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Institutional entrepreneurship as an employee retention strategy

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ABSTRACT

There has been a vast amount of academic research done in the field of employee satisfaction and the resulting impact of this dimension on employee innovation output and institutional entrepreneurship. However, there is a dearth of literature on how to retain employees and their tacit knowledge in firms. This study, therefore, seeks to identify Institutional Entrepreneurship (IE) as a key pivot point of strategy, that firms can exploit when endeavouring to actively improve employee retention levels. In this interpretation, the researcher seeks to make a distinction between generally entrepreneurial companies and employee driven innovation or intrapreneurship within companies.

There appears to be an appealing synergy that the fostering of institutional entrepreneurship initiatives can offer business strategists. By incorporating plans for IE into core strategy, they could potentially create sustainable competitive advantage from new business innovations. What this report aims to show is that businesses that make a concerted effort at fostering IE can also protect their current competitive advantage contained in the tacit knowledge of their workforce. This all happens in a climate that is better equipped to deliver organic growth.

The main objective of the research is to establish that there is a relationship between the propensity for an employee to remain in a firm in the near future and their perceptions of whether or how strongly their firm supports IE. A secondary objective is to explore whether this association is stronger among young employees, specifically those who are from the cohort that has been defined as 'the millennials', with an assumption that this relationship, therefore, will become more important in future.

This research report has set out to prove that by orchestrating strategies to improve institutional entrepreneurship, firms can enjoy the benefits of increased employee retention in conjunction with increased organic growth.

KEYWORDS

Employee innovation, institutional entrepreneurship, intrapreneurship, employee retention, millennials, tacit knowledge, organisational ambidexterity, absorptive capacity

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Name: Dhirsan Naicker

Date: 11 November 2014

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Chapter 1: Introduction to the research problem

1.1. Research title

Institutional entrepreneurship as an employee retention strategy

1.2. Description of the research problem and background

The benefits of retaining knowledge workers and the converse potential threats to knowledge loss from attrition are very well documented in modern business literature. Haar & White (2013), Niederman, Sumner & Maertz (2007), Steel, Griffeth & Hom (2002), Vaiman (2008) and Ratna & Chawla (2012); all strongly support the notion that employee retention is fundamentally important in Human Resource Management research and of vital importance to firms at all times, even during economic downturns. Kemelgor & Meek (2008) suggest that this under-studied area of employee retention is becoming a focal point of interest to the business world.

Development Dimensions International (DDI), a leading global human resource firm, conducted a survey among 13,124 business leaders and 1,528 HR executives globally (Global Leadership Forecast 2014|2015). This study, found that while leadership claims to place great value on fostering innovation in the workplace, the opposite is usually true. Rather, they are more often seen to, either intentionally or unintentionally, squash innovation. In a review of related research from DDI, Amble (2012) in his article 'Paying Lip-service to Innovation,' finds that leadership attitudes that are most prevalent are that of leaders being overly confident in their ability to foster and nurture innovation.

This research report seeks to identify institutional Entrepreneurship (IE) as a key pivot-point of strategy, that firms can exploit when endeavouring to actively improve employee retention levels. In this interpretation, the researcher seeks to make a distinction between generally entrepreneurial companies and employee driven innovation or intrapreneurship within companies.

Popular contemporary thinking in the field of entrepreneurship (Alpkan, Bulut, Gunday, Ulusoy & Kilic (2010); Antoncic & Antoncic, (2011)) follows a linear path of improving a firm's innovative agenda by first increasing employee satisfaction, where employee satisfaction is the antecedent. In these models, the corporate entrepreneurial output is the end-goal.

In this research report however, the researcher hopes to prove that the reverse flow of events is also true. The author has proposed that if a firm begins by enabling their IE platforms, it would experience an increased employee attitude towards staying with the firm and by doing so improve overall employee retention.

Alpkan et al. (2010) explored organisational support platforms and their impact on innovative output. They specifically investigated the following dimensions: management support for generating and developing new ideas, allocation of free time to innovate, decentralized decision making autonomy, tolerance for trial and error and increased risk tolerance around project implementation.

Kemelgor & Meek (2008) proposed that platforms such as 'providing employees with more freedom and flexibility' as well as offering adequate 'employee involvement and opportunities for growth' were reporting very low levels of voluntary turnover.

Kuratko, Morris & Covin (2011) postulate that the level of incentivisation that is available to the corporate entrepreneur is generally not sufficient and often represent 'token gestures'. This was specifically in reference to reward systems that were offered for cost-saving suggestions or for ideas that were forced through structured suggestion programmes.

Kuratko et al. (2011) were of the view that corporate entrepreneurs would be more methodical and offer more ingenuity if they were exposed to some of the 'downside risk' should their ideas fail. Similarly they should be allowed to participate in the rewards when their ideas succeeded as a motivation to contribute solid new innovations. These reward schemes could be in the form of bonuses and free time but, given the long term value that is desired, profit share and equity options are more appropriate.

In this report, the researcher hopes to identify a fresh approach to improving employee retention, which has many desirable side-effects including: employee innovation-driven company growth, employee satisfaction and organisational commitment. Lumpkin & Dess (1996) suggest that non-financial outcomes like employee satisfaction and organisational commitment may be as important as financial ones. The potential threat of knowledge loss and associated costs, that firms may experience as a result of employee attrition, as suggested by Hana & Lucie (2011), may also be curtailed.

1.3. Research objectives

The research will be undertaken in the specific area of 'improved employee retention in companies that are perceived to support, reward and recognise IE'. The research will further undertake to test the hypothesis that there is a positive relationship between the extent to which a company strongly supports 'intrapreneurship' or an employee driven innovation agenda and its ability to improve the propensity of employees to remain committed to the organisation.

This research that is set in a business context is based on and extends work from several authors, which are recorded in the literature review below, from various well researched areas especially in the fields of innovation, employee engagement and affect.

The main research objectives are listed below:

- *Research Objective 1:* **To establish whether there is a relationship between the propensity for an employee to remain in a firm in the near future and their perceptions of whether or how strongly their firm supports IE;**
- *Research Objective 2:* **To determine whether this relationship is stronger or more commonly occurring in younger or millennial employees.**

1.4. Research motivation

The motivations for undertaking this research by the author are both academic and professional in nature. In the academic sense, many industries, especially fast paced ones, like the Fast Moving Consumer Goods (FMCG), Electronic, Telecommunications and Information Technology industries have a pronounced senior leadership drive for innovation in most of their leadership commentary. The Wall Street Journal in 2012 nominated 'innovation' as the most over-used phrase of that year. It goes on to cite Clayton Christensen (1997) author of the 'Innovators Dilemma,' who said in this regard that companies are doing so to "somehow con investors into thinking there is growth where there isn't."

In the review of the DDI survey mentioned earlier Amble (2012) says that every four out of ten employees (of the 500 interviewed) claimed that innovation was a "buzz word" that their companies embraced and was more of a long shot than a real achievable objective. This contrasts strongly with the view that 75% of their managers held, in which innovation was claimed to be "absolutely imperative".

Covin and Miles (2007) suggest that it is possible that the difficulty being faced by managers in this regard, is their uncertainty between corporate venturing and how this links operationally to the firm's strategic agenda. Furthermore they hypothesised that firms who included entrepreneurship as a strategy were likely to outperform those firms that did not, in the long run.

The dichotomy that is evident between the views of managers and employees, has been highlighted previously. The DDI study alludes to a lack of emphasis on the part of Human Resources in terms of including innovation as part of the curriculum on leadership development programmes. This also provided justification for the research design in this study to exclude very senior managers from being surveyed.

More recently, Jeremy Warner in his article 'Corporate Lethargy is the New Malaise' which feature in The Daily Telegraph (2014) claimed that innovation has stalled and offers declining rates of patent applications in the United States as proof. He proposes that globalisation and labour migration may have contributed to the destruction of the incentives for innovation.

This would imply therefore, that there is a real and identified need for employee driven innovation as a source of organic growth and sustainable competitive edge. However, while innovation is very prominent in company rhetoric, the on-the-ground support for employee innovation is often fragile, at best. This lack of support for innovation is substantiated in another Wall Street Journal article, 'You call that innovation', by Leslie Kwoh (2012) who uses survey findings from 260 global executives to suggest that titles like 'Chief Innovation Officer' are created mainly for appearances. The article went on to suggest that "most companies don't have a clear innovation strategy to support the role.'

In a professional sense, the researcher is fortunate to be employed in a position where he is exposed to the support for employee innovation that his company provides. In an empirical analysis he has observed employee frustration at the lack of company support and access that employees have to put forward innovative solutions; this often leads to employee disenfranchisement and can result in job searches at other companies.

The relevance of research into innovation is particularly relevant to South Africa at this time and is one potential remedy that may be incorporated into the arsenal of strategy tools, to help improve the lacklustre growth rates of our economy.

Chapter 2: Literature review

2.1. Introduction

This literature review has been structured so as to build a step-by-step academic definition of employee innovation and retention. It is constructed to show the importance of these dimensions to business performance. The review will then provide reasons to support the relationship between these dimensions as proposed by this report.

Due to the breadth of the topics above employee innovation has been described in within the context of firm's Entrepreneurial Orientation (EO), Corporate or Institutional Entrepreneurship (CE or IE), Organisational Ambidexterity (OA) and organisational support platforms for innovation. Employee retention has been described within a voluntary employee turnover context. The researcher has also explored the academic literary support for the benefits of these dimensions to firms.

The literature review has also explored the related concepts of absorptive capacity, tacit knowledge, organisational ambidexterity, the links between these dimensions and their respective associations to innovation and retention. This literature review intends to illustrate the importance of organisational support platforms for IE through employee innovation, and the importance of this in turn to firm growth. This is consistent with more traditional thinking on the topic of innovation.

The second stream of thinking is that the support pillars of absorptive capacity, retention of employee knowledge (tacit and otherwise) and organisational ambidexterity serve to promote innovation and are enhanced by retention of employees.

The researcher aims ultimately to prove that enhanced organisational support for employee innovation may improve employee retention and bring the multiple supplementary benefits including, but not limited to, knowledge retention and innovation-driven firm growth.

The logic flow of this literature review is as follows:

Firstly, defining IE and elaborating on its benefits to firms both in financial and non-financial terms. The literature review then explores some of the metrics for innovation that have been put forward by some leading thinkers in the space. This is followed by an evaluation of the various drivers and enablers of innovation, with specific focus on the platforms that enable IE.

Secondly, the author explores literature that sheds light on the importance of retaining employees with particular reference to tacit knowledge retention and harvesting. The related concepts absorptive capacity and organisational ambidexterity are then explored to give further support to the need for employee and knowledge retention in firms.

Thirdly, the literature will show why millennials behave and respond differently with respect to the dimensions being studied here.

Other positive offshoots of enhancing IE platforms like potentially richer ideation, brainstorming and more fruitful innovation search will also be touched upon in the review. IE will start to emerge as a potentially virtuous, self-sustaining cycle as it may begin forming a systemic culture of continuous improvement. Warner (2014) stated that there are two types of economic growth, 'external' which results from population increase and increased labour participation which does not bring about as much change in peoples lifestyles as the 'internal' growth that comes from innovation and investment. This internal growth, he says, can create a virtuous cycle in productivity and incomes.

To reiterate, the main idea that is being proposed is that, by orchestrating strategies to improve IE, firms can enjoy the benefits of increased employee retention in conjunction with increased organic growth.

2.2. Benefits of innovation to firms: Financial

This study draws from motivation and entrepreneurship theory to explore the potential of IE as a Human Resource Management lever. Covin & Slevin (1991) demonstrated the strong links between entrepreneurial activities in firms and firm growth, profit and competitiveness. Alpkam et al. (2010) found that firms that support an employee innovation agenda are most likely to experience enhanced innovative performance.

Fawcett, Ellram & Ogeden (2006) while exploring the effect of innovation on performance, referenced examples from corporations like Johnson & Johnson, 3M and Honda to illustrate the ways in which the positive impact of innovation was measured. Rauch, Wiklund, Lumpkin & Frese (2009) demonstrated, using a meta-analysis of empirical studies, that there was convincing evidence to prove that firms with stronger entrepreneurial orientations performed better. There is growing evidence that firms that exhibit entrepreneurial intensity generally improve performance, with some convincing arguments surfacing that a lack of entrepreneurial activity in firms is a recipe for failure in a fast-paced, complex global economy (Kuratko, 2009a).

Christensen (1997) in 'The Innovators Dilemma' suggested that capabilities 'migrate upwards in a firm' and that this has an effect of constraining firms who are then more inclined to support continuity over disruptive innovation. This line of thinking would support the development of organisational support for employee innovation as it ensures that all levels of an organisation become empowered to contribute to firm growth. It is also quite likely that disruptive innovation will result when there are views from many different areas within an organisation, for example cross-functional forums, that are pooled to foster richer ideation.

Boris Urban (2008) in "The prevalence of entrepreneurial orientation in a developing country" proposed that there is a particularly important role for EO in developing markets. This has therefore been identified as especially important in the South African context. Urban confirms that the association between EO and firm success holds true even in non-western context. He further suggests that developing countries require a strong EO to be globally competitive and that EO is a precondition for success and survival for firms that compete on the global stage.

As alluded to in the research motivations above, the author intends to illustrate that companies pay 'lip-service' to innovation and that this may not be translating to actual programmes for innovation being rolled out. Seidler-de Alwis & Hartmann (2008) express similar views of the importance of innovation to competitiveness and survival these days. In addition, only a few firms are 'reshaping their organisations' to optimise utilisation of inherent capabilities to manage knowledge-creation and knowledge-transfer. They also confirm that there are different types of innovation that are more prevalent in different industries.

Another especially poignant point, in the relevance of a highly innovative agenda for firms in South Africa, is the country's lagging economy. The Global Competitiveness Report of 2013 compiled by the World Economic Forum (WEF) is a benchmarking study that ranks 148 countries on 'Competitiveness' based on how they are perceived to perform on '12 pillars of competitiveness'. South Africa achieved a Global Competitiveness Index (GCI) ranking of 53rd in the world, one down from a 2012-2013 ranking of 52nd.

This score is bolstered by an increasingly improved score for 'Business Sophistication' and 'Innovation' which rank above the average for efficiency driven economies. While perceptions of sophistication may be driven by our advanced stock exchange (JSE), financial systems and intellectual property protection, this could imply that South Africa is an 'innovation ready' country.

Given this climate that is conducive to innovation and the robust protection of intellectual property rights, South Africa may have to rely heavily on innovation driven growth. This is especially pertinent in light of our dependence on commodity markets for growth.

A worrying metric, however, that the WEF report highlights under the section of 'most problematic factors of doing business' is the 'insufficient capacity to innovate' metric. While this score is not a highly ranked factor, coming in at 10th on the list (WEF GCI Report, pg. 346), this would suggest that there may be a perceived, potentially damaging lack of ability, in South Africa, to capitalise on the strong innovative climate alluded to above.

The 2013 World Intellectual Property Indicators report compiled by the World Intellectual Property Organisation (WIPO) indicates nine percent growth in patent applications globally for 2011 to 2012 with South Africa's growth at 2.7 percent (pg. 6), most evident is our lag to BRICS counterparts (pg. 57).

Pralahad & Mashelkar (2010) in *Innovations Holy Grail* emphasized the importance of emerging economies to adapt the key metrics that they track to influence managerial behaviour toward those that would create a greater innovation culture. They suggest that this could be achieved by tracking measures like innovation efficiency, access and influence instead.

2.3. Benefits of innovation to firms: Non-financial

The benefits of innovation to a firm extend beyond the monetary benefits described above but also to non-monetary benefits like improved employee value proposition. Haar and White (2013) in their work on 'Corporate entrepreneurship and information technology towards employee retention: a study of New Zealand firms' found "direct and substantial relationships" between corporate entrepreneurship, which in this sense was measured by the extent of entrepreneurial activity firms exhibited, and employee retention.

Breugst, Domurath, Patzelt & Klaukien (2011) in the work on 'Perceptions of entrepreneurial passion and employee's commitment to entrepreneurial ventures', showed that perceived entrepreneurial passion for inventing had a positive influence on employee's positive affect at work and in turn on the employee's affective commitment. While Breugst et al. (2011) positioned around understanding corporate entrepreneurship, in this study, the researcher will explore whether this is also true for initiatives that specifically support employee innovation.

A recent report on innovation in companies called 'The Innovation Imperative,' by Futurestep (2013) indicates that candidates in the job market find companies that engage them in innovative ways far more attractive, when considering future employers. Interestingly too, it claims that 37% of employees think their current firm is innovative. Further to that, 44% of employees would leave if the company failed to engage them in innovative ways.

As firms strive toward creating more complete employee value propositions, they may find that stimulating, entrepreneurial firms offer more value to employees than firms that are non-entrepreneurial in nature. Cardon, Wincent, Singh & Drnovsek (2009) explore the positive relationship between passion and employee attachment to the organisation.

2.4. Institutional entrepreneurship (IE) or Intrapreneurship

In this report, the author will use the terms 'Intrapreneurship' and 'Institutional entrepreneurship' interchangeably and has provided more detailed definitions of these similar terms which will follow later.

Garud, Hardy & Maguire (2007) share an interesting perspective in their special issue of *Organisational Studies* piece, 'Institutional Entrepreneurship as Embedded Agency' in which they suggest that the term 'Institutional Entrepreneurship' is in itself a paradox and that the two words are somewhat contradictory in nature.

Pralahad and Mashelkar (2010) in their study of innovative companies found these companies to have organisational ecosystems that saw "consumers as people, suppliers as partners and employees as innovators." In their interpretation, they explain that when thinking about institutionalisation, they found that it describes activities that were more closely associated with the routine manifestation of tried and tested processes, with little room for deviation.

They went on to elaborate on how institutional literature focused on explaining stability and 'isomorphic' change, which was seen to progress with the limits of minimal deviation from institutionalised norms.

On the other hand, when describing 'entrepreneurship', Garud et al. (2007), reference activities that are far more disruptive and unpredictable in nature. These processes comprise of 'active creation' and imply a deviation from the norm, which is diametrically opposed to the definitions of institutionalisation.

They go on to suggest that the tension created by the disparity between these two concepts makes IE all the more difficult to successfully implement and execute within firms. Successful implementation of IE requires strong, visionary leadership, with a high tolerance for failure of early-stage initiatives.

IE also requires a leadership culture that is open and attuned to employee initiative, has the ability to quickly grasp new initiatives, test their strategic fit and then support ideas that are found to be of potential benefit to the firm. This is best achieved by affording IE initiatives 'legitimacy' when there is opposition from the institutionalisation camp.

Key to this process are the platforms created for employees to be innovative and the structure of the firm's reward philosophy that incentivises employees to put forward their innovation contributions. Mendes & Stander (2011) support this concept of empowering behaviour by leaders influencing employee retention. They concluded that a firm that adopted 'empowerment behaviour in its management style' was better equipped to 'building a positive organisation'.

In defining 'intrapreneurship', Antoncic & Hisrich (2003) suggest that intrapreneurship is a form of entrepreneurship that exists within a firm. They elaborated to define it as the pursuing of 'new opportunities' while contrasting it to a non-intrapreneurial firm whom they described as being primarily focused on maintaining the status quo.

There is under-utilisation of innovative capacity that resides in the human capital of companies that may unlock growth potential while boosting employee morale and confidence (Antoncic & Antoncic, 2011). Research has shown that employee innovation is generated mainly by a few senior staff while the large majority of the human capital is not accessed for purposes of innovation or allowed to contribute to the process (Kesting & Ulhøi, 2010).

Ferguson, Mathur and Shah (2005) claimed that innovation in firms occurs best when everyone in the organisation is actively involved in generating ideas and supported their argument by referencing Hamel's "Laws of innovation". Hamel (2001) argued that for every 1,000 ideas that are generated only one or two will be feasible and add value indicating the need for a culture where there is a higher tolerance for trial and error and the entertaining of new ideas weak or strong. Ederer & Manso (2011) put forward similar concepts by suggesting that a high tolerance culture for ideas as well as long-term reward structures are strong motivators of innovation.

Hassan & Vosselman (2010) suggested that organisations are more inclined to adopt isomorphic "legitimacy-seeking" behaviours than to pursue "efficiency-seeking" behaviours that are a result of the actions of institutional entrepreneurs. They go on to explain that these 'actors' are more likely to be professionals and reference Scott (2008) who described them as "lords of the dance" for the reason that they are most involved in designing or contributing to the design of the organisational construct.

Seidler-de Alwis & Hartmann (2008) explore the links between companies that are innovative and how they leverage off tacit knowledge. They raise the questions of how organisations create new knowledge and, more vitally, how organisations transfer new knowledge, which is an area of interest in this research report. They go on to define innovation as a “key form of organisational knowledge creation”. Their work establishes close ties between social elements of surfacing and sharing tacit knowledge and how this relies on having the skill to recognise where in the organisation relevant tacit knowledge lies.

2.4.1. Defining the metrics for successful IE

A survey compiled by a leading innovation consulting firm Synectics in 1993 identified parameters that companies who were successful at innovation possessed. The characteristics most prominent in these firms were those of having senior management involvement in fostering innovation, firms who incorporated innovation into long-term strategy, demonstrated openness to outside ideas, introduced formal programs for idea generation in cross-functional environments, encouraging more interaction with customers to understand them better and the provision of resources to fund programs or incentives.

Barzak, Griffin & Khan (2009) updated the Product Development and Management Association's survey in that year, in which they made even more granular findings about what they termed the 'Best' and the 'Rest' firms when studying innovators. They suggested that the key differentiator of firms that excelled as innovators was that they incorporated innovation into strategy by way of a formal new product strategy. This led them to perform innovation not in a random haphazard fashion but instead by treating it as a 'rules- and discipline-based activity'.

In this research project the researcher has chosen to utilize the metrics for innovation as identified by Muller, Välikangas & Merlyn (2005) in their paper 'Metrics for Innovation: guidelines for developing a customised suite of innovation metrics'. The scales identified in this paper have been incorporated into the survey and more detail of how they were compared to local results follows in Chapter 5. In their development of metrics Muller et al. (2005) evaluated a firm's innovativeness in three broad buckets which they termed the resource, the capability and the leadership views. From these broad areas they further distilled metrics that assess the inputs, processes and outputs of each of these areas.

The metrics for innovation that emerged from this exercise were, among others, to test attributes like whether firms had processes in place to generate new internal and external insights, what resources were available for innovation, the extent to which employees were trained in innovation, or were aware of the firm's innovation targets, or were able to recognize the strategic focus on innovation, the extent to which senior leadership were directly accountable for the company's innovation processes, the number of new employee ideas in the pipeline and whether there were incentives in place for innovation.

2.4.2. Exploring the enablers for IE

When looking at elements that enable a firm's ability to be innovative there are a few key characteristics that emerge. Kuratko et al. (2011) suggest that dimensions like trust, risk-taking, attitude towards failure, adaptability and speed to react feature quite strongly.

Research done by Green, Covin and Slevin (2008) support the notion that firms needed to be both highly proactive in seeking innovation and also possess the ability to adapt strategically as new opportunities arose. Anderson, Covin and Slevin (2009) also suggest that a firm's entrepreneurial intensity contributes to its 'strategic learning capability' which they defined as the firm's ability to learn and leverage from past strategic actions to be able to adapt and adjust strategy.

More recent research specifically into internal corporate venturing projects by Garret & Covin (2009) found that autonomy in planning for project-level managers has a positive relationship with the performance of the project. Autonomy was found to be most relevant in cases when more senior leaders did not possess the same level of product-related knowledge as the project-level leaders.

Another important dimension in enabling IE is to develop an ecosystem that fosters innovation. As Buis, Smulders & van der Meer (2009) proposed, creativity flows when firms diverge from the normal way of doing business by breaking away from the established and familiar way of doing things. This view is supported by von Oech (2008, p. 106) who said "it is hard to see the dynamite idea behind you by looking twice as hard in front of you," in line with the notion of firms having to look in different areas to find inspiration.

Buis et al. (2009) go on to say that firms need to practice both divergence and convergence in the innovation search. The divergence phase, which is to seek and gather ideas, is followed by a convergence phase where the ideas are tested for merit practicality and the operational implementation of the ideas.

Shepard & Kuratko (2009) identified the attitude of the company towards failure as a key component of its ability to foster entrepreneurial thinking. In a firm where there are a lot of new innovative ideas being tested it is quite likely that there will be many projects that fail for many various reasons. How firms respond to failure, they claim, is a critical ability of a firm's employees to be able to learn from these failures.

Shepard & Cardon (2009) explain how an organisation can help develop its employee's coping self-efficacy, by managing the emotions that are evoked by failure, to minimise the interference with learning. This skill, allows employees to believe in their ability to draw motivation and plans of action from major setbacks that they may encounter, while embarking on entrepreneurial activity.

Operational control mechanisms may be seen to be adverse to corporate entrepreneurship, however, Goodale, Kuratko, Hornsby & Covin (2011) found that when control mechanisms were developed with innovations-facilitating in mind that complemented each other, this actually worked better, as there were several interdependencies that existed between the two dimensions. They suggest that managers should be aware that the innovative process can be fostered in a systematic, disciplined manner, in which there are rules, methods and processes that can facilitate innovation. Furthermore, they suggest that successful innovation is the result of an organisational ecosystem, where control elements operate in concert with entrepreneurship elements.

Hornsby, Kuratko, Shepard & Bott (2009) summarise the antecedent enablers of entrepreneurial behaviour in firms under five key conditions. These are: management support, work discretion and autonomy, rewards and incentives, availability of time and organisational boundaries. They found support for the relationship between entrepreneurial behavior and these antecedents from a survey of 530 managers. Another key learning from the study was that employee satisfaction for their jobs was strongly associated with work climates that were supportive of entrepreneurial behavior.

2.5. IE and Retention

Antoncic & Antoncic (2011) suggested that there is a direct relationship between employee satisfaction and its effect on a firm's intrapreneurial output. The researcher postulates that a corporate environment that strongly supports and encourages the identifying, inventing and exploring of new opportunities by employees (intrapreneurship) will invoke in its workforce an even greater will to remain in the company. This should stem from an employee's heightened sense of belonging, higher levels of motivation and greater confidence in their company's growth prospects.

Mendes & Stander (2011), in their work around leadership behaviour that can influence retention, found statistically significant relationships between leader empowering behaviour and employee intention to leave. They referenced work by Park & Kim (2009) as well as Kahumuza & Schlechter (2008) which, as mentioned previously, suggested that 'intention to leave was a strong predictor of actual turnover and possibly the 'most important antecedent of employee turnover'. Firth, Mellor, Moore & Loquet (2004) found strong relationships between employee intention to quit, job dissatisfaction, organisational commitment and job stressors. They explored the role of the manager in actively managing these dimensions to lessen the psychological willingness of employees to consider leaving the organisation.

It is apparent that there is a trend toward employees nowadays seeking out careers that are increasingly more satisfying to them (Kesting & Ulhøi, 2010). There have been strong links established between the employee satisfaction and the intrapreneurship activities of a firm (Antoncic & Antoncic, 2011).

Rock, D (2009) in his work exploring the role of neuroscience in leadership in the article 'Managing with the brain in mind' emphasised the importance of autonomy and its link to retaining employees.

To quote Rock, "Leaders who know how to satisfy the need for autonomy among their people can reap substantial benefits – without losing their best people to the entrepreneurial ranks." (p.65) Länsisalmi, Kivimäki & Elovainio (2004) proved associations between underutilization of knowledge, skills and abilities and poor innovative performance.

2.6. Tacit Knowledge

Vaiman (2008) suggested the importance of retention management to be designed to protect tacit knowledge. He focused solely on professional services firms as he claimed that improved retention management would help them reduce their employment replacement costs while increasing their competitiveness in the marketplace.

Seidler-de Alwis & Hartmann (2008) describe an organisation's tacit knowledge as being embodied in the people that are employed by the organisation and woven into the 'fabric' of the organisation and is therefore not easily imitated. They conclude that tacit knowledge is a source of competitive advantage and that the 'reservoirs of experience' that reside in an organisation are a powerful source of creativity required for innovation.

Harlow (2008) shared similar views when stating that firms who were able to harness tacit knowledge created core competencies that were harder to duplicate, particularly around recognizing, identifying, managing and creating innovation to create customer value.

Harlow referenced Davis (2002) who defined tacit knowledge by describing it as "internal in nature and relatively hard to code and extract", he contrasted this to explicit knowledge which is more codified and shareable in nature. Harlow conclusively showed in his research that there were positive associations between the 'Tacit Knowledge Index' (TKI) and both firm financial outcomes, as well as, firms having a higher degree of innovation.

Seidler-de Alwis & Hartmann (2008) reference work by Hall & Andriani (2002) who argued that there should be a greater amount of knowledge that resides in the explicit knowledge space to render the company safe from employees walking away with their personal knowledge. They also articulated the challenges with transferring tacit knowledge due to it being more personal in nature, rooted in action and often conveyed by sharing personal experience or imitation.

Fosfuri & Tribó (2006) explore the use of knowledge that resides within firms in their study on potential absorptive capacity (PAC) and innovation performance of companies. Their study was based on four dimensions of absorptive capacity, namely, acquisition, assimilation, transformation and exploitation. The assimilation and transformation phases are of key interest as they describe the firm's ability to use, analyse, interpret and combine external knowledge with internal knowledge to create competitive advantage echoing some of the sentiments of Seidler-de Alwis & Hartmann (2008) above.

Fabrizio (2009) also found strong associations between absorptive capacity and the search for innovation, in that firms that performed more in-house research, hence drawing more heavily on knowledge that resides within them had more fruitful searches for new inventions.

'Absorptive capacity' (Fosfuri & Tribó, 2006; Fabrizio, 2009) is an essential enabler of a country or firm's ability to springboard off innovations to create real and sustainable economic growth. South Africa's apparent reduced absorptive capacity is a worrying sign of lack of local skills and knowledge to exploit technological advances.

2.7. Employee attrition versus retention

This section will attempt to illustrate why retention is greatly important for firms. Goswami & Jha (2012), Firth et al. (2004) and Samson (2013) noted the great challenges to the HR fraternity that are being posed by employee attrition. Goswami & Jha (2012) attribute the lack of personal challenges and career mobility as key drivers behind employee attrition.

This growing trend forces companies to place greater emphasis on programmes aimed at retaining their own employees. Bergiel, Nguyen, Clenny & Taylor (2009) attribute this phenomenon to the high economic cost and disruptive effect on social and communication structures that result from employee attrition. Vaiman (2008) also alludes to the 'soft' components like reduced employee expertise or experience as well as key customer relationships that are incurred when losing valuable employees.

Firth et al. (2004) and Vaiman (2008) support the argument that retention can have a positive economic impact and has the potential to create considerable financial savings for firms in recruitment, training and induction costs. The most evident economic costs are mainly those associated with recruitment and training of new hires, however, the value of tacit knowledge and intellectual property that is lost to firms when employees leave are far more difficult to quantify and not as easily evident in the short term.

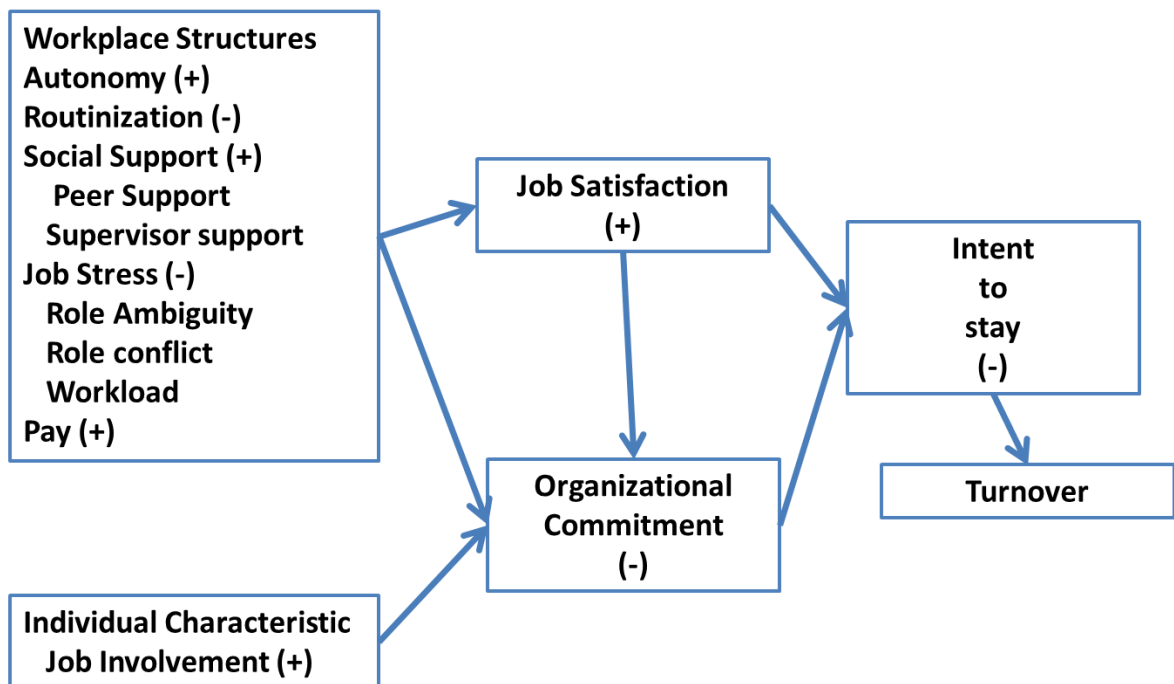
Goswami & Jha (2012) also surface the potential detriment to client service as key personnel leave. Revisiting the work of Seidler-de Alwis & Hartmann (2008) as well as Harlow (2008) and their suggestions of tacit knowledge being a source of competitive advantage we can infer that a loss of tacit knowledge through attrition also weakens the firm's competitive advantage.

Kaye & Jordan-Evans (2000) found that employee happiness, productivity and firm profitability in turn can be shown to result from the improved rate of retention of employees.

Park & Kim (2009) as well as Kahumuza & Schlechter (2008) suggested that 'intention to leave was a strong predictor of actual turnover and possibly the 'most important antecedent of employee turnover'. This implies that the claimed intention of employees to leave the company at which they are currently employed is very closely correlated to employee retention. Restated, this is the willingness or propensity of the employee to remain with the firm at which they are employed.

Currivan (1999) explored the causal relationship of the dimensions of organisational commitment and job satisfaction on voluntary employee turnover. The model that Currivan suggested quite clearly outlines the relationships the researcher undertakes to explore in this research and these relationships are laid out below (Figure 1.). The study revealed relationships between organisational commitment and workload, routinisation, support from peers and supervisor support.

Figure 1: Currivan Model illustrating causal pathways for employee turnover



Source: Currivan, D.B. (1999). The causal order of job satisfaction and organisational commitment in models of employee turnover, Human Resource Management Review, Vol.9., No 4, 1999.

2.8. Organisational Ambidexterity

The dimension of organisational ambidexterity is linked to the topic of research in the sense that the extent to which a firm can be considered to be supportive of employee innovation and offer IE platforms is directly related to how ambidextrous it is. In their article, 'Organisational Ambidexterity in Action', O'Reilly & Tushman (2011) reference the observations of March (1991), who linked the long term sustainability of firms to their ability to fully utilise resources that already exist within the firm.

The article further references March's notion of 'evolutionary engineering' which ascribes importance to organisational experience and memory to the innovation search process. This notion supports the proposed positive relationship between retaining employees and the increased capability of that organisation to innovate more successfully, by retaining the knowledge inherent in their employees in the organisation.

O'Reilly & Tushman (2011) focus on the architecture of firms which are structured to deliver adequately against current business challenges while exploring the environment to develop strong innovation. They conclude that for businesses to be able to survive in dynamic market conditions they need to be able to reconfigure existing resources to exploit current markets successfully, while continuously exploring new spaces for innovation.

2.9. Why are millennials any different?

Gilbert (2011), Ferri-Reed (2012), Miller, Hodge, Brandt & Schneider (2013), and Myers & Sadaghiani (2010) share similar perspectives that millennial employees behave different and should be treated differently if they are to be fully engaged, retained and generally happy contributors in the workplace.

This understanding is important, as this cohort will make up the majority of the workforce in the near future. Miller et al. (2013) anticipate that, in the US, this cohort will make up half of the workforce by the year 2020. This certainly makes a strong case for managers to better understand millennials and to begin to transform the work environment to be more conducive for them to operate in while feeling needed and respected.

Miller et al. (2013) suggest that the millennial generation consists of those born roughly in the 1980s and 1990's and are also referred to as Generation Y (Gen Y). There are certain strong influences that the millennial generation was exposed to, that has shaped their behavior to be somewhat different to the 'Baby boomer' generation that precedes them.

Gilbert (2011) suggests that the main influence on the behavior and social mindset of the millennial generation has been the advance of technology and its impact on the way they live their lives. This is particularly evident in the use of digital communications and social media in the business context. Miller et al. (2013) support this view, asserting that the internet is an integral part of Gen Y lives and go on to claim that many millennials will not accept jobs that do not allow them to access social media.

To support the notion that Gen Y are different to 'Baby boomers', Miller et al. (2013) claim that about thirty percent of Gen Y are of the view that it is acceptable to share opinions on social media about their work. In comparison, only about fifteen percent of Baby boomers shared this view.

A spin-off of the technological advancement has led many millennials to be very amenable to teleworking and more flexibility in the working environment. Myers & Sadaghiani (2010) associate this need for flexibility with the need for a better work-life balance, a dimension that Gilbert (2011) suggests is of utmost importance to them.

Ferri-Reed (2012) suggests that millennials can be generally more self-assured and possibly over confident, but are dependent on receiving feedback and that they crave positive reinforcement and reward.

Another key influence was the economic recession that made its greatest impact when some of this generation would have been starting their working careers. There are divided views on how this may impact millennials as Myers & Sadaghiani (2010) say it may be too early to judge whether millennials will be more loyal to their firms due to the difficulty in finding jobs or whether they may be less committed to their jobs due to the uncertainty that exists in the marketplace.

They claim that indications are that this generation has different value systems with both Miller et al. (2013) and Myers & Sadaghiani (2010) suggesting that while millennials place importance on money, it is not viewed as the only source of happiness. Miller et al. (2013) claim that millennials may even be willing to take a pay cut if they were allowed more flexibility at work.

In particular relevance to this research project, both Gilbert (2011) and Myers & Sadaghiani (2010) show a link between the need for businesses to think differently to retain millennials, as their access to information and perceived lack of loyalty may predispose them to 'job hopping'. Gilbert (2011) claims that it would be important for companies to recognise that there are differences that exist across generations and that strategies that worked to engage and retain boomers may not enjoy similar successes with millennials.

2.10. Conclusion

There is a clearly vast amount of academic literature on innovation in firms improving employee satisfaction and engagement. A less researched topic is retention of employees and subsequently the retention of the intellectual property that resides in their tacit knowledge bases.

The literature paints a picture of the importance of IE to firms and why this dimension is even more important in a South African context. We also see how it is becoming more vital for firms to start providing platforms for their employees to contribute the ideas on how to grow the business. The value that is locked in tacit knowledge pools may not be leveraged fully in most firms at present and is at threat of escaping the firms when skilled employees leave.

The link between entrepreneurial output and employee satisfaction becomes evident and furthermore the link between IE and the improved ability of firms to retain their employees becomes more plausible. The literature then covers the additional benefits of successful IE programmes which are also very desirable and potentially widespread. These range from employee-driven sustainable, organic growth, to greater organizational commitment and social cohesion. However, it is clear that IE initiatives need to be well supported and incentivized for it to make a meaningful difference.

Academic interest in this field is rising; as the global pool of talent becomes smaller, companies find themselves contesting more fiercely to find and retain the best people. Added to this is the natural phenomenon of increasing number of millennials taking up places in the working environment. The literature suggests that this is a different group of workers with different behaviours, motivators and value systems.

The researcher believes that the literature provides adequate substantiation for the use of employee innovation and the support for institutional entrepreneurship as a strategic lever to improve propensity of employees to remain with their companies.

CHAPTER 3: Research Hypotheses

3.1. Research hypotheses

This study will test the hypothesis that there is a positive relationship that exists between the employee innovation agenda that a company drives and its ability to retain employees. The purpose of the research is to show how supporting an employee innovation agenda can be used as a Human Resource Management strategy to improve employee retention.

First Null hypothesis:

Ho1: There is no relationship between the employee innovation agenda that a company drives and the company's ability to create an increased propensity for employees to stay with the firm and thereby improve retention of their employees.

Alternate hypothesis:

HA1: There is a positive relationship between the employee innovation agenda that a company drives and the company's ability to create an increased propensity for employees to stay with the firm and thereby improve retention of their employees.

Second Null hypothesis:

Ho2: There is no difference in the strength of the relationship between the employee innovation agenda that a company drives and its ability to retain 'millennial' employees.

Second Alternate hypothesis:

HA2: There is a stronger positive relationship between the employee innovation agenda that a company drives and its ability to retain 'millennial' employees.

The flow of questions to be used in the measurement instrument is attached in Appendix 1.

Chapter 4: Research methodology

A quantitative, descriptive research study was conducted by means of survey questionnaires emailed to respondents and administered by way of an on-line survey tool, Survey Monkey.

4.1. Research design & Methodology selection

A quantitative, descriptive research design best suited the problem identified. Descriptive research allowed the researcher to determine the degree to which the variables are associated and also to describe the differences between the sub-groups in the sample (Malhotra, 2010, p. 74).

The type of innovation that would be most effective in improving South Africa's inclusive growth trajectory is 'inclusive innovation' for which Mashelkar (2012) provided an expanded definition by describing 'Inclusive innovation' as being in any of the following areas:

- Technological;
- Business process;
- Workflow;
- Delivery system;
- Research process;
- Organisational; and
- Public policy.

The researcher has utilised these definitions of innovation in the research instrument to provide respondents with context of the intended field of focus and the types of innovation that are considered in this research.

4.2. Universe

The researcher has identified that the universe most appropriate to this research problem was all professionals who have been employed in a large to medium sized company for a period longer than one year.

4.3. Population

The population was one that included all people employed in a professional or executive capacity, for a minimum of one year, in a company in South Africa. Respondents must have worked in their present company for a full year or more so that they would have gained enough exposure to the normal operations of that company, to be able to answer questions related to these.

The size of the company was not very material to the objectives of this study but was included to ensure that no data from one-man businesses or micro-industries be included in the findings. As such, only firms with more than 20 employees were included in the analysis.

The other restriction was that very senior management and owners were excluded from the survey due to the potential bias that may have stemmed from their perception that the survey results would reflect either poorly or well on themselves and their management of the organisation. The dichotomous views of leaders and employees of their perceptions around innovation, as referenced in the DDI study earlier, supports this assumption.

4.4 Sample

A sample of convenience was selected and hence the survey was limited to professionals working in South Africa only. The researcher emailed an invitation to participate in the survey to members of his personal network. A total of 120 invites were sent out and 88 surveys were achieved. A description of the sample will follow in Chapter 5.

4.5. Units of analysis

The perceptions of respondents, who were professionals working in their companies for a period longer than one year and were not senior management or owners, were the units of analysis for this study.

4.6. Data collection techniques

A data collection instrument was designed, tested and piloted 4 times by the researcher and one proof-reader. There was a question that had the incorrect scale labelled but this was rectified later in the collection phase and the analysis chapter details the steps taken to ensure that the wording of the questionnaire did not have any impact on the findings. This survey questionnaire was hosted and administered on an online survey tool. Respondents were invited to partake in the survey by receiving an email with a cover note from the researcher. Respondents received an email that contained a hyperlink to direct them to the survey site where they were prompted to complete the questionnaire.

The researcher has made use of the *Intention to Leave Scale (ILS)* developed by Firth et al. (2004) in his questionnaire to measure the respondent's claimed intent to leave their company. This is a 5-point scale ranging from 'very often' to 'rarely or never' and typically asks the question "how often do you think of leaving your present job?"

4.7. Issues of reliability and validity

Validity is defined as the extent to which:

- Data collection methods accurately measure what they were intended to measure;
- The findings are really about what they profess to be about.

Reliability is defined as the extent to which:

- Data collection methods and analysis procedures will produce consistent findings (Saunders & Lewis, 2012).

The researcher believes that he has achieved a robust and valid data collection tool by conducting a series of tests and pilots designed to ensure that the questions being posed directly inform the desired outcomes. Data obtained from questionnaires have been utilised by the researcher to test the hypotheses.

By refining the measurement instrument the researcher reduced issues of reliability that may have arisen. The data have been subjected to reliability tests using the Cronbach's alpha coefficient (Malhotra, 2010, p. 287) and the findings are detailed in the next chapter.

4.8. Sampling technique

The time period within which the project needed to be completed made a convenience sample most practical and economical to pursue. As suggested by Malhotra (2010), convenience sampling is the 'least time consuming of all sampling techniques,' as sampling units are accessible and most likely to be cooperative.

The researcher achieved a non-probability sample of convenience by emailing survey questionnaires to his extended personal network and inviting people that meet the criteria to participate in the study. There were quotas set on age, gender and length of work experience to ensure reasonable representivity while allowing for the analysis of sub-samples to explore whether stronger associations between the variables exist among these. The researcher is especially interested to explore whether this phenomenon is even more significant among 'millennial' employees. Millennials are generally considered to be the cohort born between the years 1980 to 2000, however respondents only born before 1996 were interviewed for practical purposes.

Descriptive data from quantitative survey interviews with professionals were analysed to assess how strongly associated the dependent variables of employee retention as measured in this case by propensity to remain in the current company, are associated to the independent variable, which is the level of employee innovation that is supported in an organisation.

4.9. Definition of Key Terms, Concepts and Variables

In considering this research topic the researcher wishes to draw the distinction that he has made in his interpretation of these similar, but related terminologies.

- Corporate entrepreneurship: describes the entrepreneurial nature and culture of a firm, usually a series of leadership driven initiatives and organisational cultures that allow a firm to be more risk taking and open to new areas of business, innovation and growth;
- Institutional entrepreneurship and intrapreneurship: refers specifically to programmes centred around enabling platforms for employees to innovate and provide the business with innovative concepts, processes and products;
- Innovation: can refer to the development or conceptualisation of new or improved products, processes, market segments, channels, concepts, marketing communication, etc; and
- Retention and organisational commitment: Intention to remain with the company in the foreseeable future or alternatively an employee's perception of their propensity/ likelihood/ intention to leave the company in the near future through normal, voluntary turnover.

4.10. Data analysis

Data have been analysed using Microsoft Excel and IBM SPSS Software tools. Reliability, correlation and descriptive statistics techniques have been utilised by the researcher to produce conclusive outputs. Numerical data were analysed using the Pearson's product moment correlation (Saunders & Lewis, 2012) coefficient technique to measure the strength of relationship between the dependent variable of 'propensity to leave the organisation' and the independent variable of 'perceived support for IE'.

4.11. Limitations

The researcher has identified some limitations that are evident in this research study. These include:

- Measurement instrument: the researcher recognises that there may have been some difficulty in measuring retention and innovation on a self-reporting questionnaire as well as the difference in claimed perceptions and actual behaviour. He intends to word the questions carefully to measure respondent perceptions about support for employee innovation as the independent variable and intention to leave or stay with their current company as the dependent variable. This approach may not have the ability to distinguish the extent to which the dependent variable is influenced by factors other than the independent variable, which was outside the of the scope of this study;
- Convenience sample: by its nature may cause selection bias including respondent self-selection bias (Malhotra, 2010) and therefore may not be generalized to the population;
- Geographic: respondents will be limited to employees working and living in South Africa only and may not be inferred to broader geographies;
- Time frame: the study will be limited to the time period May to November 2014 per Figure 2.

4.12. Timeline

Figure 2: Research project timeline

	Jul	Aug	Sep	Oct	Nov
ETHICS APPLICATION	14 th				
FINALISE QUESTIONNAIRE	20 th				
CONDUCT INTERVIEWS		10 th			
DATA ANALYSIS		11 th			
FINALISE REPORT		25 th	30 th		
GLOBAL MODULE				11-22 nd	
RESEARCH DUE					3 rd

Chapter 5: Research results

5.1. Introduction

This chapter will lay out the results that were obtained from the quantitative study that was conducted by the researcher. The research consisted of on-line questionnaires that were sent out to numerous respondents and the results obtained are discussed hereunder.

5.2. Analysis of data

A quantitative research study was implemented by means of survey questionnaires emailed to respondents and administered by way of an on-line survey tool, Survey Monkey. The data were collected and analysed and the results of the survey are laid out below.

There was a question that had the incorrect scale labels (Q20) which asked a 'very often' scale for a 'how likely' question. This was however rectified later in the collection phase. After collecting 74 surveys a second survey was designed with the correct wording to evaluate the difference in response pattern. A further 14 surveys were completed and the data from these responses were compared to that from the original survey.

No significant difference was detected in the response pattern and this is attributed to the logical flow of the questionnaire being intuitively correct and the difference in semantics quite small. The data from the revised survey was then imputed into the original survey for the final analyses of the correlations which follow.

The analysis techniques used were Pearson's Product moment correlation and Cronbach's alpha internal consistency analysis. This was performed by using SPSS statistical analysis software developed by IBM. Murray (2013) tested the impact of various techniques on analysing Likert scales with different types of analyses techniques, including Kendal-Tau, Pearson and Spearman rho, and concluded that the type of test selected did not affect the conclusion drawn from the test. This has given the author comfort that it would be adequate to perform Pearson analysis for purposes of analysis.

5.2.1. Analysis of reliability using the Cronbach's alpha technique

The reliability section that follows will detail the analyses performed to evaluate the difference between the two surveys and therefore the potential impact on the findings and this was found to be insignificant.

Table 1: Independent variables scale reliability test

Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardised items	N of items
0.928	0.928	4

Malhotra (2010) explains that a coefficient alpha or Cronbach's alpha score in excess of 0.6 indicates a satisfactory level of internal consistency reliability for the scales used. The SPSS analysis of the reliability of the independent variables returns a Cronbach's alpha of 0.928 (see Table 1) which indicates a very satisfactory internal consistency reliability.

Table 2: All independent variables reliability scores

	Cronbach's alpha if item deleted
My company has a strong employee innovation agenda	0.886
There are many tools and methodologies for innovation available to me	0.923
I am encouraged to submit ideas and innovations on a regular basis	0.907
Employee ideas and innovations are regularly implemented in our business	0.907

The SPSS analysis of the reliability of the dependent variables returns a Cronbach's alpha of 0.921 (see Table 3) which indicates a very satisfactory internal consistency reliability. This is the score attained by the original survey.

Table 3: Dependent variables scale reliability test (original survey)

Reliability statistics			
Cronbach's alpha	Cronbach's alpha based on standardised items		N of items
0.921	0.926		2
Item statistics			
	Mean	Std. deviation	N
How often do you think of leaving your present job?	3.05	1.332	59
How likely are you to look for a new job within the next year?	3.03	1.531	59

Table 4: Dependent variables scale reliability test (revised survey)

Reliability Statistics			
Cronbach's alpha	Cronbach's alpha based on standardised Items		N of items
0.880	0.885		2
Item statistics			
	Mean	Std. deviation	N
How often do you think of leaving your present job?	3.05	1.322	73
How likely are you to look for a new job within the next year?	3.23	1.523	73

The revised survey was found to generate a Cronbach's alpha of 0.88 and this is still deemed to have a very satisfactory level of internal reliability. This compared very well to the 0.921 alpha obtained in the original survey. This allowed us to conclude that the impact on reliability of the wording change effected in the new survey instrument on the scales has been minimal.

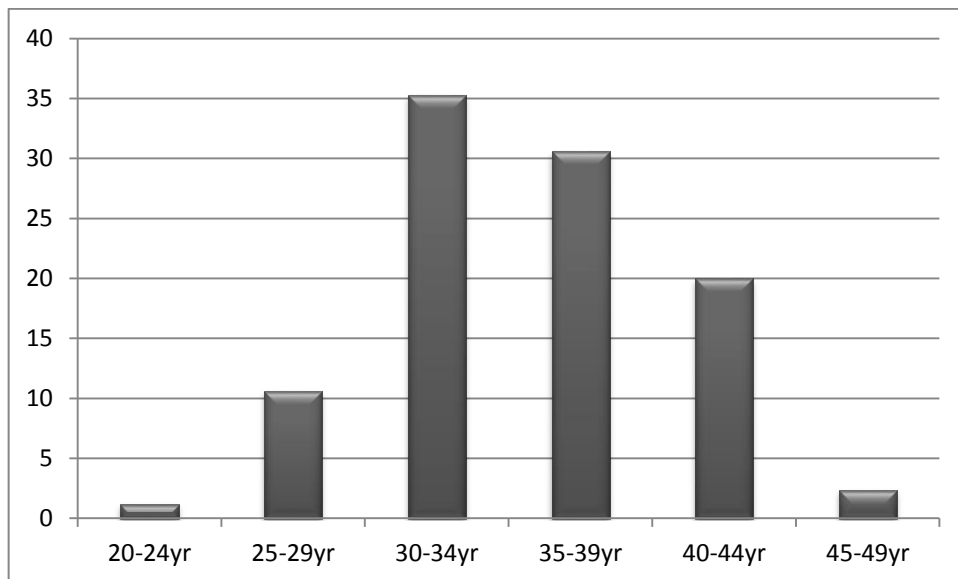
5.3. Descriptive statistics

A sample of convenience was selected and the researcher emailed the survey out to 120 respondents electronically, using the Survey Monkey tool, with 88 respondents participating in the survey. Some respondents left the survey earlier and did not complete the entire survey, hence, the total sample analysed for the descriptive statistics section of the research was a sample total of 76 respondents.

The sample achieved was considered to be robust and, while not generalizable, diverse enough to provide sufficient variance in the data. The sample was also considered robust enough to allow for sub-sample analysis for respondents born after 1996, or millennials as described earlier, as the sample achieved for this cohort was 36 respondents.

To ensure diversity of respondents, as well as to introduce variance to the data, the sample achieved produced a normative distribution of respondent age as is evidenced in the graph below:

Figure 3: Distribution of respondent ages (%)



A sample of 36 respondents was achieved for respondents aged 34 years and younger and this is considered adequate or robust enough for a sub-sample analysis of 'millennials'. Millennials have been defined, in this study, as respondents born roughly between the years of 1980 and 1996, so that they meet the requirement of being of minimum employable age.

The sample also achieved a good spread in terms of the industries in which respondents worked ensuring that perspectives from many different market sectors were considered.

Figure 4: Distribution of industries in which respondents work (%)

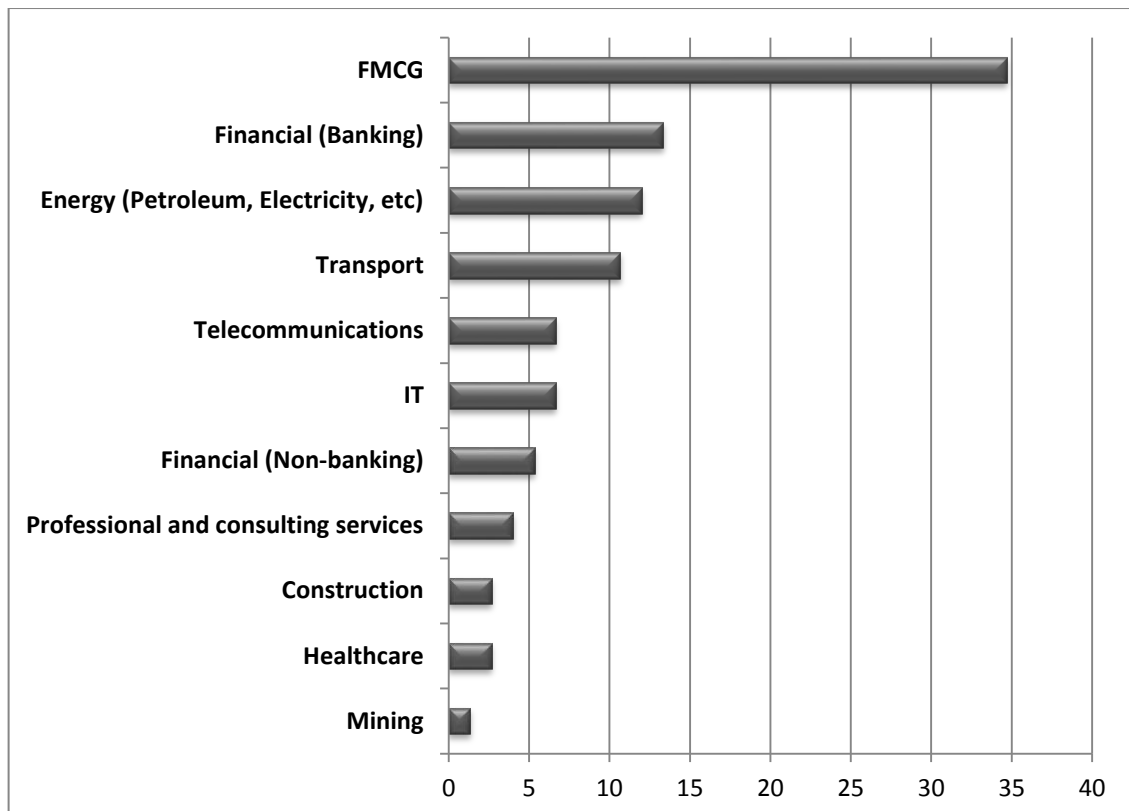
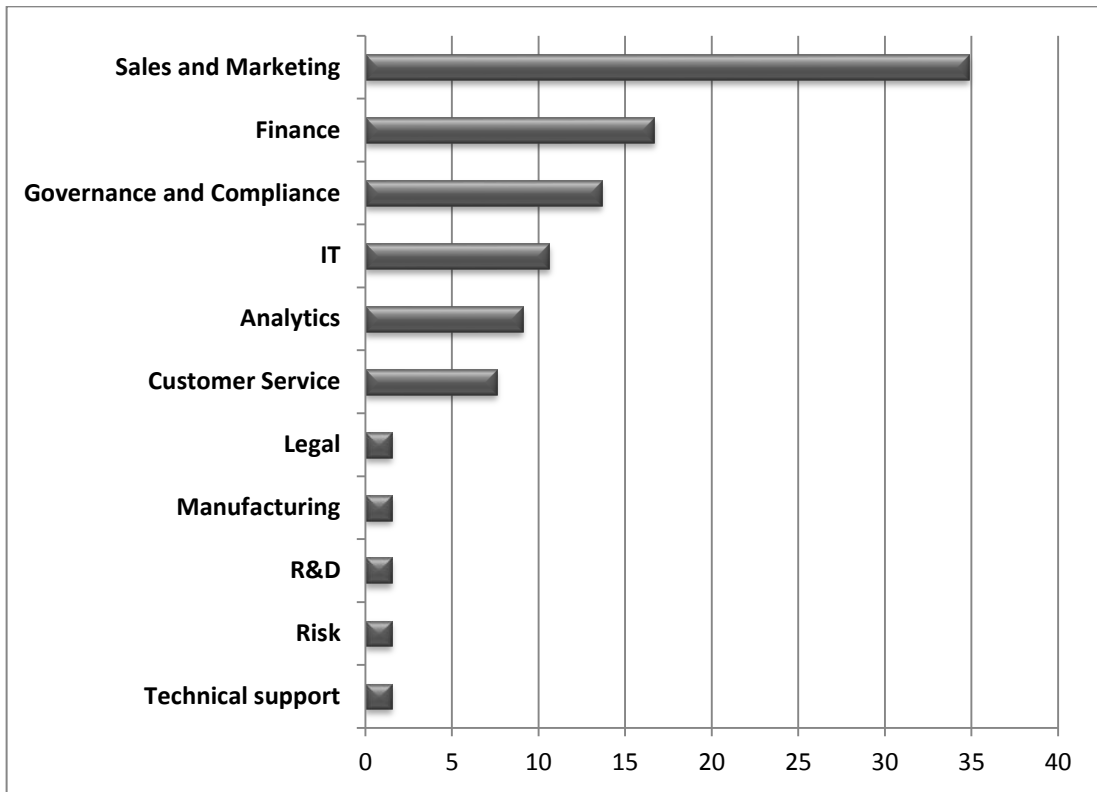


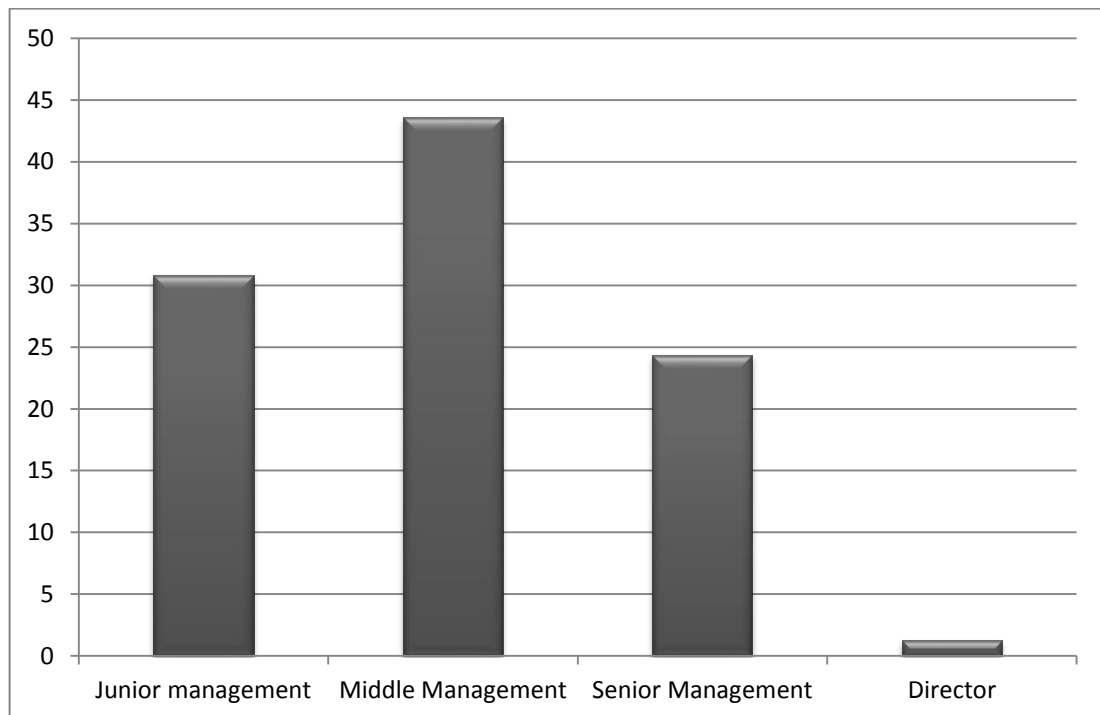
Figure 5: Distribution of respondent occupational functional areas (%)



The sample achieved a good spread in terms of the professions to which the respondents belonged, ensuring that perspectives from a broad array of functional areas were considered.

The sample achieved a reasonable spread of level of management seniority that respondents possessed.

Figure 6: *Distribution of respondent management seniority (%)*



5.4. Comparison to benchmarks

A paper compiled by Muller et al. (2005) details the evaluation that the team performed on developing guidelines for innovation metrics. The paper uses a survey that was completed by 50 companies whose revenues each exceeded US \$1 billion.

This survey was done among companies, as opposed to individuals. It was also conducted at a different time and in a different geography to this study. However, while it may not perfectly compare to the research conducted here, the researcher believes that these metrics can be used to give an indicative understanding of the innovation landscape, in the South African context.

The metrics that were identified and selected for purposes of testing in this survey, were a combination of those that were identified for beginners of innovation, as well as, those for veterans of innovation. The reason for this selection is that upon studying the metrics, the combination of statements from both the beginner and veteran battery were deemed, by the researcher, to be appropriate for the levels of innovation that occur in the South African context.

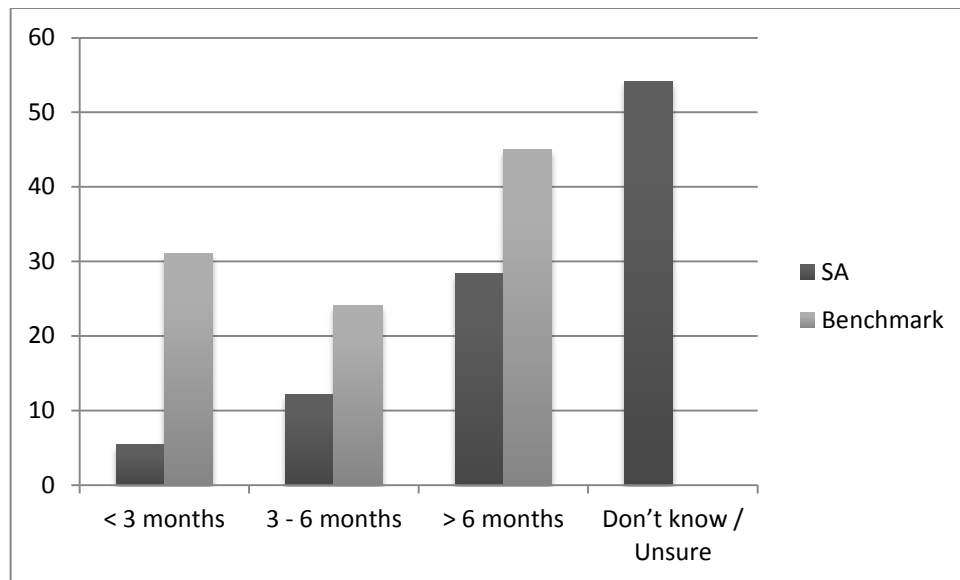
The researcher has used the metrics identified in this paper to compile his questionnaire instrument. By gathering data on these metrics, the researcher has been able to perform comparisons of the results from his own survey, labelled hereunder as SA, to the benchmarks established in this paper.

The comparisons are as follows and show the percentage of responses of this research study to the benchmark data obtained from the Muller et al. (2005) study.

5.4.1. Response time for ideas

We observe that the levels of speed to market for new innovations indexes lower than the benchmark.

Figure 7: *Time required from idea to a go-forward decision (%)*

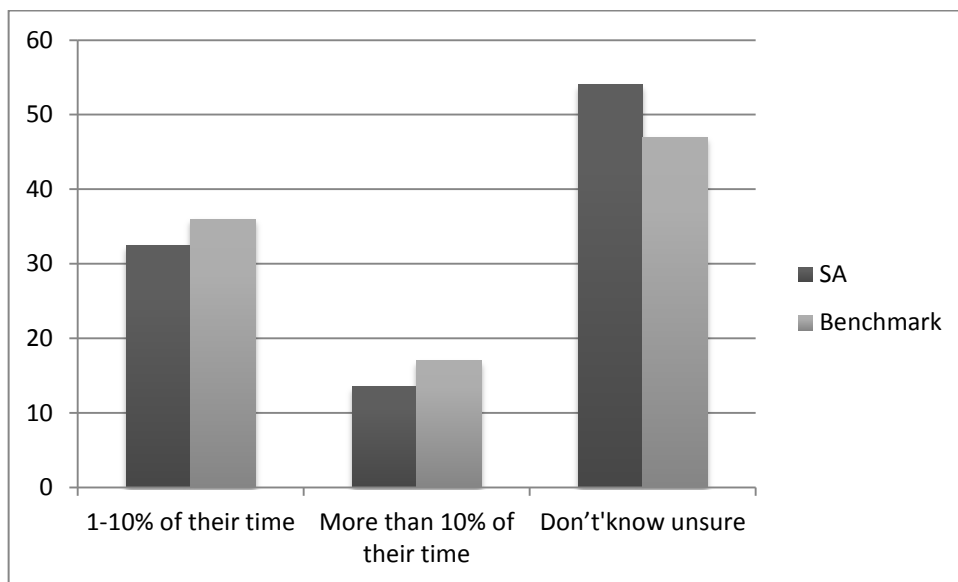


5.4.2. Management time attributable to innovation

Here we explored the percentage of management time that is accountable for innovation in terms of allocated time (note that less than half of all respondents indicated that they feel unsure about contributions that managers make to innovation).

For this question the researcher recorded a very large number of 'don't know/ unsure' responses, exceeding 50%.

Figure 8: *Management time attributed to innovation (%)*

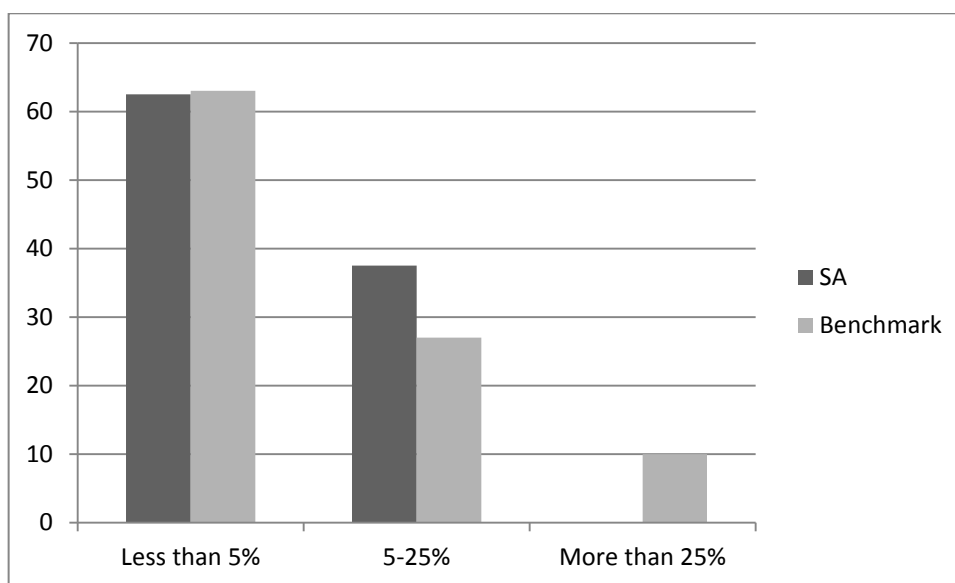


Again for this question the researcher recorded a very large number of 'don't know/ unsure' responses, exceeding 50%. When we strip out the 'don't know/ unsure' responses, we observe that the level of management time as an innovation resource indexes slightly lower than the global benchmark.

5.4.3. Employee resources available for innovation

The following graph describes the percentage of employees that are currently involved in an innovation project, which is more than 50% of the employee's time. It shows an overwhelming majority of respondents indicating less than five percent of their time on innovation projects.

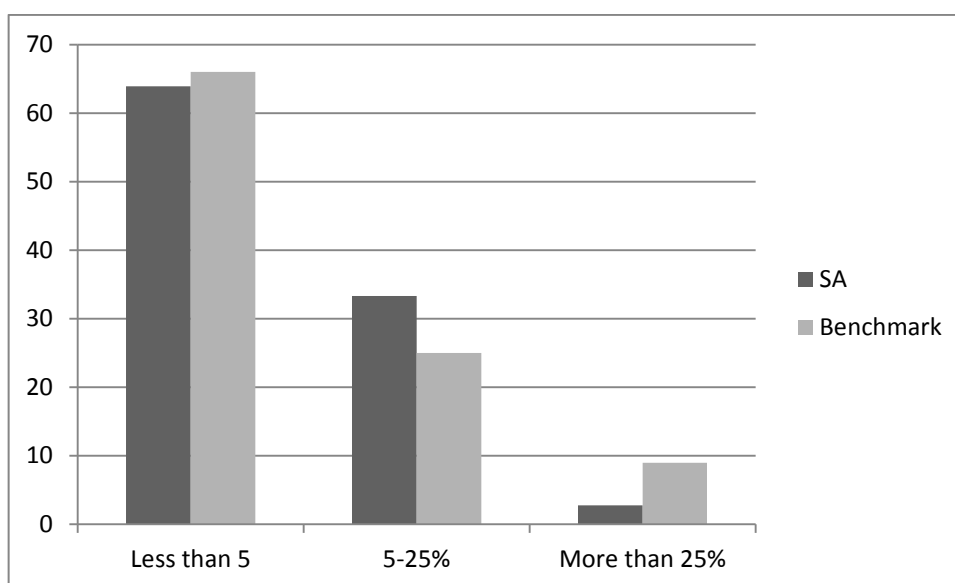
Figure 9: Amount of employee time attributable to innovation (%)



5.4.4. Capital invested in radical innovation projects

When asked about the percentage of capital that is invested in radical innovation projects in their companies almost two thirds claim to have perceived this to be less than 5%, slightly lower but reasonably on par with the benchmark. Interestingly, far fewer perceived this investment to be greater than 25% which is a fair amount lower than the benchmark.

Figure 10: *Percentage of capital that is invested in radical innovation*



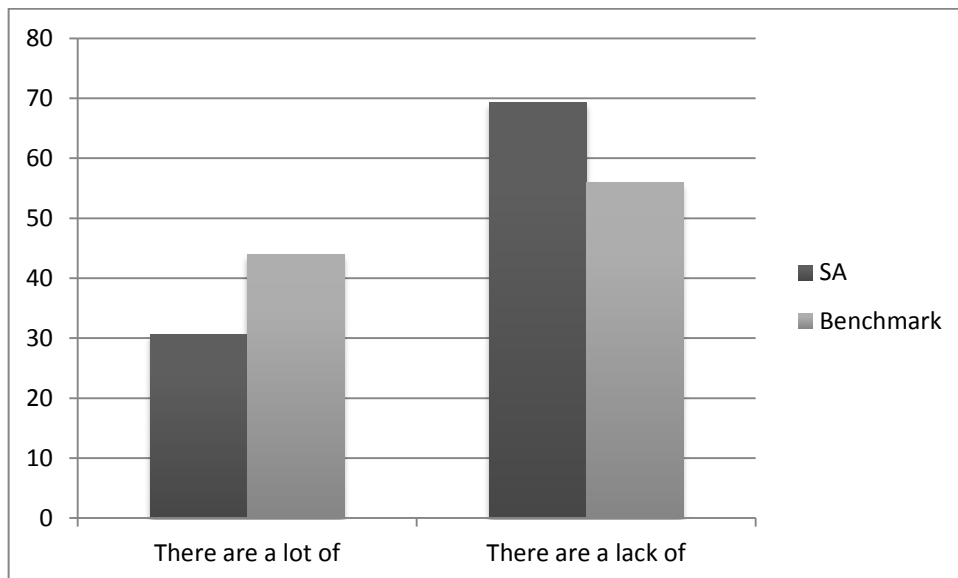
5.4.5. Innovation pipeline

The following set of analyses is indicative of respondent perceptions about the characteristics of a company's innovation pipeline.

5.4.5.1. New employee ideas in the pipeline

The first metric tested the perceptions around the amount of new ideas in the pipeline that were generated by employees. Here we see a distinct perceived lack of ideas when compared to the benchmark.

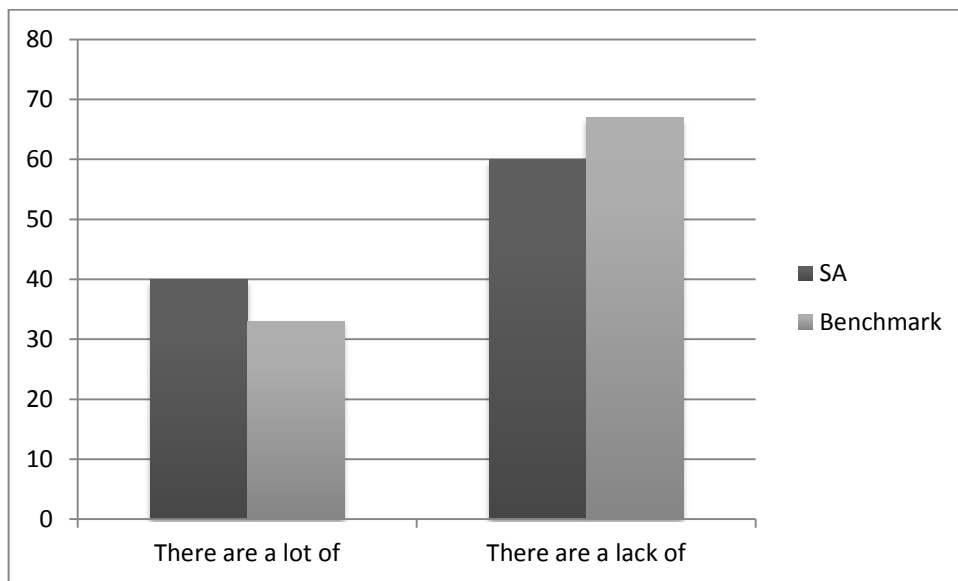
Figure 11: *New employee ideas in the pipeline (%)*



5.4.5.2. New business innovations being introduced

When asked about the amount of innovative business concepts that were being introduced at their companies, respondents indicated a distinct lack thereof, albeit higher than the benchmark.

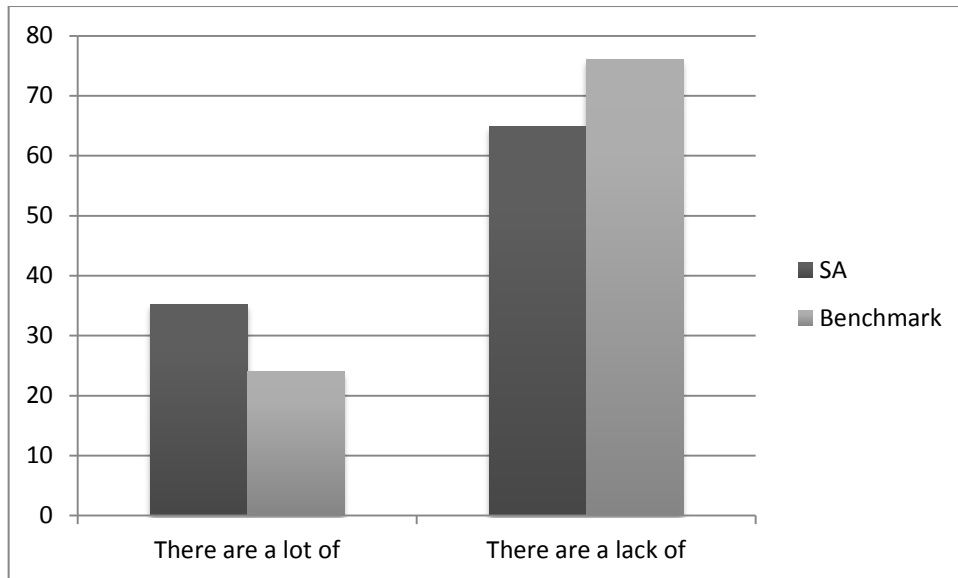
Figure 12: Innovative business concepts (%)



5.4.5.3. Perceptions of promising new ventures

The similar picture was evident when we asked respondents about their perceptions of promising new ventures their companies anticipated.

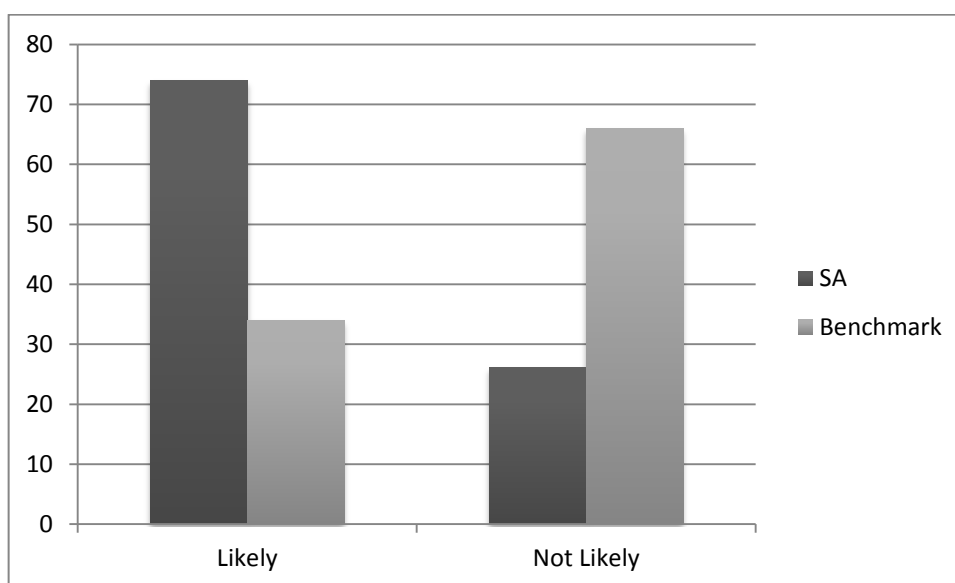
Figure 13: *Promising new ventures (%)*



5.4.5.4. Company growth predictions

When asked about their perceptions of their companies meeting the growth needs over the next five years there were some interesting results. A staggering three quarters responded in the affirmative compared to about a third in the benchmark study.

Figure 14: *Likelihood of meeting growth needs in the next 5 years (%)*



When evaluating the metrics above, the results obtained from this study conducted in SA follow the global trends reasonably closely for most of the metrics being observed but is generally directionally lower than the benchmark in terms in innovation. There was, however, a generally more optimistic view of growth prospects despite the views on innovation being somewhat lower. The findings will be elaborated in the next chapter

5.5. Hypothesis testing

Is there a relationship between institutional entrepreneurship and employee propensity to remain with their company?

The survey data will be examined at two levels, firstly at a total sample level for the first hypothesis and then at a subsample level, which will look at a sample of millennials only, for the second hypothesis.

The total sample data was examined and of the total of 76 respondents who completed the survey, 10 respondents were excluded from the analyses for hypothesis testing as they either did not complete parts of the questionnaire that were pertinent to the hypothesis testing or were found to be outliers. A resulting sample of 66 respondents then comprised the total sample being analysed for the hypothesis testing while a sample of 32 of the 36 millennial respondents were analysed for that sub-sample.

The questions identified for hypothesis testing were deemed most appropriate to the hypotheses posed and are outlined in Table 5 below.

Table 5: Independent and dependent variables to be tested

Independent variables: Institutional entrepreneurship
My company has a strong employee innovation agenda
There are many tools and methodologies for innovation available to me
I am encouraged to submit ideas and innovations on a regular basis
Employee ideas and innovations are regularly implemented in our business
Dependent variables: Employee retention (propensity to leave)
How often do you think of leaving your present job?
How likely are you to look for a new job within the next year?

5.5.1. Correlation of key variables for Hypothesis 1 (Ho1)

To test whether there is any association between the variables for employee innovation and employee retention

Table 6: Correlations between key variables for total sample

CORRELATIONS		
	Dependent variables	
Sample: n = 66	How often do you think of leaving your present job?	How likely are you to look for a new job within the next year?
Independent variables	Pearson Correlation (<i>r</i>) Test statistic (<i>t</i>) T distribution Critical value $\alpha = 0.05$ (two tailed)	Pearson Correlation (<i>r</i>) Test statistic (<i>t</i>) T distribution Critical value $\alpha = 0.05$ (two tailed)
My company has a strong employee innovation agenda	$r = -0.483^{**}$ $t = 4.412$ Critical value = 1.9977 Reject null hypothesis	$r = -0.447^{**}$ $t = 3.997$ Critical value = 1.9977 Reject null hypothesis
Employee ideas and innovations are regularly implemented in our business	$r = -0.409^{**}$ $t = 3.557$ Critical value = 1.9983 Reject null hypothesis	$r = -0.461^{**}$ $t = 4.123$ Critical value = 1.9983 Reject null hypothesis
I am encouraged to submit ideas and innovations on a regular basis	$r = -0.311^{*}$ $t = 2.957$ Critical value = 1.9983 Reject null hypothesis	$r = -0.370^{**}$ $t = 3.161$ Critical value = 1.9983 Reject null hypothesis
There are many tools and methodologies for innovation available to me	$r = -0.279^{*}$ $t = 2.306$ Critical value = 1.9983 Reject null hypothesis	$r = -0.290^{*}$ $t = 2.405$ Critical value = 1.9983 Reject null hypothesis

It would appear that there is a moderate strength, negative association between the variables for IE and employee retention. The strongest being between having a 'strong employee innovation agenda' and propensity to leave as described by 'how often respondents think about leaving their current job' (-0.483) or 'how likely they would be to search for a new job' (-0.447).

The second moderate-strength, negative association that has emerged is the association between 'employee ideas and innovations implemented in businesses' and propensity to leave as described by 'how often respondents think about leaving their current job' (-0.409) or 'how likely they would be to search for a new job' (-0.461).

Malhotra (2010) explains how the statistical significance of the correlation or the relationship is calculated using a T distribution. The correlations mentioned in the paragraph above were subjected to t-test analyses and the following results were achieved:

For all of these correlations recorded in the table above the t-test statistics exceed the critical value therefore allowing us to conclude that the null hypothesis of no relationship between the dependent and independent variables can be rejected.

Furthermore these correlations are all significant at the 0.01 level (2 tailed) which will mean that $p < 0.05$ and allows us to reject the null hypothesis ***Ho1*** and accept the alternate hypothesis ***HA1***.

5.5.2. Correlation of key variables for Hypothesis 2 (Ho2)

Are the variables for employee innovation and employee retention more strongly associated among millennials?

Table 7: Correlations between key variables for Millennials sub-sample

CORRELATIONS: MILLENNIAL SAMPLE		
	Dependent variables	
Sample: n = 32	How often do you think of leaving your present job?	How likely are you to look for a new job within the next year?
Independent variables	Pearson Correlation	Pearson Correlation
My company has a strong employee innovation agenda	-0.624** <i>t</i> = 4.3737 Critical value = 2.042 Reject null hypothesis	-0.566** <i>t</i> = 3.760 Critical value = 2.042 Reject null hypothesis
Employee ideas and innovations are regularly implemented in our business	-0.515** <i>t</i> = 3.290 Critical value = 2.042 Reject null hypothesis	-0.552** <i>t</i> = 3.625 Critical value = 2.042 Reject null hypothesis
I am encouraged to submit ideas and innovations on a regular basis	-0.460** <i>t</i> = 2.789 Critical value = 2.045 Reject null hypothesis	-0.467** <i>t</i> = 2.844 Critical value = 2.045 Reject null hypothesis
There are many tools and methodologies for innovation available to me	-0.384* <i>t</i> = 2.239 Critical value = 2.045 Reject null hypothesis	-0.417* <i>t</i> = 2.471 Critical value = 2.045 Reject null hypothesis

It would appear that there is a strong negative association between the variables for IE and employee retention. The strongest being between having a 'strong employee innovation agenda' and propensity to leave as described by 'how often respondents think about leaving their current job' (-0.624) or 'how likely they would be to search for a new job in the next year' (-0.566).

The second association that has emerged is a moderate-to-strong, negative relationship that exists between 'employee ideas and innovations implemented in businesses' and propensity to leave as described by 'how often respondents think about leaving their current job' (-0.515) or 'how likely they would be to search for a new job' (-0.552).

This demonstrates that there is sufficient evidence to prove that there is a negative association between a company's employee innovation agenda and the propensity of its employees to consider leaving their companies voluntarily. We can assume that the opposite is true and when worded differently, that there is a positive association between the company's innovation agenda and its ability to retain employees.

For all of these correlations recorded in the table above the t-test statistics exceed the critical value therefore allowing us to conclude that the null hypothesis, of no relationship between the dependent and independent variables, can be rejected. Furthermore these correlations are all significant at the 0.01 level (2 tailed) which will mean that $p < 0.05$ and allows us to reject the null hypothesis ***Ho1*** and accept the alternate hypothesis ***HA1***.

Moreover, the higher values for r evident among the millennial sample would indicate to us that the relationships are stronger among this sample than in the total sample. This leads us to accept the alternate hypothesis ***HA2*** as well.

The interpretation of correlation strengths was adapted from Hair et al. (2009) and it is important to note that these correlations indicate a relationship or an association between variables but not causality.

Chapter 6: Discussion of Results

6.1. Introduction

The objective of this chapter is to interrogate the data analysis provided in the preceding chapter to be able to extract learnings, make inferences and draw conclusions about the research objectives set out in Chapter 3, using the literature base established earlier in the report.

6.2. Comparison to benchmarks

The comparison of the results from the data collected in this survey to a benchmark study conducted by Muller, Välikangas & Merlyn (2005), gives us an indicative view of how South African professionals perceive the innovation landscape as measured by these metrics. The author cannot generalise the findings broadly, as explained previously, but can view these results as a guide.

The researcher recorded a very large number of 'don't know/ unsure' responses, exceeding 50% for a few key questions around speed to market with new employee ideas and management time dedicated to innovation (Fig. 7 & 8). This response pattern is curious given the amount of lip-service paid to innovation in contemporary business dialogue. While this research report may not be able to provide insight into why there is so much uncertainty on these attributes, the author can speculate that there may be very little, sound knowledge of the innovation agenda in many firms.

It may also be likely that respondents are uncomfortable to report that there is little emphasis on innovative agendas at their firms contrary to the claims made by their leaders, as per the observations made in the Wall Street Journal article referred to earlier.

This response pattern could also suggest that there may be little communication around the innovation pipeline in many companies. Ultimately it does not leave one with the sense of confidence that innovation is deeply entrenched in the strategy or everyday business of most firms.

This view that South Africa does not have a strong base for innovation, is given credence by the relatively lower scores for 'Response time for ideas', 'Management time attributable to innovation' and 'New employee ideas in the pipeline' (Fig. 7,8 & 11) when compared to the benchmark study. When considering 'new employee ideas in the pipeline' less than a third of the sample claims to perceive a lack of new employee ideas in their companies' innovation pipelines. The generally low absolute scores also give an idea that the innovation agenda is not being well supported.

The sentiment is echoed when observing the results achieved for 'Employee resources available for innovation' and 'Capital invested in radical innovation projects' (Fig. 9 & 10). For these two statements, about two thirds of the sample saying that they perceive these measures score less than 5% at their firms. While these scores are roughly in line with the benchmarks they still indicate a general lack of innovation activity in these firms and, in summary, would give the impression that the South African innovation agenda, as perceived by employees, is for the most part lacking.

When looking at the metrics of 'New business innovations being introduced', 'Perceptions of promising new ventures' and 'Company growth predictions,' a counter intuitive insight emerges. When comparing the scores recorded by South African respondents compared to the benchmark study they appear to be more optimistic about their companies' growth expectations, when compared to the global study.

These trends are in contrast to the views expressed by Rauch et al. (2009) who demonstrated how firms with stronger entrepreneurial orientations performed better. Other views (Kuratko, 2009a) went as far as to suggest that firms who did not embrace entrepreneurial activity strongly were doomed for failure in a fast-paced, complex global economy.

South Africa's lag in patent applications when compared to the other BRICS countries has been surfaced as another concern about our competitiveness with this grouping. In light of the importance that Pralahad & Mashelkar (2010) placed on emerging economies ability to influence managerial behaviour, that guided strategy toward a greater innovative agenda by tracking measures like innovation efficiency, the perceived lack of priority given to innovation in South Africa is concerning.

Figure 14 which describes the perceptions of their companies meeting their growth need over the next 5 years, is somewhat telling and while it is just one relatively simple question, it gives quite an interesting view of South African perceptions towards innovation and growth when comparing it to the benchmark data. It would suggest that in South Africa the growth prospects are perceived to be more positive and not necessarily as dependent on innovation, than elsewhere.

The author could infer two potential hypotheses from this, the first being that respondents don't place a high emphasis on the role of innovation in their firm's growth and the second somewhat more likely scenario is that South African employees are generally more bullish about their firms' growth prospects perhaps unrealistically so given the WEF rankings discussed earlier.

6.3. Research hypotheses tests

This study has tested the hypotheses that a positive relationship exists between the employee innovation agenda that a company drives and its ability to retain employees. The purpose of the research is to show how firms that actively support an employee innovation agenda as a Human Resource Management strategy can, as a result, improve employee retention.

6.3.1. Discussion of Research hypotheses 1

Null hypothesis:

Ho1: There is no relationship between the employee innovation agenda that a company drives and the company's ability to create an increased propensity for employees to stay with the firm and thereby improve retention of their employees.

Alternate hypothesis:

HA1: There is a positive relationship between the employee innovation agenda that a company drives and the company's ability to create an increased propensity for employees to stay with the firm and thereby improve retention of their employees.

Entrepreneurial companies that act entrepreneurially tend to have employee satisfaction levels that are of higher levels. This is supported by Haar and White (2013) who studied the effect of corporate entrepreneurship on employee retention. Breugst et al. (2011) also showed that companies where entrepreneurial activity was present in the form of passion for inventing had the positive effect of increasing employee commitment.

There is an important distinction made in this research report between generally entrepreneurial firms where innovation is generated mainly by owners or senior managers and firms where the large majority of the workforce is actively engaged in innovative activity. Anderson et al. (2009) make this differentiation and, in doing so, refer to the ability of firms to adopt 'strategic learning', where the entire organisation actively learns, systematically, from the successes and failing of innovative projects.

The employee innovation that is referred to in this research report is defined by the institutional entrepreneurship platforms that are targeted specifically at employees. The types of initiatives that constitute IE or a firm's employee innovation agenda are elements like a culture of tolerance for ideas and incentives as suggested by Ederer & Manso (2011).

Seidler-de Alwis & Hartmann (2008), as well as Harlow (2008), showed how a firm's tacit knowledge reservoirs as embodied by the people who worked there were a source of competitive advantage. They went on to elaborate how this knowledge was a powerful source of creativity for innovation and very difficult to imitate.

Other antecedents of employee innovation agendas as described by Hornsby et al. (2009) were management support, work discretion and autonomy, rewards and incentives, availability of time for employees to innovate and organisational boundaries.

Mendes & Stander (2011) described the significant links they found between empowering behavior of leadership and the ability to retain employees. Vaiman (2008) demonstrated the importance of employee retention to the retention of tacit knowledge. Vaiman further illustrated the other costs of voluntary turnover on the organisation by distinguishing between the considerable financial costs of turnover from recruitment, training and induction costs, as well as, the 'softer costs', which were encompassed in the loss of morale from social disruption to the remaining staff and finally the intangible loss of tacit knowledge, which could also manifest as poorer levels of customer experience from loss of service staff experience.

In this research report the dimension being studied is employee innovation and platforms that support and foster employee innovation. The findings from the analysis of the total sample are that there is sufficient evidence to reject the null hypothesis and accept the alternate.

This allows us to conclude that there is in fact an association between the extent to which employee innovation is supported in an organisation and the propensity for the firm's employees to want to remain working at that company. As mentioned this does not suggest any causality but instead tells us that these variables are associated.

6.3.2. Discussion of Research Hypotheses 2

Second null hypothesis:

H02: There is no difference in the strength of the relationship between the employee innovation agenda that a company drives and its ability to retain 'millennial' employees.

Second alternate hypothesis:

HA2: There is a stronger positive relationship between the employee innovation agenda that a company drives and its ability to retain 'millennial' employees.

The evidence shared earlier from Gilbert (2011), Ferri-Reed (2012), Miller et al. (2013), and Myers & Sadaghiani (2010) alluded to the difference in attitudes exhibited by millennial employees when compared to their older counterparts. The fact that this cohort will naturally form a greater and greater part of the workforce, as time goes on, makes it vitally important for us to gain a more advanced understanding of how their values and motivations differ.

In constructing the hypothesis for this research report, these differences in attitudes and behaviours that are evident in millennials were considered. It became clear that if there was indeed a positive relationship between employee innovation and retention as proved by our accepting the first alternate hypothesis (***HA1***) that this relationship too would be at a different level among millennials.

Miller et al. (2013), Myers & Sadaghiani (2010) and Gilbert (2011) demonstrated the types of attitudinal and value shifts that occurred in this cohort and how these shifts may have come about by the role of technology in their lives. This closeness and reliance on technology would suggest that millennials may have a positive attitude toward innovation given the reliance and fast pace of innovation that is synonymous with the technology industry.

The greater degree of self-assuredness and confidence that millennials may demonstrate, as pointed out by Ferri-Reed (2012), as well as, their apparent dependence on receiving feedback, positive reinforcement and reward would suggest that they are far better suited to conditions that favour institutional entrepreneurship. These IE support conditions, as outlined by Hornsby et al. (2009), of management support, work discretion and autonomy, rewards and incentives, availability of time for employees to innovate seem to very compatible with the needs of millennial employees.

It is for these reasons that it was proposed, when constructing the alternate hypothesis (**HA2**), that the relationship between employee innovation agenda and the willingness for employees to remain in their companies may be even stronger among millennial employees. This has been proven to be true in this report, with the stronger degree of correlation observed between the independent and dependent variables, as evidenced by the strong degree of correlation among the millennial sample as compared to the moderate correlation exhibited by the total sample.

This has allowed us to reject the null hypothesis of no difference in the strengths of the relationship between the total sample and millennial sub-sample and accept the alternate hypothesis which proposed a stronger relationship among the millennials sub-sample.

6.4. Summary of results

In concluding the discussion of the results the author has observed that a relationship does indeed exist between employee innovation and its impact on employee retention. Employee innovation was best articulated in this report by the metrics that described the firm's innovation agenda and the number of new employee ideas that were being adopted by the business.

Employee retention was articulated as the increased desire or propensity of employees to remain with their current firms, rather than voluntarily leave their organisations for other jobs. This dimension was framed in this report by the metrics that asked how often respondents considered leaving their current jobs or how likely they were to look for a new job in the next year as prescribed by Firth et al. (2004) in their 'Intention to leave scale' (ILS).

In finding that there was a moderate to strong negative association between the variables that indicated a lack of support for employee innovation and those variables that indicated a willingness for employees to look for new jobs, the author has found convincing evidence to support that these dimensions could be used as strategic levers as proposed.

The opposite relationship can also be inferred, so as to say, that firms that strongly support employee innovation are more likely to appeal to their employees and more likely to experience improved employee retention.

A summary of the results is captured below.

Table 8: Summary of results of hypothesis tests

Hypotheses	Conclusion
<i>Ho1: There is no relationship between the employee innovation agenda that a company drives and the company's ability to create an increased propensity for employees to stay with the firm and thereby improve retention of their employees.</i>	Reject the null hypothesis
<i>HA1: There is a positive relationship between the employee innovation agenda that a company drives and the company's ability to create an increased propensity for employees to stay with the firm and thereby improve retention of their employees.</i>	Accept the alternate hypothesis
<i>Ho2: There is no difference in the strength of the relationship between the employee innovation agenda that a company drives and its ability to retain 'millennial' employees.</i>	Reject the null hypothesis
<i>HA2: There is a stronger positive relationship between the employee innovation agenda that a company drives and its ability to retain 'millennial' employees.</i>	Accept the alternate hypothesis

When looking at the metrics for innovation as proposed by Muller et al. (2005) that author has surmised that there seems to be a general lack of emphasis on innovation in general and employee innovation perceived in South African firms. This observation was made from the generally low scores that these metrics received and relatively lower endorsement they received on certain key metrics than the benchmark study.

The unexpected findings of the somewhat higher perceptions for growth were counter-intuitive. The author has attributed these to either the lack of understanding of the importance of innovation to growth or from the more optimistic view of growth that South Africa has been fortunate to achieve in the past.

In concluding the summary section, it should be sufficiently evident that there is a relationship that exists for IE as being an antecedent for employee retention and that this relationship is indeed more significant among millennial employees. In demonstrating this, it can be reasonably concluded from the results of the analyses, that the objectives of the research report have been met in full, notwithstanding the limitations of the study as identified earlier.

Chapter 7: Conclusion

7.1. Introduction

After a detailed examination of the findings from the analyses presented in Chapter 5 and review of the literature, the author has been able to validate the results from the hypotheses tests. The implications for business are clear; as it becomes evident that employee innovation is becoming increasingly vital to growth, success and even survival in today's fast moving competitive landscape.

7.2. Implications for business in South Africa

In South Africa, the importance of employee innovation is even more imperative as we struggle with tepid growth rates and a heavy reliance on commodity offtake by foreign markets. The ability of South African firms to be able to step-change their rate of new product development and innovative business process efficiencies is dependent on them having unambiguous, strategic commitment to corporate entrepreneurship.

Employee innovation is so vitally important in the business context due to the inclusive nature of the initiative. When all levels of the firm are contributing to innovation, the ideation should be richer, the number of new ideas should increase exponentially, the areas of improvement would be more widespread and the culture of strategic learning and innovation becomes a way of life.

While the commercial benefits of innovation to firms are very clear, the non-financial impacts, that are the focus of this report, are not as easily evident. This report aims to provide a viable justification for firms to consider enhanced employee innovation platforms as a mechanism to not only achieve growth but to simultaneously improve retention of their employees.

A point of some concern is the somewhat disparate view that indicates that managers have a different, more rose-tinted, view of innovation than what is actually taking place. This is concerning as this may indicate a few potential roadblocks to the type of growth from innovation that South Africa requires.

It also indicates some naivety on the part of managers who may not realise the importance of innovation to their companies' growth. This is especially true for South Africa where it seems that we have been a little blinkered by the successes of our past while the rest of the developing world has overtaken us in real growth terms recently. The role of innovating for growth is in the view of the author quite underestimated.

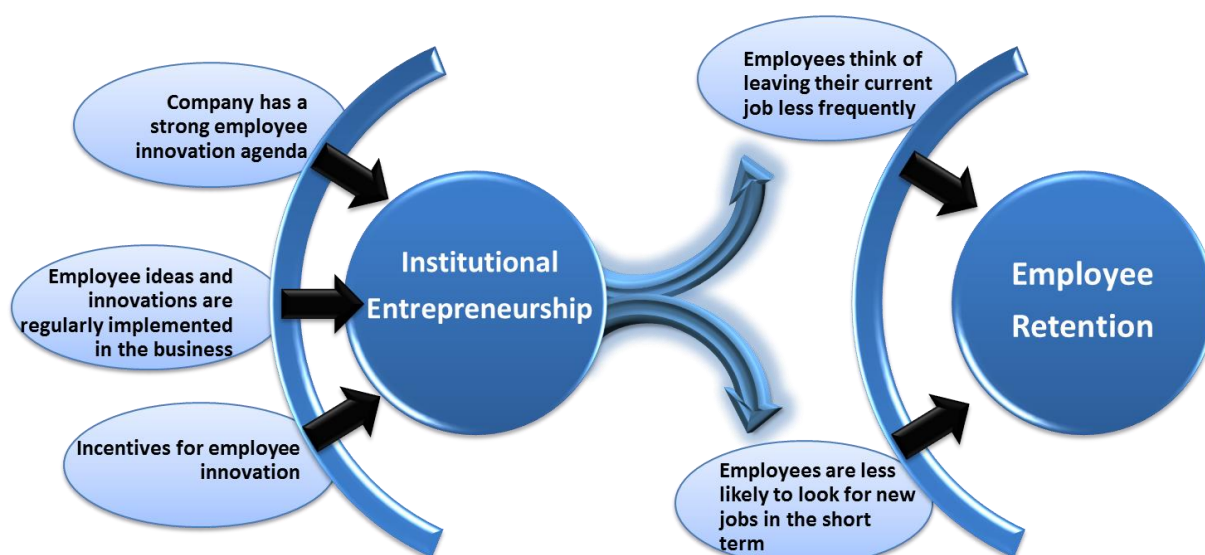
Another potential challenge to employee innovation is the possibility of perceived notions from managers that they may be relinquishing power or delegating the strategy to the entire workforce. This is an uninformed and somewhat insecure view and only stands in the way of developing a solid innovation pipeline.

By investigating the view of millennials towards employee innovation initiatives and the potential impact on their retention rate, the researcher has proposed that this dimension of employee innovation is very likely to become even more important in future. As this cohort starts to become a bigger contributor to the workforce, their attitudes toward companies that support employee innovation are likely to be more favourable and these companies have a greater chance of succeeding.

7.3. Framework for IE

The model below illustrates the dimensions that are the subjects of this research report and the underlying metrics that have been tested to prove the alternate hypotheses. The end-goal is that of employee retention and the desirable elements that this brings, such as social cohesion, knowledge retention and competitive advantage from retained expertise. The strongest driver as evidenced by the highest correlation is that for companies which have strong employee innovation agenda. This model suggests that this end-goal can potentially be attained by pulling on the levers of Institutional Entrepreneurship (IE) which have been annotated below.

Figure 15: Model for improved employee retention through IE



The flow of the model is from left to right. It is intended pictorially illustrate the IE platforms that could be implemented to improve IE activity, which in turn influence the employee retention levers described in this report by the propensity of employees to think of leaving their current jobs or look for new job in the near future.

This model would be most appropriate to be considered in companies and industries where there are large pools of skills and knowledge that reside in their employees. It is even more appropriate if these companies are at threat of losing scarce-skilled employees to competitors or who then go on to open their own businesses in competition to the company.

The intended flow of this model is as follows:

Firstly, enhancing IE platforms can be achieved by harvesting tacit knowledge, incentivizing employee innovation which then gives greater organisational support for employee innovation and raising absorptive capacity.

The support platforms can take many forms but the key platforms identified in the literature earlier in this report are broadly defined as management support, work discretion, autonomy, rewards or incentives, availability of time and organisational boundaries. Moreover, firms should seek to create a climate or ecosystem in which ideas, weak or strong, are entertained and where there is high tolerance for failed ideas, with the understanding that this should contribute to strategic learning capabilities of the firm.

Secondly, these processes in turn are likely to have two main beneficial effects on firms. The first benefit would be organic growth from innovation, as per the literature review. This research has proven that there is an added benefit of potentially improved employee retention, or a decrease in the rate of voluntary employee turnover, that would occur as a result.

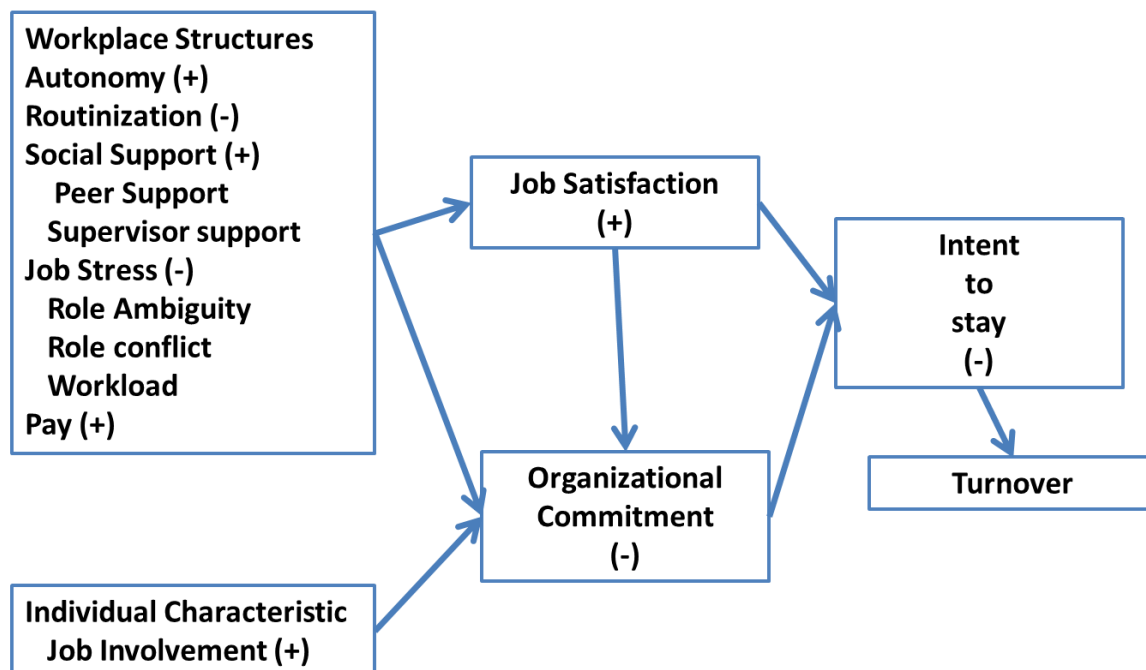
Thirdly, the research has shown that millennials behave and respond differently with respect to the dimensions being studied here. As this cohort grows in influence as time goes by it is very likely that IE initiatives and platforms will become increasingly important.

By revisiting the Currivan (1999) causal model employee turnover (Figure 16), it is evident that this model examines two main causal pathways, namely, workplace structures and individual characteristic described by job involvement. These in turn both influence job satisfaction and organisational commitment which collectively influence 'intent to stay'.

The framework developed in this research report (Figure 15) show the three main contributors to IE in the workplace which were measured, namely 'incentives for innovation', 'strong innovation agenda in place', and the 'regular implementation of employee ideas and innovations in the workplace'.

When evaluating this framework in the context of the Currivan model, it would seem that the three enablers for IE that have been identified would fit best in the workplace structures but will have an secondary influence on things like job involvement. The author has assumed that these enablers would have a positive effect on both job satisfaction and organisational commitment given the relationships that have been proven to exist in this report.

Figure 16: Currivan Model illustrating causal pathways for employee turnover



Source: Currivan, D.B. (1999). The causal order of job satisfaction and organisational commitment in models of employee turnover, Human Resource Management Review, Vol.9., No 4, 1999.

7.4. Recommendations based on findings

The author urges South African corporates to have a strong look at the types of employee innovation support platforms they have in place to inculcate a culture of innovation. If they find that their employee innovation readiness is lacking in comparison to their industry, they should make it a strategic imperative to improve their capability in this area. This is not an exercise that is easily or hastily done as it would require management buy-in, strong leadership support and strategic resource allocation if it is to be rolled out effectively.

The culture of innovation needs encouragement and there are far softer, less evident enablers like creating an environment of trust and tolerance, which can contribute greatly to its success.

Kuratko et al. (2011) shared an interesting perspective on the types of incentives that could be more effective for corporate entrepreneurship. They pointed out the potential different effects short-term, once-off incentives would have when compared to more long-term incentives. Their stance was that employees would potentially be more thorough and offer more viable innovations when they partake in the profit share from the ideas generated, either directly or through equity programmes, while also being exposed to the downside risk. This does seem to be a much more pragmatic approach to motivating corporate entrepreneurship.

When considering IE as a strategy, firms will need to also give strong consideration to some fundamental pillars of this intervention. Firstly, it is imperative that firms have a clear understanding of the ecosystem that is required to deploy the IE system into so that it is most effective. What this simply means is that IE cannot be deployed in isolation and there are many support conditions that have to be enabled for the IE initiatives to create the business results that are desired.

Clear communication, leadership support, innovation training and the creation of a climate for innovation by stimulating a culture of openness and trust are all vitally important to success. This concept of an 'IE ecosystem' cannot be overstated as it becomes even more patently clear when pursuing broad-based employee innovation as opposed to a back-office, skunk-works type innovation initiative.

Another very important consideration is the ability of a firm to structure the correct incentives to begin steering employee behavior in the right direction. There were examples of the types of incentives from Kuratko et al. (2011) shared earlier, that could be used and the relative advantage of equity based incentive programmes over short-term cash incentives or similar. These financial incentives are primary drivers of the types of innovation behaviours that are desired. However, the author discovered in a recent discussion with Mr. Hiroyuki Nishiyama, the Chief operating Officer of GMO, a leading Japanese Internet company, how their company used a different set of metrics to motivate the employees to innovate.

Mr. Nishiyama revealed that at his firm, while monetary incentives were offered, employees were additionally motivated by customer satisfaction metrics. This is based on an understanding of how important Japanese employees consider customer service to be as a source of personal pride and that customer service is deeply entrenched in Japanese culture in general. This starts to give us an idea of how important non-monetary incentives are and supports the notion that a reward philosophy needs to be created that is more holistic and meaningful to the individual contributors.

It also further necessitates a deep, profound understanding of the underlying motivators for staff when structuring incentive programmes.

7.5. Proposals for future research

As has been mentioned, this survey was conducted among a sample of convenience and one whose findings may not therefore be generalised. A broader sample that is more structured to allow generalisability may be useful to convince business that the arguments raised herein are indeed worthy of putting into practice.

While it was outside of the scope of this research to identify the drivers behind the increased retention, the researcher assumes the main drivers to include amplified employee inclusion (participation), involvement, entrepreneurial orientation, satisfaction and fulfillment. These areas are identified as very fertile areas for future research. This could extend to explore which of these factors, or combinations thereof, have the greatest influence on employee retention.

It may also be of great value to understand which of the drivers or enablers of the employee innovation platforms would be most successful at influencing the propensity for employees to remain loyal to their firms. This would allow managers to focus programs to priorities and allocate resources accordingly.

Furthermore, it would be very useful for leaders to develop a deep understanding of what employee skill-sets are both in the work context and outside of this, where the pools of tacit knowledge lie and what motivates employees both from a monetary and non-monetary perspective.

7.6. Conclusion

This report furthers the study of institutional entrepreneurship and has shown how this dimension can be utilised as a strategic lever to enhance the ability of a firm to retain its employees. It is hoped that the findings of this report will add to the body of knowledge that is available in the fields of employee innovation and employee retention.

As mentioned previously, an IE ecosystem would involve a multifaceted approach to the creation of a comprehensive climate that is conducive for employee innovation. This ecosystem would be most effective if created within a systemic culture of continuous improvement, through employee innovation, so that it then has the potential to become self-sustaining or a self-reinforcing cycle. This will give firms the best opportunity to achieve the internal growth and organisational ambidexterity to create virtuous cycles in productivity and income.

The fostering of institutional entrepreneurship does seem to offer business strategists an appealing synergy. By incorporating plans for IE into core strategy, they could potentially create sustainable competitive advantage from new business innovations while protecting their current competitive advantage contained in the tacit knowledge of their workforce. This all happens in a climate that is better equipped to deliver organic growth.

It is hoped that a fresh approach to improving employee retention has been brought forward for consideration. When combined with the many desirable side-effects of company growth, employee satisfaction and organisational commitment, as well as, mitigation of potential threat of knowledge loss and associated costs from employee attrition a very strong case for improved institutional entrepreneurship can be constructed.

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APPENDIX 1: Questionnaire

Dhirsan Naicker – GIBS MBA Research Survey
CONSENT FORM
<p>To whom it may concern,</p> <p>I am currently studying towards a Master of Business Administration (MBA) degree at the Gordon Institute of Business Science (GIBS) and am carrying out research to explore employee innovation in companies.</p> <p>Your participation in this research is voluntary and you can withdraw at any time without any penalty. This survey should take you no more than 10-15 minutes to complete.</p> <p>All personal data will be kept confidential at all times and at no time will respondent level data be used without express permission from the individual concerned. If you have any concerns about the research please feel free to contact me or my Supervisor, Dr Irfaan Khota.</p> <p>I thank you greatly for your participation.</p> <p>Sincerely, Dhirsan Naicker dnaicker@coca-cola.com 083 852 0019</p> <p>Supervisor: Dr Irfaan Khota irfaank@idc.co.za +27 11 289 3621</p> <p>1. Do you consent to continue with the survey?</p> <p><input type="radio"/> Yes</p> <p><input type="radio"/> No</p>
Brief questions about yourself and your company
<p>2. What is your name and surname?</p> <p>_____</p>
<p>3. Which category below includes your age?</p> <p><input type="radio"/> 20-24</p> <p><input type="radio"/> 25-29</p> <p><input type="radio"/> 30-34</p> <p><input type="radio"/> 35-39</p> <p><input type="radio"/> 40-44</p> <p><input type="radio"/> 45-49</p> <p><input type="radio"/> 50-54</p> <p><input type="radio"/> 55-59</p> <p><input type="radio"/> 60 or older</p>

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4. Please indicate your total length of employment

- Less than 1 year
- 1-3 years
- 4-6 years
- 7-9 years
- 10-12 years
- 13-15 years
- 16+ years

5. Please indicate the length of employment at your current company

- Less than 1 year
- 1-3 years
- 4-6 years
- 7-9 years
- 10-12 years
- 13-15 years
- 16+ years

6. To which of the following professions do you belong?

- Administrative
- Finance
- Legal
- IT
- Sales and Marketing
- Analytics
- R&D
- Governance and Compliance
- Risk
- Manufacturing
- Customer Service
- Technical support
- Communications

Other (please specify)

7. Please indicate the industry you are employed in

- FMCG
- Telecommunications
- Financial (Banking)
- Financial (Non-banking)
- Mining
- Healthcare
- Transport
- IT
- Construction
- Professional and consulting services
- Journalism
- Hospitality
- Energy (Petroleum, Electricity, etc)

Other (please specify)

8. How many employees does your company employ?

- Less than 20
 Between 20 and 200
 More than 200

9. What category of management would you fall into?

- Junior Management
 Middle Management
 Senior Management
 Director

Main survey

In this survey we are specifically interested in employee innovation. This is innovation that you personally as an individual contributor are able to develop, create or contribute towards. This may include, but is not limited to, innovations that are technological, business process, workflow, product development, delivery system, marketing, research process, organisational and policy related.

10. In your current company which of the following would apply?

	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree
My company has a strong employee innovation agenda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There are many tools and methodologies for innovation available to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am encouraged to submit ideas and innovations on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee ideas and innovations are regularly implemented in our business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Again, thinking about your company and its support of employee innovation...

	Yes	No	Don't know
Is there a process to generate and renew external and Internal Insights?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is there a strategic focus on Innovation?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have you been trained in Innovation?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is senior leadership directly accountable for the company's Innovation processes?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Are you able to identify your company's Innovation targets?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Are there Incentive schemes in place to support Innovation?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. What is the average amount of time required for employee ideas to go from concept to go-forward decisions?

- Less than 3 months
- 3-6 months
- More than 6 months
- Don't Know/ Unsure

13. What percentage of management time is accountable for innovation?

- 1-10% of their time
- 10-30% of their time
- More than 30% of their time
- Don't know / Unsure

14. Roughly what percentage of employees are currently involved in an innovation project? (ie more than 50% of employee's time)

- Less than 5%
- 5-25%
- More than 25%

15. What percentage of capital is invested in radical innovation projects?

- Less than 5%
- 5-20%
- More than 20%

16. Thinking about your company's innovation 'pipeline', would you say that there are a lot or a lack of...

	There are a lot of...	There are a lack of...
New employee Ideas in the pipeline	<input type="radio"/>	<input type="radio"/>
Innovative business concepts	<input type="radio"/>	<input type="radio"/>
Promising new ventures	<input type="radio"/>	<input type="radio"/>

17. Thinking about the past 12 months at your company...

	0	1-5	5-10	More than 10
How many new products services or business concepts have been launched or introduced?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How many new markets have been entered?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. What is your opinion of your business meeting growth needs in the next five years?

- Likely
- Not likely

19. How you feel about the company where you currently work with regard to each of these statements:

	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
I will work harder than I have to in order to help this company to be successful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am proud to work for this company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel very little loyalty to this company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I talk about this company to my friends and family as a great company to work for	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I really care about the fate of this company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Dhirsan Naicker – GIBS MBA Research Survey

20. The following statements are related to your job performance and intention to stop working for the company you currently work at.

	Very Often	Fairly often	Sometimes	Occasionally	Rarely or never
How often do you think of leaving your present job?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How likely are you look for a new job within the next year?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

21. If your company was more supportive of employee innovation, how likely would you be to consider looking for a new job in the next year?

- Very likely
- Somewhat likely
- Unsure
- Somewhat unlikely
- Very unlikely

Thank you greatly for taking the time to complete this survey.

APPENDIX 2: Consistency Matrix

Hypotheses	Literature review	Data Collection	Analysis
HA1: There is a positive relationship between the employee innovation agenda that a company drives and the company's ability to create increased employee willingness to stay with the company	Haar & White (2013); Mendes & Stander (2011); Breugst et al. (2011); Antoncic & Antoncic (2011); Ederer & Manso (2011); Cardon et al. (2009); Antoncic & Hisrich (2003); Garud et al. (2007); Anderson et al. (2009); Vaiman (2008); Hornsby et al. (2009); Harlow (2008).	On-line quantitative survey instrument. Use of Intention to Leave Scale (ILS) to measure intention to remain with company Convenience non-probability sample	Pearson's product moment correlation coefficient and test statistic
HA2: There is a stronger positive relationship between the employee innovation agenda that a company drives and its ability to retain 'millennial' employees	As above; in addition: Kesting & Uihøi (2010); Gilbert (2011); Ferri-Reed (2012); Miller et al. (2013); Myers & Sadaghiani (2010)	On-line quantitative survey instrument. Use of ILS to measure intention to remain with company Convenience non-probability sample	Descriptive statistical analysis; Pearson's product moment correlation coefficient and test statistic

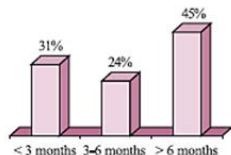
Appendix 3: Benchmark study

Benchmarks

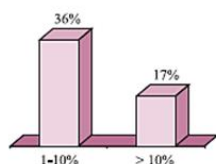
The following benchmarks draw from the results of a questionnaire that some 50 companies answered during the past year. Approximately half the companies had more than 10,000 employees and revenues of more than \$1 billion. 26 percent of the companies had more than 50,000 employees, and 32 percent of the companies had revenues in excess of \$50 billion.

We find that most companies we work with are anxious to know how well they are innovating. We present these benchmarks to address this need—and to give companies a starting point in developing targets. In each case, the percentages refer to the percentage of companies responding.

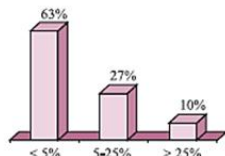
Time required from idea conceptualization to go-forward decision:



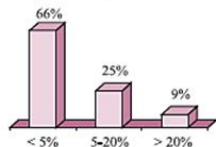
Percentage of management that is accountable for innovation in terms of allocated time (note that less than half of all managers feel responsible for innovation at all):



Percentage of employees that are currently involved (i.e. more than 50 percent of employee's time) in an innovation project:

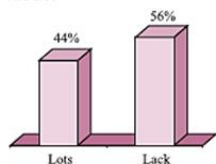


Percentage of capital that is invested in radical innovation projects:

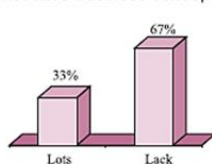


Characteristics of company's innovation pipeline today:

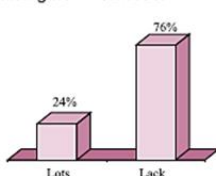
New ideas:



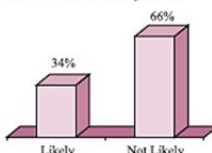
Innovative business concepts:



Promising new ventures:



Likelihood of meeting growth needs in next five years:



Source: Strategos questionnaire

Appendix 4: Statistical analyses

Correlation of key variables for Hypothesis 1:

To test whether there is any association between the variables for employee innovation and employee retention

Correlations			
		My company has a strong employee innovation agenda	How often do you think of leaving your present job?
My company has a strong employee innovation agenda	Pearson Correlation	1	-.483**
	Sig. (2-tailed)		.000
	N	67	66
How often do you think of leaving your present job?	Pearson Correlation	-.483**	1
	Sig. (2-tailed)	.000	
	N	66	66
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		There are many tools and methodologies for innovation available to me	How often do you think of leaving your present job?
There are many tools and methodologies for innovation available to me	Pearson Correlation	1	-.279*
	Sig. (2-tailed)		.024
	N	66	65
How often do you think of leaving your present job?	Pearson Correlation	-.279*	1
	Sig. (2-tailed)	.024	
	N	65	66
*. Correlation is significant at the 0.05 level (2-tailed).			

Correlations			
		I am encouraged to submit ideas and innovations on a regular basis	How often do you think of leaving your present job?
I am encouraged to submit ideas and innovations on a regular basis	Pearson Correlation	1	-.311*
	Sig. (2-tailed)		.012
	N	66	65
How often do you think of leaving your present job?	Pearson Correlation	-.311*	1
	Sig. (2-tailed)	.012	
	N	65	66
*. Correlation is significant at the 0.05 level (2-tailed).			

Correlations			
		Employee ideas and innovations are regularly implemented in our business	How often do you think of leaving your present job?
Employee ideas and innovations are regularly implemented in our business	Pearson Correlation	1	-.409**
	Sig. (2-tailed)		.001
	N	66	65
How often do you think of leaving your present job?	Pearson Correlation	-.409**	1
	Sig. (2-tailed)	.001	
	N	65	66
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		My company has a strong employee innovation agenda	How likely are you to look for a new job within the next year?
My company has a strong employee innovation agenda	Pearson Correlation	1	-.447**
	Sig. (2-tailed)		.000
	N	67	66
How likely are you to look for a new job within the next year?	Pearson Correlation	-.447**	1
	Sig. (2-tailed)	.000	
	N	66	66
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		There are many tools and methodologies for innovation available to me	How likely are you to look for a new job within the next year?
There are many tools and methodologies for innovation available to me	Pearson Correlation	1	-.290*
	Sig. (2-tailed)		.019
	N	66	65
How likely are you to look for a new job within the next year?	Pearson Correlation	-.290*	1
	Sig. (2-tailed)	.019	
	N	65	66
*. Correlation is significant at the 0.05 level (2-tailed).			

Correlations			
		I am encouraged to submit ideas and innovations on a regular basis	How likely are you to look for a new job within the next year?
I am encouraged to submit ideas and innovations on a regular basis	Pearson Correlation	1	-.370**
	Sig. (2-tailed)		.002
	N	66	65
How likely are you to look for a new job within the next year?	Pearson Correlation	-.370**	1
	Sig. (2-tailed)	.002	
	N	65	66
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		Employee ideas and innovations are regularly implemented in our business	How likely are you to look for a new job within the next year?
Employee ideas and innovations are regularly implemented in our business	Pearson Correlation	1	-.461**
	Sig. (2-tailed)		.000
	N	66	65
How likely are you to look for a new job within the next year?	Pearson Correlation	-.461**	1
	Sig. (2-tailed)	.000	
	N	65	66
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlation of key variables for Hypothesis 2: Are the variables for employee innovation and employee retention more strongly associated among millennials?

Correlations			
		My company has a strong employee innovation agenda	How often do you think of leaving your present job?
My company has a strong employee innovation agenda	Pearson Correlation	1	-.624**
	Sig. (2-tailed)		.000
	N	32	32
How often do you think of leaving your present job?	Pearson Correlation	-.624**	1
	Sig. (2-tailed)	.000	
	N	32	32
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		My company has a strong employee innovation agenda	How likely are you to look for a new job within the next year?
My company has a strong employee innovation agenda	Pearson Correlation	1	-.566**
	Sig. (2-tailed)		.001
	N	32	32
How likely are you to look for a new job within the next year?	Pearson Correlation	-.566**	1
	Sig. (2-tailed)	.001	
	N	32	32
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		There are many tools and methodologies for innovation available to me	How likely are you to look for a new job within the next year?
There are many tools and methodologies for innovation available to me	Pearson Correlation	1	-.417*
	Sig. (2-tailed)		.020
	N	31	31
How likely are you to look for a new job within the next year?	Pearson Correlation	-.417*	1
	Sig. (2-tailed)	.020	
	N	31	32
*. Correlation is significant at the 0.05 level (2-tailed).			

Correlations			
		There are many tools and methodologies for innovation available to me	How often do you think of leaving your present job?
There are many tools and methodologies for innovation available to me	Pearson Correlation	1	-.384*
	Sig. (2-tailed)		.033
	N	31	31
How often do you think of leaving your present job?	Pearson Correlation	-.384*	1
	Sig. (2-tailed)	.033	
	N	31	32
*. Correlation is significant at the 0.05 level (2-tailed).			

Correlations			
		I am encouraged to submit ideas and innovations on a regular basis	How often do you think of leaving your present job?
I am encouraged to submit ideas and innovations on a regular basis	Pearson Correlation	1	-.460**
	Sig. (2-tailed)		.009
	N	31	31
How often do you think of leaving your present job?	Pearson Correlation	-.460**	1
	Sig. (2-tailed)	.009	
	N	31	32
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		I am encouraged to submit ideas and innovations on a regular basis	How likely are you to look for a new job within the next year?
I am encouraged to submit ideas and innovations on a regular basis	Pearson Correlation	1	-.467**
	Sig. (2-tailed)		.008
	N	31	31
How likely are you to look for a new job within the next year?	Pearson Correlation	-.467**	1
	Sig. (2-tailed)	.008	
	N	31	32
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		Employee ideas and innovations are regularly implemented in our business	How likely are you to look for a new job within the next year?
Employee ideas and innovations are regularly implemented in our business	Pearson Correlation	1	-.552**
	Sig. (2-tailed)		.001
	N	32	32
How likely are you to look for a new job within the next year?	Pearson Correlation	-.552**	1
	Sig. (2-tailed)	.001	
	N	32	32
**. Correlation is significant at the 0.01 level (2-tailed).			

Correlations			
		Employee ideas and innovations are regularly implemented in our business	How often do you think of leaving your present job?
Employee ideas and innovations are regularly implemented in our business	Pearson Correlation	1	-.515**
	Sig. (2-tailed)		.003
	N	32	32
How often do you think of leaving your present job?	Pearson Correlation	-.515**	1
	Sig. (2-tailed)	.003	
	N	32	32
**. Correlation is significant at the 0.01 level (2-tailed).			

Analysis of Reliability using the Cronbach's alpha technique:

ORIGINAL SURVEY:

Case processing summary			
		N	%
Cases	Valid	61	85.9
	Excluded ^a	10	14.1
	Total	71	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
.928	.928	4

Item statistics			
	Mean	Std. deviation	N
My company has a strong employee innovation agenda	3.11	1.127	61
There are many tools and methodologies for innovation available to me	3.02	1.118	61
I am encouraged to submit ideas and innovations on a regular basis	3.28	1.227	61
Employee ideas and innovations are regularly implemented in our business	3.03	1.154	61

Inter-item correlation matrix				
	My company has a strong employee innovation agenda	There are many tools and methodologies for innovation available to me	Encouraged to submit ideas and innovations on a regular basis	Employee ideas and innovations are regularly implemented in our business
My company has a strong employee innovation agenda	1.000	.805	.796	.817
There are many tools and methodologies for innovation available to me	.805	1.000	.702	.671
Encouraged to submit ideas and innovations on a regular basis	.796	.702	1.000	.794
Employee ideas and innovations are regularly implemented in our business	.817	.671	.794	1.000

Item-total statistics					
	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
My company has a strong employee innovation agenda	9.33	9.991	.892	.803	.886
There are many tools and methodologies for innovation available to me	9.43	10.682	.778	.659	.923
I am encouraged to submit ideas and innovations on a regular basis	9.16	9.739	.833	.704	.907
Employee ideas and innovations are regularly implemented in our business	9.41	10.179	.829	.724	.907

Scale statistics			
Mean	Variance	Std. deviation	N of items
12.44	17.617	4.197	4

Case processing summary			
		N	%
Cases	Valid	59	83.1
	Excluded ^a	12	16.9
	Total	71	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardised items	N of items
.921	.926	2

Item statistics			
	Mean	Std. deviation	N
How often do you think of leaving your present job?	3.05	1.332	59
How likely are you to look for a new job within the next year?	3.03	1.531	59

Item-total statistics					
	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
How often do you think of leaving your present job?	3.03	2.344	.862	.743	NA
How likely are you to look for a new job within the next year?	3.05	1.773	.862	.743	NA

Item-total statistics					
	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
How often do you think of leaving your present job?	3.03	2.344	.862	.743	NA
How likely are you to look for a new job within the next year?	3.05	1.773	.862	.743	NA

REVISED SURVEY:

Case processing summary			
		N	%
Cases	Valid	73	85.9
	Excluded ^a	12	14.1
	Total	85	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardized items	N of Items
.880	.885	2

Item statistics			
	Mean	Std. deviation	N
How often do you think of leaving your present job?	3.05	1.322	73
How likely are you to look for a new job within the next year?	3.23	1.523	73

Inter-item correlation matrix		
	How often do you think of leaving your present job?	How likely are you to look for a new job within the next year?
How often do you think of leaving your present job?	1.000	.794
How likely are you to look for a new job within the next year?	.794	1.000

Item-total statistics					
	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's Alpha if item deleted
How often do you think of leaving your present job?	3.23	2.320	.794	.630	NA
How likely are you to look for a new job within the next year?	3.05	1.747	.794	.630	NA

Scale statistics			
Mean	Variance	Std. deviation	N of items
6.29	7.263	2.695	2