depend on the firm's history and influence the firm's future and can provide competitive advantage either directly or indirectly by complementing IO and promoting ambidexterity of the firm, which promotes strategic agility. Intrapreneurial capabilities allow a firm to respond to change by altering operations, an effort that requires significant managerial involvement. These ICs are necessary to the successful implementation of intrapreneurship activities in organisations. Intrapreneurial capabilities are often considered the basis of an IO, which helps to generate the necessary capabilities to improve innovation and performance within the firm (Ahmadi & O'Cass 2018; Morris et al. 2010). Moreover, Arend (2014) finds that most intrapreneurial ventures exhibit specific ICs, which in turn positively affect organisational performance.

Intrapreneurship can be classified as a management style that mimics entrepreneurship through ICs such as risk orientation, innovation and reward policies (Aparacio 2017). It involves organisations using entrepreneurial behaviour to take advantage of opportunities in the business environment. Baruah and Ward (2014) posit that intrapreneurship is 'the process whereby an individual or a group of individuals in association with an existing organization, create a new organization or instigate renewal or innovation within that organization'. Intrapreneurship leads to improved organisational performance through outcomes such as new products; improved services; increased profit and new strategic business units; increased efficiency and effectiveness; and growth (Antoncic, Antoncic & Li 2018). Thus, intrapreneurship has been envisaged as a mechanism to improve the economic and noneconomic performance of SOEs by progressing innovation.

The process of turning an ordinary organisational capability into an IC is a managerial function which, according to Teece (2007), involves three functions: sensing, seizing and transforming. Derera (2022:1) reiterates this by asserting that three managerial operations convert ordinary capabilities into ICs: sensing, that is, finding and assessing opportunities outside the firm; seizing, which involves mobilising the resources to acquire value from those chances; and transforming, which includes innovation, decentralisation and knowledge management.

Derera (2022:2) posits that a capability is a collection of learned procedures and actions that enables an organisation to achieve a specific result. The author also highlights that ICs, in contrast to ordinary capabilities, are 'idiosyncratic, unique to each organisation and encapsulated not only in routines but also in difficult-to-mimic business concepts'. According to Gratton and Ghoshal (2005), ICs are dubbed 'signature processes', and are usually based on things the organisation has carried out well in the past. Investing in ICs is high-level strategic thinking and facilitates improved organisational performance, as organisations get to reconfigure their internal and external resources to take advantage of new technology, adjust to shifting consumer preferences and, ultimately, surpass the competition. Eventually, investing in these dynamic skills will give SOEs long-term value and sustained organisational performance, regardless of the industry or type of change. Thus, ICs help to position today's organisational resources effectively for tomorrow. However, this has been a tall order for most SOEs in Zimbabwe, as they have failed to achieve and sustain superior performance in the dynamic economic environment prevalent in the country.

Organisational performance is a complex measure that includes financial and nonfinancial dimensions (Kearney, Hisrich & Roche 2017). Mbo (2017) asserts that financial measures remain the most objective; however, given the commercial mandate of SOEs, nonfinancial measures have to be measured as they include operational efficiency measures,

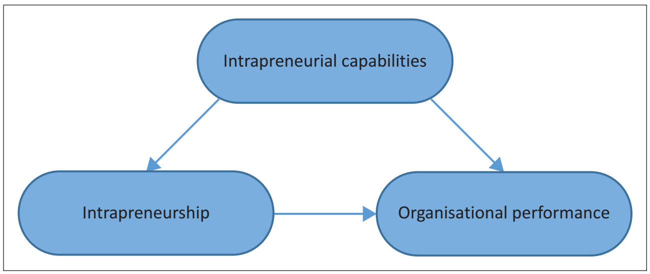

FIGURE 1: Conceptual framework of the study.

TABLE 1: Descriptive analysis of intrapreneurial capabilities, intrapreneurship and organisational performance.

Variables	Mean	Standard deviation
Intrapreneurial capabilities index [5–35]	20.947	5.433
Intrapreneurial index [5–25]	7.233	5.355
Financial index [5–30]	17.740	5.524
Consumer satisfaction index [5–20]	13.040	3.738
Social impact index [5–15]	9.053	2.780

customer-oriented measures and social impact dimensions, which reflect on public value. The justification is that high performance in nonfinancial aspects tends to lead to good financial performance in the future.

Public value refers to the value created by government through services, laws, regulations and other such actions (Katsonsis 2019). It involves effectiveness in tackling what the public most cares about from service delivery to system maintenance. Moore (1995), cited in Katsonsis (2019), posited that public managers ought to engage in a degree of intrapreneurial decision, as this is how value is created. This underscores the importance of managers in intrapreneurial activities, which ultimately lead to public value creation. Grant et al. (2014) allude to dimensions of public value as public satisfaction, economic value, service delivery quality, financial and nonfinancial performance. Hence, it is against this background that the public value delivery of SOEs is measured, the conclusion being that organisations adopting a public value approach will be in a better position to achieve continuous organisational improvement.

State-owned enterprises are assets owned by the government, and the state has significant control through full, majority or significant minority ownership (Organisation for Economic Co-operation and Development [OECD] 2015). The Constitution of Zimbabwe states that SOEs are expected to maintain commercial viability and adopt generally accepted standards of good corporate governance in their operations. Thus, in common with other countries, in Zimbabwe SOEs are entities where the government is the majority shareholder and whose mandate is the provision of infrastructure and services such as water, electricity, telecommunications, transportation, health and education, in which the private sector may not find it profitable to engage (Musanzikwa & Manduth 2018).

Most SOEs in Zimbabwe are performing dismally, both in terms of service delivery and meeting organisational objectives (Altana & Kojo 2019). While key parastatals such as the Grain Marketing Board (GMB), the National Oil Company of Zimbabwe (NOIC) and the Zimbabwe Electricity Supply Authority (ZESA) continue to receive the bulk of the Reserve Bank of Zimbabwe's (RBZ) foreign exchange allocation for service provision, Atlanta and Kojo (2019) assert that SOEs are severely indebted externally, and many of them are insolvent: a reflection of poor performance, which has ultimately crippled service delivery.

The Auditor General' s Report of 2020 reveal that many parastatals in Zimbabwe have been chronically recording significant losses, partly because of macro-economic instability in the Zimbabwean economy. This is in tandem with the observation by Gasper et al. (2019), who state that SOEs are falling short in many developing countries where 2 billion people remain without access to water and 0.8 bn lack reliable electricity. Thus, SOEs in Zimbabwe, an emerging economy, are exhibiting poor performance and not generating the optimal public value desired by their countries. This reflects on the need to invest in ICs in order to exploit opportunities in the volatile business environment that increase organisational performance and enhance public value delivery. This calls for SOEs to reorient their ICs in order to possess the requisite strategic agility for business efficiency in the 21st century.

Conceptual framework

The conceptual model depicts the relationships hypothesised for the study. It shows that ICs influence both intrapreneurship and organisational performance. The model also shows that intrapreneurship or intrapreneurial activities within an organisation have an influence on the firm's performance. These are the relationships the study seeks to establish. The ICs considered for the study are autonomy, proactiveness, risk-taking and competitive aggressiveness (Lee & Chu 2013). Autonomy refers to independent actions by individual employees or teams to investigate opportunities for the organisation. Proactiveness, also referred to as market-sensing capabilities, implies the ability to monitor market changes and take proactive change. Risk-taking involves making decisions and taking actions in the face of uncertainties. Competitive aggressiveness is actions aimed at protecting earlier gains and defending against competitive threats, and innovativeness refers to the development of novel ideas, processes, models and products (Lee & Chu 2013). The dimensions of organisational performance considered for the study are based on Mbo (2017) and include financial (profitability, liquidity and budget execution rate), customer satisfaction (convenience of goods and services, customer care, pricing of goods and services, transaction methods and systems efficiency) and social impact (corporate social responsibility, governance and stakeholder involvement).

Methodology

This study is based on qualitative research using a case study approach. The SOEs presented in this article were purposefully selected to ensure representation of all sectors of the economy in Zimbabwe. In addition, efforts were also made to include all sizes of organisations. The case study methodology is appropriate to investigate and explore a contemporary phenomenon in more depth in its real world (Li, Du & Yin 2017), in this case ICs. Furthermore, the approach allows for cross-case analysis to draw on general patterns and similarities across organisations involved (Eisenhardt 1989). Primary data were collected through interviews with representatives from the directorate and executive management. Interviews were conducted online because of coronavirus disease 2019 (COVID-19) restrictions, and each lasted for approximately an hour. The recorded interviews were transcribed and then analysed using NVivo (QSR International, Burlington, Massachusetts, United States), which is a qualitative data analysis software program. To build a comprehensive case study, secondary data from the Auditor General's report were used to augment interview findings. Semistructured interviews followed by open-ended questions were used, allowing the researcher to probe and explore further important topics that emerged during the interviews. An interview guide was developed with reference to the Corporate Entrepreneurial Assessment Instrument (CEAI) developed by Hornsby, Kuratko and Zahra (2002). Triangulation of sources was important for credibility of findings through the convergence of data from different sources, thereby strengthening the study's conclusions (Creswell 2014).

A nonprobability sampling method, the purposive sampling technique, was used in selecting participants (Cohen, Manion & Morrison 2011). Sample size was determined by saturation. The following inclusion and exclusion criteria were used to select participants: a participant had to be working within the public service and occupying an executive management post and should have been working in this position for at least 5 years. These managerial positions are of particular importance, as they command intrapreneurship competencies of their organisations. Intrapreneurial capability management, which is the capacity to structure, combine and leverage internal and external resources for the purpose of creating new value for stakeholders and maximising competitive advantage, is a strategic function for executive management. A total of 39 organisations were chosen for the study. Three SOEs were selected from each of 13 sectors of the Zimbabwean economy, that is, health, education, transport, mining, agriculture, sports and arts, telecommunications, industry and trade, financial services, environment, energy and power, information and tourism. Braun and Clarke (2013:7) posit that there are no stringent guidelines about sample constitution, size and sampling strategy for thematic analysis (TA), as these design decisions should be informed by the research purpose, questions or hypotheses and method of data collection, among other things. Patton (2002) reiterates that universal guidance around sampling and samples in qualitative research are applicable in TA, but the key aspect is that TA is about identifying patterns across a dataset, hence the need to have a sample large enough to identify patterns. Braun and Clark (2018) suggested a minimum of six interviews as an ideal sample size for TA, while Cedervall and Åberg (2010) suggest a sample of not less than 16 for publishable research. The researcher conducted a total of 28 interviews, after which she observed redundancy in the data set, as no new information was being gathered from the research.

Thematic analysis was used to analyse qualitative data from the interviews. Braun and Clarke (2006:78) opine that TA is a technique for analysing qualitative data which involves searching across a data set to identify, analyse and report recurrent patterns and themes. Thematic analysis is a method aimed at describing data; however, it also involves interpretation in the processes of selecting codes and constructing themes. Boyatzis (1998), cited in Braun and Clarke (2018), highlights that the TA process is performed through data familiarisation, coding, theme development, revision, naming and writing up. The deductive thematic approach was adopted, as the researcher was basing themes from the interview guide. The researcher used two theme levels, the overarching theme as well as the main theme, as it is suggested by Braun and Clarke (2013) that it is advisable to work with no more than three theme levels. Overarching themes organise and structure an analysis, as they capture an idea underpinning a number of themes, and a theme reports in detail on meaning related to a central organising concept. This was detailed in a codebook using the guide from Roberts, Dowell and Nie (2019).

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 (ref. no. 18FREC). Informed consent was obtained from all individual participants involved in the study (ethical clearance no. 29/MF).

Results

Background characteristics of respondents and organisational profile

Out of the 28 executive managers interviewed, 11 were female and 17 were male. Men constituted 61% of the respondents, and this shows that senior posts in these organisations are predominantly male occupied. A total of 48% of the respondents hold a bachelor's degree, while 51% have a master's degree qualification and 1% a PhD degree.

The IC index of the SOEs is 20.9 out of 35, which is average. 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 index or innovation performance 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 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).

The organisational performance index for SOEs is overly low. The financial index is 17.7, which is moderate. Interviews with most senior managers confirm that their entities have not been able to generate revenue, are failing to meet their financial obligations and rely on government to give them money so that they remain viable. The Auditor General's report substantiates these findings and highlights that SOEs are encountering liquidity challenges and have low budget execution rates and high inter-parastatal debts. The executives attribute this poor financial performance to constricted revenue streams because of low innovation performance. Most SOEs have not been able to generate new revenue streams, compared with their counterparts in the private sector who are continuously innovating; hence, the money they receive from the treasury is inadequate to sustain their operations.

Customer satisfaction index is 13, which is low. Most of the SOEs are not adequately meeting the expectations of their customers. Interview results confirm that public services are difficult to access, as the transaction processes of obtaining the goods or services is generally not user-friendly. Most of the SOEs are still offering traditional public services, with few offering e-services. Traditional public services often use antiquated methods of service delivery and are typically not automated, such that most of these services are not delivered in real-time. 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 9, which is satisfactory. Most SOEs seem to be performing satisfactorily on stakeholder involvement and corporate government compliance. However, most SOE executives confirm that corporate social responsibility is still at very low levels.

Interviews revealed rich narratives on the state of ICs in SOEs, firstly, that SOEs are generally low on autonomy and are largely characterised by little room for self-directed behaviour. Most SOEs operate using laid-down rules and procedures, and strict adherence to guidelines is the modus operandi. One executive manager commented:

> 'The decision-making environment is very well defined, and as such one has to toe the line when confronted with situations that demand flexibility. Managers are not left to decide entirely how to achieve goals, with constant interference from the Board and other stakeholders such as line Ministry and politicians.' (Participant 3, Executive Manager, Harare, 11 February 2021)

Participant 27 reiterates:

> 'There is no room for self-directed behaviour in this organisation mainly due to governance issues which are reinforced by the bureaucratic systems. We have a straitjacket approach on how to resolve issues.' (Participant 27, Senior Manager, Gweru, 08 August 2021)

These statements speak to a restricted decision-making environment surrounding SOEs, owing to bureaucratic arrangements which govern these institutions. State-owned enterprises in Zimbabwe generally have both tall and rigid organisational structures, which hamper flexibility. This corroborates findings from studies by Cinar, Trott and Simms (2019) and Rankumise (2018) that the chief barrier to intrapreneurship in public sector organisations lies in its lack of autonomy owing to bureaucratic structures. These findings are consistent with the views of Chamba (2021), who posit that SOEs in Zimbabwe are characterised by high formalisation and bureaucratic control systems that are likely to achieve little autonomy and impact negatively on intrapreneurship, as intrapreneurial activities are more prevalent in high-autonomy organisations.

Secondly, findings also depict that SOEs are low on risk-taking capabilities. Most executive managers attest to this and highlight the low tolerance for failure as well as low commitment to new adventures. This has resulted in reduced experimentation and novelty in these entities. Some executives pointed to the tall organisation structures as thwarting intrapreneurship by increasing risk aversion.

A participant highlighted:

> 'We are high on risk-aversion and low on tolerance of failure, and as a management team are not prepared to venture into unknown possibilities to satisfy customers, we tread cautiously on known trajectories, leading to low uptake of new activities.' (Senior Manager, Harare, 21 February 2021)

Participant 22 lamented:

> 'Our culture is that we do not venture into unfamiliar ground, and this largely as a result of our bureaucratic systems. We also have a low rule-breaking tolerance, and this stifles innovation, as evidence by our low intrapreneurial activities. This low appetite for risk is also the main reason behind our poor performance, as we cannot take advantage of opportunities in the business arena for the benefit of both customers and the organisation.' (Participant 22, Assistant Director, Harare, 20 August 2021)

A few participants highlighted that their organisations were relatively apt on risk-taking, and this had advantages for their organisations.

Participant 14 narrated:

> 'For a large company in the public sector, the organisation has a good risk-orientation and this has brought us this far. We have managed to exploit advantages in the turbulent economic environment in Zimbabwe much to the enhancement of our business operations and this has greatly improved financial performance and customer satisfaction.' (Participant 14, Director, Harare, 24 April 2021)

Proactiveness is generally low in parastatals. Most enterprises do not act in anticipation of changes in customer preferences but respond to present situations hence, the low levels of process and product development.

Participant 15 commented:

> 'Rarely do we take initiative and anticipate customer demands, rather we are reactive and respond to complaints either directly

> from customers or through suggestion boxes.' (Participant 15, Senior Executive, Bulawayo, 06 May 2021)

The study's findings confirm earlier studies by Cinar et al. (2019), Rankumise (2018) and De Vries, Bekkers and Tummers (2016) that a high risk-averse culture dominates SOEs and this is one of the chief barriers to innovation and intrapreneurship drive in these entities.

Another executive, Participant 25 also echoed the same sentiments:

> 'We respond mostly by imitating products that have been introduced by rivalry companies mostly in the private sector, rarely are we the pacesetters. The best we can do is solve challenges, and most of the time we struggle to do so. It is sad to say that as a management team we are rarely able to initiate change within our organisation, and this from my observation is largely the reason behind our poor levels of intrapreneurial activity and consequently poor performance as an organisation.' (Participant 25, Senior Executive, Masvingo, 26 July, 2021)

A few executives pointed to the fact that their organisations were proactive; however, this dimension was limited by the very nature of these organisations. Participant 3 commented:

> '[… *A*]s an executive team we have tried to proactively engage in intrapreneurship, however our efforts are thwarted by the Board, which takes long to approve on decisions, such that our actions seem reactive when finally approved, yet we anticipated these well in time.' (Participant 3, Executive Manager, Harare, 11 February 2021)

Participant 17 resounded this point by stating:

> 'We generally try to produce new products to meet customer's needs well before they anticipate, most of the time we are successful, but when these solutions seem radical or unfamiliar, then they are derailed by the Board.' (Participant 17, Chief Opertions Officer, Harare, 09 June 2021)

Interview results confirm a low level of competitive aggressiveness in SOEs. An attitude of complacence is generally dominating the SOE landscape with little drive to be ahead of rival companies in the private sector, hence the low levels of competitive actions in these entities. The study's findings are consistent with the views of Taylor (2018) that SOEs lack competitiveness, as most operate in a complacence mode of adhering to traditional methods of doing business.

Participant 1 stated:

> '[…*C*]ompetitive advantage is not sought after in our organisation, we seek only to provide our service as mandated by the government. Honestly, innovation does not dominate our activities, we exist to provide a certain service and this is our guiding philosophy not rolling out new products and carrying out marketing campaigns.' (Participant 1, Executive Manager, Harare, 04 February 2021)

Some participants indicated an element of competitive aggressiveness in business endeavours. Participant 13 indicated that:

> 'we are aggressive as an organisation as evidenced by constantly evolving product lines, and price-cutting strategies.' (Participant 13; Deputy Director, Harare, 30 April 2021)

Participant 9:

> '[…*A*]s an organisation, we have a propensity of engaging in activities that threaten our rivalries, as evidence by our unique product offerings and our competitive prices. We have managed to outdo competition and emerge as the provider of choice for customers in the industry, we have defined our position as market leaders. This has helped us greatly on sustainably improving our organisational performance.' (Participant 9, Senior Manager, Bulawayo, 06 March 2021)

Discussion

Most SOEs have low ICs and are consequently low on intrapreneurial activity because of the poor IO. This confirms findings by Rodrigo-Alacorn (2018) that ICs promote an organisation's IO, which influences the rate of intrapreneurial activity or innovation an entity is involved in. The study's findings also point to the fact that organisations with superior ICs achieve better performance. This augments findings by Klofsten et al. (2020) and Breznik and Hisrich (2014) that ICs are the organisation's ability to react quickly and innovatively to internal and environmental changes and have a significant implication for achieving an organisation's survival and success, especially in uncertain and turbulent environments.

The lack of a strong IC base in SOEs has resulted in the adoption of traditional approaches to solving current business solutions, with leadership repeatedly engaging in the same actions that have worked for the organisations in the past. Few of these organisations are bent on creating superior value for customers but strive to meet the bare minimum in service provision. The few SOEs who were keen on experimentation and constantly sought to stay ahead of competition by constantly innovating achieved better performance. This confirms the findings by Klofsten et al. (2020) that the more intrapreneurial actions a firm takes with greater speed of execution in the face of environmental dynamism and hostility, like the atmosphere prevalent in Zimbabwe, the better the performance.

Conclusion

In this article, the researchers posit that ICs are the organisation's ability to react quickly and innovatively to changes in the business arena. Intrapreneurial capabilities foster strategic agility and mediate the relationship between a firm's resources and a firm's performance. Hence, ICs can help leverage SOEs' resources that improve firm performance. Intrapreneurial capabilities enhance the strategic agility of SOEs and enable organisations to establish new ways of generating value by fostering innovation performance, which significantly influences organisational performance. Consequently, investing in ICs enhances and sustains transformational growth and allows SOEs to profitably reinvent themselves. Intrapreneurship and the innovation system in SOEs has always been characterised as being fragmented as a result of a lack of resources, collaboration, facilitation and leadership and also because of the structural complexity of these entities. Thus, if managers in these entities become aware of the impact of ICs on overall organisational performance, it will enable them to harness ICs within their organisational contexts and develop strategies to ensure that these organisations become successful and achieve innovations that generate superior public value and improve organisational performance.

Leadership in SOEs needs to realise the intrapreneurial necessity in modern SOEs has the duty to make these entities agile by minimising the structural rigidity through continuously re-examining their ICs. These executives have differential roles in supporting, facilitating and promoting intrapreneurial actions and innovation in SOEs, as most of these entities find it challenging to harness ICs so that SOEs may better position their resources for effective public value delivery.

Managerial implications

This study confirms that ICs influence both intrapreneurship and organisational performance and are an important contribution to the theory of intrapreneurship in public sector organisations. Intrapreneurship is heavily dependent on ICs, namely autonomy, industry competitiveness, proactiveness and risk-taking. Thus, SOEs need to continually upgrade their ICs so as to form the optimum IO for the organisation to fully exploit opportunities that result in improved performance.

Literature confirms the role of ICs in the revitalisation of performance (Awang et al. 2009; Hornsby et al. 2002; Zahra 1991) and also that intrapreneurial actions contribute to social innovations that contribute to economies by improving the quality of services provided to citizens, which increases the public value as well as economic growth. Thus, SOEs can maintain their role as engines of economic development by creating social value and dynamic efficiency which results from improved organisational performance (Mbo 2019).

The study reveals that the relationship between ICs and performance is mediated by the presence of managerial capabilities. Hence, the importance of top managers in the creation and deployment of IC should not be undermined. Scholars like Teece (2007) indicate that top management leadership skills are required to sustain IC because while some elements of ICs are embedded in organisations, the ability to transform the resource base is the responsibility of top management. However, some top managers may be stuck in their old ways of doing things and thus develop rigidities. In the same vein, some managers may misinterpret the competitive landscape they operate in and, as a result, may trigger inappropriate ICs, inducing a drop in performance (Ambrosini & Altintas 2019). Thus, SOEs need top managers who can bring organisational transformations by making new commitments and breaking old ones. This confirms the declaration by Moore that leaders in SOEs must create public value.

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

- State-owned enterprises must be in a position to develop strategic planning focused on how to maximise IC. Adapt new agile practices on tactical and strategic levels.
- Leadership in SOEs must continually review their ICs to foster an IO that improves innovation performance. This will have a positive influence on organisational performance.
- Intrapreneurship management should be viewed as a form of IC. State-owned enterprises, whether product- or service-centric, should treat management of ICs as a systemic and systematic process.

Limitations of the study

The study has several limitations; firstly, it focuses on the influence of ICs on organisational performance and does not consider the impact of the mediating role of the turbulent economic environment prevailing in Zimbabwe. Secondly, the study holds constant the effect of the size of the organisation on the ICs, as size may affect aspects such as flexibility in decision-making. Finally, the study did not consider the effect of politics and leadership on influencing ICs. Future studies may focus on aspects such as the impact of leadership on ICs, as leadership competencies are not a homogenous variable in SOEs, and this has an influence on decision-making and intrapreneurial behaviour by organisations. The influence of politics on ICs is another critical area yet to be studied as by virtue of their nature, SOEs are subject to politicisation.

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Data availability

The data that support the findings are available from the corresponding author upon request.

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