

TALENT MANAGEMENT AND INTRAPRENEURSHIP

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Abstract This study contributes to the field of entrepreneurship research by offering an overview of the literature on how the development of intrapreneurship and corporate venture capital improves the retention of talent within an entrepreneurial group and satisfies the entrepreneurial desire of young talent. The research on intrapreneurship has increased in the previous years. This paper will describe the most significant attributes and features of the intrapreneurship concept itself, the intrapreneur and the intrapreneurial organization and therefore clarify what defines intrapreneurship and talent retention with its relation to organizational performance and development.

Keywords:

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1 Introduction

Most small, medium and large companies face the challenge of retaining, developing and rewarding talented high-potential individuals who are critical to achieving their goals and implementing the company's strategy in the long run. Companies develop their employees, invest their time and resources into it, all in the direction of developing and managing their talents. When such employees start thinking or looking at independence in the form of entrepreneurship. We will examine how the possibility of intrapreneurship in conjunction with corporate talent management through corporate venture capital improves the retention of talent within the corporate group and suppresses the desire of talented employees for greater independence and entrepreneurial path with all the safeguards provided by the backing company. Companies, through their experience and capital, provide talented employees with greater security and, consequently, greater opportunity to succeed on the intrapreneurial path, which in turn also entails expansion of the business group, diversification of activities and increase of revenues and, on the other hand, avoiding the costs of losing talented employees and the cost of introducing new ones (employees).

The pace of life in which we want everything right away, which is especially evident with younger generations, who are increasingly looking at independence and entrepreneurship in today's age of globalization and digitalization. After the initial period of introduction and learning, the younger generation is increasingly looking at autonomy and entrepreneurship. We will present an overview of the relevant literature and findings on how the development of intrapreneurship and corporate venture capital improves the retention of talent within a corporate group and satisfies the entrepreneurial desire of young talent.

2 Previous literature review on this topic

When it comes to the definition of intrapreneurship, the terminology has been defined by many academicians in various ways. Despite the fact that there is increasing attention towards approaches and operations within the coexisting organizations, ambiguity carries on in the definition of such approaches and activities. Neessen et al. (2019) defined intrapreneurship as “a process of corporate renewal in established firms. The goal of this process is to increase profitability, to

enable strategic renewal and foster innovativeness. “De Villiers-Scheepers (2011) defined intrapreneurship as “as a process whereby individuals pursue opportunities without regard to the resources they control at that point in time, has been the basis of many entrepreneurship studies, due to the definition’s simplicity and wide applicability by focusing on actors, opportunities, resources and alluding to the process involved.

Antonicic & Antonicic (2011) highlighted the four dimensions of intrapreneurship as new business venturing, self-renewal, pro-activeness, and intrapreneuring. In established organizations, the ideas of employees go unnoticed because of structural impediments and lack of incentives. De Villiers-Scheepers (2011) addresses that the willingness and capability of workers to participate in intrapreneurship is impacted by the form of rewards and reinforcement provided. Bamber et al. (2017) believes that for this argument, the human resource system and particularly the reward and compensation arrangements are instrumental in creating a conducive setting for intrapreneurship.

Abrell & Karjalainen (2017) denote that the intrapreneurial reward systems encourage the workers to embrace some of the risks linked with intrapreneurship offered the chance to be creative in attaining goals and stress the value of innovation. These cultures are defined by decentralization decision making and workers given opportunities to search for challenging jobs. Razavi & Ab Aziz (2015) advises the corporations that wish to encourage intrapreneurship to offer financial support and resources for innovative initiatives.

In an intrapreneurial company, the social and managerial rewards relate to an active engagement of the top managers in intrapreneurship. These forms of social rewards act as a recognition for advocates of intrapreneurial projects and improve the willingness of the managers to accept the risks linked with intrapreneurship. Neessen et al. (2019) notes that the innovative corporations are defined by offering rewards that are bound to have high performance, providing challenges, increasing obligations, and making the concepts of innovative persons known to others in the organizational hierarchy (Razavi & Ab Aziz 2015). The top managers evolve as the role models for intrapreneurship and offer incentives for workers to act intrapreneurial.

The job design incentives are the rewarding and meaningful state of a job to a person and highlight that it entails autonomy, recognition of personal performance, and career growth, the managers always use the job design rewards to increase the work efficiency of the workers. Antoncic & Antoncic (2011) claim that motivation is improved by changing the fundamental job aspects including adding more roles, permitting more autonomy, and offering room for career growth. Collings (2015) argues that job design rewards are significant motivational factors just like the social and financial rewards.

Di Fabio (2014) argued that the incapability of the established firms to harvest ideas produced within their borders has enabled the growth of the venture capital industry. Razavi & Ab Aziz (2015) contended that the main hurdle to innovation in bureaucratic organizations is the lack of suitable incentives. Abrell & Karjalainen (2017) articulated that this can be explained by the fact that the rigid hierarchies which prevent innovation and lack of suitable incentives new ideas necessitate strong organizational support. The authors highlighted that product innovation by internal venturing is impacted by the mode of venture selected and the association between the venture managers, research and development as well as intrapreneurs. The corporate venture capital integrates the entrepreneurial and intrapreneurial advantages. In corporate venture capital, an established company's venture arm can invest in promising startups, and therefore share in disruptive gains, without having to overwhelm hurdles to developing those projects internally.

Molina & Callahan (2009) concluded that the sustained efforts at encouraging innovation and intrapreneurs are instrumental in motivating workers and opening new avenues for them to bring their vision and creativity into reality for the advantage of the firm. Alpkhan et al. (2010) addressed in the modern context where knowledge is the source of power, the harnessing of the whole potential of the labor force is important for the organizational success. De Villiers-Scheepers (2011) discovered that intrapreneurial organizations can be differentiated by their concentration on outcomes, team work orientation, rewards for innovation and taking of risks, tolerance for errors and the capability to draw lessons from them and flexibility.

Madurapperuma (2017) pointed out the inherent disabilities of the established organizations in developing nations to advocate for innovations. De Villiers-

Scheepers (2011) view that it is essential for such companies to develop a deliberate approach for innovation and equate it with their corporate strategy. The academicians and practitioners have acknowledged that intrapreneurship can have beneficial impacts on the renewal and performance of small and medium sized enterprises.

3 Research methodology

The concept of intrapreneurship, venture capital, and talent management is still in the nascent phases of the corporate sector. The authors have used a descriptive research and have carried out a thorough review to explore the opinions of many experts and grasp the nuances of the notion. The data for the study has been gathered from secondary sources including journals, books, magazines, and internet sources.

4 Findings from literature review

It was indicated that there is a positive relationship between the development of intrapreneurship and corporate venture capital in a corporate organization and improving the retention of talent within a corporate group and satisfaction of the entrepreneurial desire of young talent. This implies that high intrapreneurial capability grounded on pro-activeness, innovation, and risk-taking propensity among the organizational employees will improve the survival, growth, and competitiveness of the organization.

Currently, the organizations stand to benefit from developing new products and rethinking associations with many partners. It is those companies with an intrapreneurial spirits that encompass the workers' mindset to pursue the new market opportunities, maximize efficiencies, and set themselves to compete successfully in the future. This is in line with the findings of Negulescu (2017) who hypothesized that innovation, taking of risks, and long-term instead of short-term perspective are significant in attaining competitive edge in the market. The findings of Madurapperuma (2017) disclose that there is a significant and positive relationship between intrapreneurship and organizational performance that could be attributed to the fact that intrapreneurship allocate ample time to acknowledge new ideas, embark on risky projects and secure funds essential to fix an issue with the desire for individual satisfaction.

The higher levels of performance in organizations is explained by individual workers being driven by the desires to develop creative and innovative projects in expectation of opportunities in the corporate settings. Antoncic & Antoncic (2011) support the hypothesized relationships among intrapreneurship, employee satisfaction and firm growth. Findings by Stefanovici (2012) disclose that intrapreneurship can have significant impacts on the growth and profitability of the organization in absolute and relative terms. This is due to the fact that pro-activeness, innovation, and risk taking have been recognized as significant to the lasting growth and competitiveness of the organization. Further research on innovation has demonstrated that it encourages gathering of information and usage which improves the readiness of the worker to satisfy the client needs (Negulescu 2017).

The findings of Van-Brusel & Ulijn (2008) are that intrapreneurs acknowledge and evaluate the opportunities on behalf of their corporations, evaluate the required resources, and play a significant role in managing organizations. Lang, & Baltes (2019) articulated that intrapreneurs take risks, acknowledge the areas that need new products and convert them into lucrative products and services in their corporations. Bamber et al. (2017) noted that the intrapreneurship process and the organizational aspects which foster or prevent it are crucial for company performance, hence, developing corporations with better performance.

5 Impacts/implications of intrapreneurship and talent management on organizational performance

The extensive conceptual and empirical research on small and medium-sized corporations has implied that in the certain scenario of dynamic and hostile settings, there is a connection between intrapreneurship and organizational performance. Talent management is important for attain high organizational performance and is a driver for business success. Collings et al. (2015) noted that to gain competitive edge, human capital is essential to drive talent management. McDonnell et al. (2017) highlighted that the approaches of talent management involved selecting, attracting, developing, engaging, and retaining workers. Even though pay and benefits lure the workers, the top-tier leadership organizations concentrate on retaining and developing talent. Collings et al. (2015) perceives that talent management is the adoption of combined approaches or systems designed to raise the workplace productivity by creating enhanced processes for luring, creating, retaining and using

people with the essential skills and aptitude to satisfy the present and future business needs. He proceeds to highlight that talent management is the holistic yet strategic approach to human resource and planning of the business. McDonnell et al. (2017) denotes that the goal of talent management is to enhance the potential of workers who are viewed as capable to make a significant difference for the firm. Hence, the talent management should enhance the organizational performance.

Negulescu (2017) discovered that the propensity for risk entails the willingness to commit substantial resources to exploit opportunities in business strategies whose outcomes can be highly uncertain. Considering the initiative reflects the willingness to dominate the business rivals via an integration of proactive and aggressive deeds. For instance, the establishment of new products ahead of the competition and deeds to engage the expectations of future demand to revolutionize and adapt the environment. Alpkhan et al. (2010) reveals that an internal supportive environment offering management support and tolerance for risk taking to their intrapreneurs and a high-quality human capital will impact the innovative performance. However, when there is low quality human capital, the organizational support is still impacting positively innovative performance. Stefanovici (2012) notes that innovation is the inclination of companies to engage in creative process and test new ideas which can lead to the implementation of new production techniques for existing markets. Each of these aspects impacts the organizational performance in particular sales growth and return on assets (ROA). Bamber et al., (2017) disclose that innovation implies increased risks and uncertainties. Thus stating that many empirical studies document that innovation does not impact performance of the corporation or discover the negative performance repercussions of innovation whereas others report positive impacts.

Vargas-Halabí et al. (2017) claims that personal deeds centered on commitment, dedications to tasks and individual energy defines the internal initiative among the entrepreneurs and motivates their persistence in striving and exploiting opportunities for innovations linked to risks and uncertainties in processes that have hurdles. Blanka (2018) views that to overwhelm these hurdles, it is important to have competitive power for the outcomes of entrepreneurship to be reflected in the organizational performance. Baruah & Ward (2015) reveals that the autonomy of deeds of intrapreneurs is another determinant in attaining outcomes because of the necessity to make options and have the resources to allow the creativity process,

enabling a response to adverse outcomes and the exploitation of opportunities. Molina & Callahan (2009) contends that organizations might foster their intrapreneurial capacity through the identification of the prospective intrapreneurs within companies and advocating for a culture where risks and learning from errors are treasured. Madurapperuma (2017) provides an illustrative scenario how should companies direct designated financial resources and circumstances of making decisions which entail the management of budgets and selecting persons with suitable skills to attain the objectives of the firm. Molina & Callahan (2009) believes that the organizational performance draws its influence from the sovereignty of intrapreneurs, which is reflected in efficiency of the process, increased activity and profitability.

6 Conclusions and further research directions

Intrapreneurship is a fairly new field of organizational management research with important implications to corporate performance and in-company talent retention. Even though it is often compared with entrepreneurship, its position as a distinct organizational notion is reported in contribution on worker retention and talent satisfaction from authors across distinct nations. Intrapreneurship is seen as an effective solution to effectively tackle and administer these organizational hurdles and complexities linked with development of innovation. The implementation of intrapreneurial initiatives, companies should be encouraged to achieve a competitive edge and this is the obligation of intrapreneurs and corporation leaders. Intrapreneurship began as a notion to demonstrate the innovations inside the established businesses. Lately it has evolved and established itself as a manner of enhancing business performance which explain the reasons why companies give prominence to it as one of the core management strategies in the future. In this way, we can offer leaders and organizations a new leverage to raise the level of retention and talent satisfaction in their organizations. If I draw from my own experience as a SME business owner/manager in GA+Kuhinje, Aparati d.o.o., I can say that we have a good framework in place to find talented employees and foster development of their talents within our organization. The only barrier I see is that within SME it is hard to find new challenges and ways of promoting talented employees. And that's where intrapreneurship steps-in as important motivator and driver for talented young individuals who feel the need for independence and entrepreneurship to keep

them employed within the business group and give them challenges and adrenalin of entrepreneurship in the form of intrapreneurship.

In general theory and practice is time and again confirmed that when intrapreneurs are devoted and willingly plan their deeds, firm performance tends to be enhanced more than when they are compelled by undesirable aspects of their work assignments. This recommends that intrapreneurs require to have a positive attitude towards their jobs which then reflects their proactiveness and taking risks. The intrapreneurs with high devotion to the business and positive attitude tend to have willingness to apply new ideas, invest in research and development, and proactively scan their business, setting to offer added value to the clients, internal or external, irrespective of whether the newness or added value are embodied in products, marketing systems or processes. But to foster positive relationship between intrapreneurship and organizational performance, policies and programs should be formulated to support intrapreneurship that strive at bolstering pro-action, innovation, and taking risks to build a base for more enhanced organizational performance. These programs and policies should strive at nurturing a positive feeling towards intrapreneurship such that it is observed as a career choice. Such programs could embrace the form of a project startup, rewards, and intrapreneurial training at the lower ranks.

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