



INTRAPRENEURSHIP IN FUNCTION OF IMPROVING THE QUALITY OF WORK IN ORGANIZATIONS

Monika Markovska, Bozidar Milenkovski

*Faculty of Information and Communication Technologies, Partizanska bb, Bitola, North
Macedonia*

Abstract: The modern, dynamic time as well as hyper competitiveness on the market imposes the need for innovations to become the systemic ability of organizations, that is, key competence that will gradually become part of the work of all organizations. Organizations have resources, a rewarded system for employees, management support for introducing new products/services that will improve the organization's operations. The development and implementation of intrapreneurial activities require the rational and productive use of these inputs which contribute to increasing the efficiency and effectiveness and improving the quality of work. To achieve this, it is necessary to raise the level of awareness of the importance of innovation in organizational elements: leadership, organizational structure, organizational policies, organizational culture, tasks and individuals. All these elements are interdependent with each other and in the development of the intrapreneurship, it is necessary to be incorporated all together. The aim of this paper is to emphasize the importance of intrapreneurship, through the development of a model on the basis of innovation, which will result in improvement of the quality of the work of the organizations.

Keywords: intrapreneurship, innovation, competitiveness, innovativeness, organization

1. INTRODUCTION

Organizations cannot remain competitive on the market for a long time as long as they are based only on cheap labor and resources. In order to be successful in conditions of global competitiveness, they must develop new products/ services (innovations) and new businesses (intrapreneurship) faster and better than their competitors. Intrapreneurship (developing new businesses within an existing organization) cannot succeed without innovation (developing new products/ services). Innovations are necessary in organizations to preserve the advantage over competition. In this context, organizations must develop and implement activities not only to develop new, creative ideas, but also to realize them and become a reality. This paper aims to give the true picture on what intrapreneurship means for today's organizations. This will entail confidence among managers and employees and change their paradigm in their work. Theoretical and research part of this paper will help to clarify the dilemmas that arise in connection with this issue.

2. ANALYSIS OF THEORETICAL FINDINGS

Worldwide, intrapreneurship has been quite researched while in the Republic of North Macedonia there are minimal efforts in the direction of elaboration the same. For the first time this term was introduced by Gifford Pinchot III in 1985, which describes the practice within existing organizations [1,2]. Since "intra" means inside, intrapreneurship refers to the putting the spirit of intrapreneurship within the organization. Gifford Pinchot III introduced the term intrapreneurship that refers to a person with entrepreneurial habits and approach, in which the field of play is within the boundaries of the organization. According to him, intrapreneurs "introduce and produce new products, processes and/ or services that train the organization as a whole for development and profit" [3]. Intrapreneurship is a method of using the entrepreneurial spirit where more and more of the best people and resources are available: in large organizations. The era of innovation is actually a natural partner of the information age. New knowledge creates opportunities to do new things in new ways that makes old ways outdated and useless. The new efficiency in the creation and transfer of knowledge means that we are living in an era in which the ability to innovate effectively becomes the primary determinant of the success of the business. When competition innovates well-creates new or improves products, services or processes- "one has to innovate or die". This means that organizations must give freedom to their employees that are closer to entrepreneurs. [4]

3. METHODOLOGY OF THE RESEARCH

The basic assumption for organizations to become intrapreneurial is to introduce a systemic approach to innovation both on an individual and organizational level. Modern, dynamic times, as well as hyper competitiveness on the market, necessitates innovation to become the systemic ability of organizations, that is, key competence that will gradually become part of the organizations. Organizations have resources, a rewarding system for employees that achieve results and contribute to the efficiency and effectiveness of the operations, management support for introducing new projects that will improve the work of organizations. In order to be able to implement intrapreneurial activities, there needs to be a vision of "making new things in new ways" and rational utilization of the appropriate resources and inputs. The vision may refer to the introduction of new products/services, processes, business models and/ or improvement of existing products/ services, practices. To achieve this, it is necessary to raise the level of awareness of the importance of innovation in organizational elements: leadership, organizational structure, organizational policies and individuals. All of these elements are interdependent with each other and in the development of intrapreneurship they need to be incorporated all together. So, it is necessary to institutionalize innovation in:

- Leadership,
- The organizational structure,
- Organizational policies,
- Individuals.

Thus, the development of intrapreneurship in organizations leads to the development of innovative organizations where opportunities for new ideas are generated; there is a vision for the development and/ or improvement of new products/ services, processes, practices and business models, and consistent implementation of the vision from the beginning to the

profitable reality. This is not an easy step that can be done in a short time, but it takes a lot of effort, time, and resources.

In this context, the general hypothesis in the research is: if in organizations there is a rational use of the components of intrapreneurship (resources, reward system, management support) through institutionalizing innovation in the elements: leadership, organizational structure, organizational policies and individuals, then will be created conditions for the implementation of intrapreneurial activities which means: innovation of the organizations.

With the designed methodological instruments, the dependent variable will be measured: developing the innovation of the organizations and the independent variables: characteristics of vision and flexibility among the leaders; decentralization of the organizational structure; rewarding systems for intrapreneurial behavior; identify, develop and explore new ideas; demonstration of initiatives by employees;

The research aim is to determine the intensity of intrapreneurship within the organizations in the Republic of North Macedonia. The research is based on an analytical-descriptive methodology which aims to select relevant knowledge about the components and determinants of intrapreneurship, which, through application and innovation in certain elements represented in the organizational processes, will respond to the essential questions posed in the research. The classical descriptive research and the quantitative methodology used have set specific goals to measure the intensity of intrapreneurship within the organizations in the Republic of North Macedonia.

This research has an operational character; it is very current and focused on researching the developments in a real and actual period of living and acting. Surveys with scalar questionnaires are used in research techniques. The sample of the survey consists of a total of 153 respondents. The raw data obtained from the research were subject to further quantitative and qualitative analysis. Taking into account the nature of the variables in the survey, the correlation technique "Pearson coefficient" was used. All calculations are performed according to the formulas of Muzik while the SPSS program is used to calculate the Pearson coefficient. [5,6]

4. INTERPRETATION OF THE RESULTS OF THE RESEARCH

The basic assumption is that the characteristics of vision and flexibility of leaders positively affect the innovation of the organizations. Thus, in relation to the basic position, it is considered that there is a positive connection between the characteristics of vision and the flexibility and innovation of the organizations. Table is shown in Table 1 given in the text.

Table 1. Synthesized data for correlation between given variables

		Correlation	
		Features of vision and flexibility*	Innovativeness of organization*
Features of vision and flexibility*	Pearson Correlation	1	.439**
	Sig. (2-tailed)		.000
	N	153	153
Innovativeness of organization*	Pearson Correlation	.439**	1
	Sig. (2-tailed)	.000	
	N	153	153

** . Correlation is significant at the 0.01 level (2-tailed).

Between an **independent variable:** *characteristics of vision and flexibility* and **dependent variable:** *innovation of organizations* has a moderate and positive correlation. The Pearson Correlation coefficient value is 0.439 and shows a positive linear growing correlation trend. The connection is also perceived by the p-value for the statistical significance of the result whose value is 0,000. In other words, the statistical criterion for the lower value of the so called α -value (0.05). Or, $0.000 < 0.05$ or $p < \alpha$. From the above results it follows that there is a connection between the variables.

The question arises: if there is there a restructuring of the organizational structure it will mean developing the innovation of the organizations? This means that organizations that have centralized, bureaucratic organizational structure, the flow of innovation is very small that indicates to low level of innovation in organizations. Consequently, the opinion that such an organizational structure is not sufficient to cope with the dynamic changes imposed by the environment. Some organizations put emphasis on restructuring, oversimplifying the organizational structure. But is such a restructuring, oversimplification of the organizational structure linked to the innovation of the organizations? Namely, the assumption is that the decentralization of the organizational structure positively affects the innovation of the organizations. In relation to this, the following data were obtained (see Table 2).

Table 2. Grouped data for correlation between given variables

		Correlation	
		Decentralization of the organization*	Innovativeness of organization*
Decentralization of the organization*	Pearson Correlation	1	.101
	Sig. (2-tailed)		.213
	N	153	153
Innovativeness of organization*	Pearson Correlation	.101	1
	Sig. (2-tailed)	.213	
	N	153	153

** . Correlation is significant at the 0.01 level (2-tailed).

The results shown in Table 2 show a low linkage between the **independent variable:** *decentralization of the organizational structure* and the **dependent variable:** *innovation of the organizations*. This is confirmed by the value of the Pearson coefficient of 0.101

indicating a very low correlation. Bearing in mind that χ^2 (0.212) shows the statistical insignificance of the variables and the low correlation between the variables expressed through the Pearson coefficient (0.101), it can be concluded that there is no connection between the variables. So, in order for an organization to achieve innovation in its operations, it is not necessary for the organizational structure to undergo rearrangement or stratification, and then to implement intrapreneurial activities. Intrapreneurs must find their own ways of realizing their vision without advocating and wasting time in convincing top management that the organizational structure must be over-dimensioned. Decentralization of the organizational structure can refer to the decision making process where the level of empowerment of employees will increase, that is, their participation in work activities and participation in the teams where they will make decisions for themselves and will be rewarding for their results. Does the rewarding system of intrapreneurial behavior significantly affect the innovation of organizations? The assumption from which we make conclusions comes out from the view that the rewording system has a significant impact on the innovation of the organizations.

The obtained data for the attitude: rewording system of intrapreneurial behavior-innovativeness of the organizations is given in Table 3.

Table 3. Grouped correlation data between given variables

		Correlation	
		Innovativeness of organization*	Rewarding systems for intrapreneurial behavior*
Innovativeness of organization*	Pearson Correlation	1	.441**
	Sig. (2-tailed)		.000
	N	153	153
Rewarding systems for intrapreneurial behavior*	Pearson Correlation	.441**	1
	Sig. (2-tailed)	.000	
	N	153	153

** . Correlation is significant at the 0.01 level (2-tailed).

The results obtained in Table 3 show that the Pearson coefficient value is .441 indicating a **high correlation of the linear growing trend** between the **independent variable: rewarding systems for intrapreneurial behavior** and the **dependent variable: innovativeness of the organizations**. This is confirmed by the calculated coefficients of symmetrical correlations of Kendall's tau-b, which is 0.335, and Spearman's rho, which is 0.449. By summarizing the values of symmetric correlations, a high positive correlation can be established, as well as the statistical significance of the connection between the given variables. What conclusion does it result from the results obtained? Employees must have space in organizations in which they will experiment and maybe they will sin and will not succeed. This is not to emphasize that their failure will be tolerated but as an opportunity for them to learn and, accordingly, be punished and rewarded. Accordingly to that organizations must create a policy of a rewarded system to reward and/ or punish intrapreneurial behavior.

Starting with the knowledge that "intrapreneurs work for the sake of all" and their primary motivation are not money, it is necessary for the organization to create a policy of a rewarding system of monetary and non-monetary rewards for any innovative behavior.

This assumption starts with the view that the identification, development and research of new ideas affect the innovation of organizations? Will, if there is identification, development and research of new ideas, this will mean developing the innovation of

organizations? Namely, the assumption is that the identification, development and research of new ideas have a significant impact on the innovation of the organizations. In relation to this, the following data were obtained (see Table 4)

Table 4. Grouped data for correlation between given variables

		Correlation	
		Identifying, developing and exploring new ideas*	Innovativeness of organization*
Identifying, developing and exploring new ideas*	Pearson Correlation	1	.039
	Sig. (2-tailed)		.634
	N	153	153
Innovativeness of organization*	Pearson Correlation	.039	1
	Sig. (2-tailed)	.634	
	N	153	153

**Correlation is significant at the 0.01 level (2-tailed).

The results presented in Table 4 show a **moderate correlation between the independent variable: identifying, developing and exploring new ideas** and the **dependent variable: innovativeness of organizations**. This is confirmed by the value of the Pearson coefficient of 0.039 indicating a moderate correlation. Bearing in mind that χ^2 (0.078) shows the statistical inconsistency between the variables and the moderate correlation between the variables expressed through the Pearson coefficient (0.039) can be concluded that there is no correlation between the variables in the growing trend. **The correlation that is observed is moderate but statistically insignificant**. The same is true of the symmetrical correlation correlations of Kendall's tau-b, which is 0.036, and the Spearman's rho, which is 0.054. By summarizing the values of symmetric correlations, a moderate correlation can be established, as is the statistical insignificance of the relationship between the given variables.

What conclusion does the result yield? The tasks are an integral part of the work that needs to be done by the employees. The importance of the tasks stems from the fact that today's dynamic time of competition requires the organizations to develop new products/ services. Innovation should be present at both individual and organizational levels. At the individual level within the organization are the identification, development and research of opportunities and new ideas. An individual should notice new opportunities, generate new ideas and show new skills and new ways of doing things. But such an approach in the innovative way stems from the nature of the individual (intrapreneurs). In the organization, all employees cannot be intrapreneurs, and it is from this knowledge that the conclusion is that any idea given by employees can not result in innovation and / or invention. In fact, all employees are not ready to bear the effort and responsibility imposed by the intrapreneurship. As for the current tasks, their execution in a new and different way from the previous one should be left to the brave intrapreneurs, while the remaining employees should help with their knowledge and skills. So, although the project is not theirs, they should help and not help defending themselves in its realization. Only in that way will it contribute to the development of innovation and inventiveness in the organization. The identification, development and research of new ideas by all employees will result in the glut of new ideas and started new projects. This means wasted time and irrational use of existing resources in the organization. Does the demonstration of initiatives by employees mean innovation to

organizations? That is, if there is a greater demonstration of initiatives by all employees, will it mean innovation of the organizations? The assumption is that the demonstration of initiatives by employees has a significant impact on the development of the innovation of organizations. Regarding the basic attitude: the demonstration of initiatives by the employees - innovativeness of the organizations - the following results were obtained (see Table 5).

Table 5. Synthesized correlation data between given variables

		Correlations	
		Demonstrating initiatives by employees*	Innovativeness of organization*
Demonstrating initiatives by employees*	Pearson Correlation	1	.008
	Sig. (2-tailed)		.922
	N	153	153
Innovativeness of organization*	Pearson Correlation	.008	1
	Sig. (2-tailed)	.922	
	N	153	153

** . Correlation is significant at the 0.01 level (2-tailed).

From the obtained results it can be seen that the Pearson coefficient value is (0.008) and shows a low correlation between the **independent variable**: *demonstrating employee incentives* and the **dependent variable**: *innovation of the organization*. In addition to the Pearson correlation, the symmetric correlations of Kendall's tau-b, which is 0.038, and the Spearman's rho, which is 0.057, confirm the low correlation between the variables. From the shown result, it can be noted that the value of the t-test for statistical significance is (0.782) Pearson Correlation (0.008). On the other hand, the correlation coefficient Kendall's tau-b is (0.038) and the coefficient Spearman's rho is (0.057). In other words, symmetric correlations point to the fact that there is a **low correlation** between the variables. In this context, a legitimate conclusion arises that there is no connection between the independent and the dependent variable. Organizations need intrapreneurs if they are ready to develop and succeed. Organizations do not have these qualities, but require individuals who are willing to demonstrate initiatives for a particular goal and achieve it despite all the obstacles that arise. The employees in the organization demonstrate initiatives, but that does not mean that each initiative will mean innovation and/ or invention. It does not mean that such employees should be removed and marked as unsuccessful, but on the contrary they should be properly recognized. Such an approach should become an integral part of the organizational culture because all employees in the organization are welcome by generating new ideas, new ways of doing things. It's common for employees in the organization to demonstrate initiatives for certain ideas, but the idea will be useless if you do not try out how it works. Again, the intrapreneurs comes to the surface because such employees are persistent and brave in demonstrating initiatives for a particular idea they believe in. Other employees or do not show courage to demonstrate initiatives for a particular idea, or if they show an initiative for a particular idea, they remain uncompleted or ultimately unrealized. There is clear conclusion that any demonstration of initiatives by employees does not result in innovation and inventiveness of the organization. Innovation and inventiveness of the organization means

demonstration of initiatives by an employee (s) who starts the initiative with an idea and it is realized to the end result: a new product/ service, a new way of working, etc.

5. CONCLUSION

This research points out that existing organizations in the Republic of North Macedonia can basically develop intrapreneurship- which is the ability to restore the entrepreneurial spirit within the organizational boundaries. Intrapreneurship is in the logic of discovering and tracking entrepreneurial opportunities that lead to the development of the organization's innovation and inventiveness.

In the Intrapreneurship development model, basic determinants are identified that diagnose the level of innovation in organizations and the basic elements where it is necessary to institutionalize innovation in order to be able to implement intrapreneurial activities. Each organization has incorporated the conditions into which it can upgrade the work and which contribute to innovations in order to develop the innovativeness of the organizations. Intrapreneurs have a vision of how to innovate in organizations. They are consistent with their vision and seek a way to realize it. They act in accordance with the organizational culture as an inseparable part of the organization and on the basis of such culture they adjust the standards of behavior. But in order to make it easier to get resources, they need sponsors, protectors of their idea and vision. All these findings point to the fact that all these conditions are present in the existing organizations, but for some reasons they are forced to passivity and represent the status quo in the organization. This does not lead to the development of the organization's innovation and inventiveness. It is necessary to find a way to activate all the stated conditions. To this end, key elements have been identified to institutionalize innovation, such as leadership, organizational structure (especially in the area of setting flexibility in the organizational hierarchy and organizational policies). Given the fact that leadership gives permission for innovation to happen in the organization, it needs its support so that intrapreneurs can act to realize their vision. But what is needed is, in a systematic way, to begin with the implantation of innovation from the root in the organization, that is, by the impalement of intrapreneurial activities. It is necessary that all elements be incorporated into a single whole which will mean the development of an intrapreneurship. In the Republic of North Macedonia is the first attempt to promote intrapreneurship as a functional way of working. The application of intrapreneurship proved to be functional in a number of organizations across western and European countries that have become and still remain competitive in the market. So, Republic of North Macedonia is no exception where the intrapreneurship model could not be functional. Promoting this model and knowledge of intrapreneurs creates an interest in its study and application in some of the existing organizations in the Republic of North Macedonia.

REFERENCES

1. Pinchot III G., Intrapreneuring- Why don, t have to leave the corporation to become an entrepreneur, Harper & Row, Publishers, New York 1985.

2. Campos, M.H., The entrepreneurial passion – entrepreneurial alertness relationship: The moderating role of a creative personality, *Serbian Journal of Management*, 13(2)(2018) 263-280.
3. Pinchot III G., Pellman R., *Intrapreneuring in Action, A Handbook for Business Innovation*, Berrett-Koehler Publishers, Inc. San Francisco, 2001.
4. Pinchot III G., *Intrapreneuring- Why don't have to leave the corporation to become an entrepreneur*, Harper & Row, Publishers, New York 1985", Harper & Row, Publishers, New York, 1985.
5. Muzic V., *Metodologija pedagoškog istraživanja*, VI izdanje, SVJETLOST, OOUR Zavod za udžbenike i nastavna sredstva, Sarajevo, 1986.
6. Jovanović, I., Arsić, M., Nikolić, Đ., Entrepreneurial personality traits and SMEs profitability in transitional economy, *Serbian Journal of Management*, 13(1)(2018)89-104.