



**De overgang van intrapreneurship
naar ondernemerschap:
literatuurstudie &
conceptueel model**



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De overgang van intrapreneurship naar ondernemerschap: een literatuurstudie en conceptueel model

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Executive Summary (in het Nederlands)

Intrapreneurs zijn werknemers die nieuwe bedrijfsopportunities ontwikkelen in opdracht van hun werkgever (Bosma et al., 2011). Ze delen vele persoonlijke kenmerken met ondernemers, zoals hun houding ten opzichte van innovatie, het nemen van initiatief en het omgaan met risico (Lumpkin, 2007; Crant, 2000) en hebben ook vaker de intentie om ooit een eigen bedrijf op te starten dan andere werknemers (Bosma et al., 2011). Maar alhoewel men ervan uitgaat dat intrapreneurship een belangrijke stap kan zijn in de keuze voor een loopbaan als ondernemer, ontbreekt een duidelijk inzicht in welke factoren de overstap van intrapreneurship naar ondernemerschap precies beïnvloeden.

Om deze beslissing beter te begrijpen, brengt deze studie inzichten uit verschillende literatuurstromen samen. In eerste instantie wijst een veelvoud aan studies op de relevantie van de Theory of Planned Behavior (Ajzen, 1991) voor de beslissing van een individu om ondernemer te worden. Volgens deze theorie zullen (a) de sociale norm, (b) de individuele attitude inzake ondernemerschap, en (c) de 'self-efficacy', i.e. het vertrouwen in eigen kunnen als ondernemer, bijdragen tot de intenties van een individu om te ondernemen, en daardoor ook tot de uiteindelijke beslissing om een eigen zaak op te starten. Aangezien intrapreneurs wat betreft deze drie onderliggende factoren meer op ondernemers lijken dan op werknemers (Bosma et al., 2011), kunnen deze factoren echter geen volledige verklaring bieden voor de vaststelling dat sommige intrapreneurs wél en anderen niet de stap zetten naar ondernemerschap.

Een eerste bijkomend inzicht wordt geboden door Shapero en Sokol's (1982) Entrepreneurial Event model, waarvan de inzichten door Krueger en Brazeal (1994) geïntegreerd werd met de Theory of Planned Behavior. Dit model argumenteert dat ondernemerschapintenties niet alleen afhangen van (a) de gepercipieerde wenselijkheid een ondernemer te worden, ofte de sociale norm en individuele attitude inzake ondernemerschap, en (b) de gepercipieerde haalbaarheid ondernemer te worden, ofte de self-efficacy, maar ook van (c) de neiging om te handelen. Verder stelt het model dat dit ondernemerschapspotentieel enkel latent zal worden wanneer er een ingrijpende gebeurtenis plaatsvindt in de omgeving van het individu, zoals het leren kennen van een interessante business partner, het vinden van financiële middelen, maar ook negatieve gebeurtenissen zoals een echtscheiding, of tegenslag op het werk.

Dit belang van ingrijpende gebeurtenissen vinden we ook terug in de literatuur rond human resource management in gevestigde ondernemingen, en meer bepaald in het Unfolding Model of Employee Turnover (Lee and Mitchell, 1994), wat het dominante theoretische model is om personeelsverloop te verklaren (Hom, 2011). Dit model geeft aan dat, naast (a) jobtevredenheid, (b) job 'embeddedness', i.e., de mate waarin een werknemer vast geraakt is in zijn werkgeversorganisatie, en (c) de gepercipieerde alternatieven, ook (d) belangrijke schokken in het leven van een werknemer zullen bepalen of hij/zij zijn werkgever verlaat. Voorbeelden zijn een gemiste promotie, of familiale gebeurtenissen zoals een geboorte of overlijden (Holtom et al., 2005).

De overgang van intrapreneurship naar ondernemerschap bestaat uit de beslissing van een individu om (a) zijn/haar werkgever te verlaten en (b) een eigen zaak op te starten. Waar de modellen in de ondernemerschapsliteratuur focussen op dit tweede aspect, geeft het Unfolding Model of Employee Turnover een zicht op het eerste luik van deze beslissing. Door deze modellen te integreren komen wij tot een overkoepelend conceptueel model dat de overstap van intrapreneurship naar ondernemerschap kan verklaren. Meer bepaald stellen wij dat zowel variabelen die het ondernemerschapspotentieel beïnvloeden (i.e. de gepercipieerde wenselijkheid en haalbaarheid om ondernemer te worden en de neiging om hiernaar te handelen) als employee

turnover variabelen (i.e. jobtevredenheid, job embeddedness en de gepercipieerde alternatieven als werknemer) een directe impact zullen hebben op de beslissing van een intrapreneur om een eigen zaak op te starten. Bovendien verwachten wij dat deze effecten zullen interageren met ingrijpende gebeurtenissen in de werkomgeving en het persoonlijke leven van de intrapreneur. Zo verwachten wij dat negatieve gebeurtenissen minder zullen doorwegen als de intrapreneur bijvoorbeeld veel alternatieven als werknemer percipieert of sterk verankerd is in de organisatie waar hij werkt (i.e. embeddedness), maar ook dat bijvoorbeeld een positieve attitude ten opzichte van ondernemerschap (i.e. gepercipieerde wenselijkheid) of een duidelijk geloof in de eigen ondernemerscompetenties (i.e. gepercipieerde haalbaarheid) pas latent zullen worden op het moment dat ingrijpende gebeurtenissen plaatsvinden in de werkomgeving of het persoonlijke leven van de intrapreneur.

Executive Summary (in English)

Intrapreneurs are employees who develop new business opportunities for their employer (Bosma et al., 2011). They share many characteristics with entrepreneurs, such as an orientation toward innovativeness, initiative and risk-taking (Lumpkin, 2007; Crant, 2000) and have higher intentions to start their own business than other employees (Bosma et al., 2011). But whereas it is believed that intrapreneurship can be a stepping stone towards independent entrepreneurship, we still lack a comprehensive conceptual model of what determines this transition from intrapreneurship to independent entrepreneurship.

In order to improve our understanding of this transition, the current study integrates insights from different literature streams. First, it can be noted that a multitude of studies points to the relevance of the Theory of Planned Behavior (Ajzen, 1991) for an individual's decision to become an entrepreneur. According to this theory, (a) social norms, (b) the individual attitude towards entrepreneurship, and (3) self-efficacy, i.e. the confidence in one's competences as an entrepreneur, affect the intentions of an individual to start his/her own company, and thereby also his/her actual decision to do so. However, as we know that intrapreneurs are more similar to entrepreneurs than to other employees with respect to these three factors, they cannot fully explain why certain intrapreneurs decide to become entrepreneurs while others do not.

A first additional insight is offered by Shapero and Sokol's (1982) Entrepreneurial Event model, which Krueger and Brazeal (1994) integrated with the Theory of Planned Behavior. The model argues that entrepreneurial intentions do not only result from (a) the perceived desirability of becoming an entrepreneur, i.e. the social norms and individual attitude towards entrepreneurship, and (b) the perceived feasibility of becoming an entrepreneur, or self-efficacy, but also from (c) the individual's propensity to act. Furthermore, the model proposes that an individual's entrepreneurial potential will only become latent after a 'displacing event' occurs in his/her environment. Potential displacing events are the identification of an interesting business partner or financial backing, but also negative events like a divorce, or disappointments at work.

We also find this importance of displacing events being advanced in the literature on human resource management in established organizations, and in particular in the Unfolding Model of Employee Turnover (Lee and Mitchell, 1994), which is the dominant perspective on employee turnover today (Hom, 2011). Next to the standard turnover variables, such as (a) job satisfaction, (b) job embeddedness, i.e. the degree to which an employee has become stuck in its employer organization, and (c) perceived alternatives, the Unfolding Model of Employee Turnover advances shocks that happen in an employee's life as important triggers for the decision to leave the employer. Examples are being overlooked for a promotion, or experiencing family issues such as a birth or death (Holtom et al., 2005).

The transition from intrapreneurship to entrepreneurship consists of an individual's decision to (a) leave his/her employer and (b) start his/her own company. Whereas the models from the entrepreneurship literature focus on this second aspect, the Unfolding Model of Employee Turnover offers insight into the first part of this decision. Integrating the insights from the different models, we arrive at an overarching conceptual model that can explain the transition from intrapreneurship to entrepreneurship. In particular, we expect both entrepreneurial potential variables (i.e. perceived desirability of entrepreneurship, perceived feasibility of entrepreneurship and propensity to act) and employee turnover variables (i.e. job satisfaction, job embeddedness and perceived alternatives as employee) to have a direct impact on the transition from intrapreneurship to entrepreneurship. Furthermore, we propose that positive and negative shocks in the intrapreneur's work environment and personal life will have a moderating effect on these

relationships. For instance, we expect that negative shocks will play a smaller role if the intrapreneur perceives more alternatives as an employee or is highly embedded in the organization that employs him/her. But also, that the perceived feasibility and desirability of entrepreneurship will only become latent once a shock occurs in the intrapreneur's work environment or personal life.

1. Introduction

Intrapreneurs are employees who develop new business opportunities for their employer (Bosma et al., 2011). This includes establishing a new outlet or subsidiary and launching new products or product-market combinations. This intrapreneurial process exists out of two important phases, namely the idea development for new business activities and secondly, the preparation and exploitation of these new activities (Bosma et al., 2011). In each of these phases, intrapreneurs can have both a leading or supporting role.

As the key aspects related to intrapreneurship include opportunity perception, idea generation, designing an new product, resource acquisition,... (Bosma et al., 2011), intrapreneurs share many characteristics with entrepreneurs, i.e. individuals who create something new with value, by dedicating sufficient time and effort, and by taking financial , psychological and social risks, and in return receive monetary rewards, personal satisfaction, and independence (definition by Hisrich and Peters, 2005). Both intrapreneurs and entrepreneurs share an orientation toward innovativeness, initiative, a desire to take on new challenges and achievement for success,... (Lumpkin, 2007; Crant, 2000; Smith et al., 2016). As such, it is not entirely surprising that intrapreneurs have higher intentions to start their own business than other employees (Bosma et al., 2011). In this respect, Sharma (2006) defines intrapreneurship as a 'critical step in the middle', bridging the transition from employee to entrepreneur. Compared to an immediate entry into self-employment, being an intrapreneur first enables the individual to learn valuable skills and in time, obtain the self-confidence needed to start his/her own venture. But whereas it is believed that intrapreneurship can be a stepping stone towards entrepreneurship, we still lack a comprehensive conceptual model of what determines this transition from intrapreneurship to entrepreneurship. In order to improve our understanding of this transition, the current study integrates insights from different literature streams.

In a first section of this study, we will discuss the core concept of this study, namely the transition from intrapreneurship to entrepreneurship, and explain how it is related to but distinct from other concepts like Corporate Entrepreneurship (CE), Corporate Venturing (CV), and Corporate Venture Capital (CVC). As the transition from intrapreneurship to entrepreneurship reflects an individual's decision to (a) leave his/her employer and (b) start his/her own company, we will then discuss insights on employee turnover as well as entrepreneurial behavior. Finally, we integrate the insights from these different literature streams into an overarching conceptual model explaining the transition from intrapreneurship to entrepreneurship.

2. Definition and related concepts

The transition from intrapreneurship to entrepreneurship can be defined as the decision of an employee to (a) leave his/her employer and (b) start his/her own company. But whereas intrapreneurship and entrepreneurship have been treated in the literature as two distinct categories between which individuals can switch, in reality the two concepts can be positioned on a continuum. As shown in Figure 1, on one side we can find employees who develop new products or projects for their employer without establishing a new company to commercialize these opportunities. Then there are employees who establish a new company for their employer, and do not receive any shares in this new venture. A next category are employees who establish a new company for their employer and receive part of the shares in this company. Moreover, some

may even end up holding all the shares in this new venture. Finally, some individuals start up a new company to commercialize a business opportunity without the involvement of their employer. While the first two categories fall under the definition of intrapreneurship, and the latter under that of entrepreneurship, the categories in the middle represent a mixture of intrapreneurship and entrepreneurship¹. Future research investigating the transition from intrapreneurship to entrepreneurship should pay attention to these nuances.

employees who develop new business opportunities for their employer without establishing a new company	employees who establish a new company for their employer without receiving any shares	employees who establish a new company for their employer and receive part of the shares	employees who establish a new company for their employer and receive all the shares	employees who establish a new company without the involvement of their employer
INTRAPRENEURSHIP				ENTREPRENEURSHIP

Figure 1: Intrapreneurship – entrepreneurship continuum

Furthermore, it is important to note that the transition from Intrapreneurship to Entrepreneurship differs from other concepts like Corporate Entrepreneurship (CE), Corporate Venturing (CV), and Corporate Venture Capital (CVC). Corporate Entrepreneurship (CE) refers to the development and implementation of new ideas in corporate organizations (Hornsby et al., 2002; Narayanan et al., 2009). It captures “*the sum of a corporate’s innovation, strategic renewal and corporate venturing*” (Zahra, 1995, p. 227). Corporate Venturing (CV) is thus a component of CE, and emphasizes the creation of new business within (i.e. intrapreneurship) or outside the corporate organization (Sharma and Chrisman, 1999; Narayanan et al., 2009). Corporate Venture Capital (CVC) in turn, is any equity investment made by non-financial corporations in start-up companies, for strategic and financial purposes (e.g., Maula, 2001; Narayanan et al., 2009). It is an important and popular component of CV activities. It focuses on giving the firm access to ideas that originate outside its boundaries (Miles and Covin, 2002), enabling corporate organizations to connect to start-ups and venture capitalists’ networks, and thereby gaining important knowledge about the sources and nature of forthcoming technological shifts (Maula, 2001; Narayanan et al., 2009).

Whereas the transition from intrapreneurship to entrepreneurship refers to the decision and action of an individual to leave his/her employer (e.g. an established organization) and found a company, the concepts of Corporate Entrepreneurship (CE), Corporate Venturing (CV), and Corporate Venture Capital (CVC) all refer to the strategic decisions of the corporate organization. As such, they are fundamentally different concepts. In some cases, the transition from Intrapreneurship to Entrepreneurship can coincide with CE, CV, and CVC. This is the case when the corporate organization encourages or requires the intrapreneur to start-up a spin-off company based on an idea that was developed inside the corporate, or when the corporate organization

¹ The Global Entrepreneurship Monitor considers the third and fourth category on the continuum, i.e. employees who start up a company for their employer and receive at least part of the shares, as entrepreneurs.

decides to support or even invest in an employee that founds a start-up to develop his or her own idea. For example, Guerrero and Pena-Legazkue (2013) found that full-time working individuals with intrapreneurial experience are more prone to create a new firm for the parent organization than other employees, thereby revealing a positive link between individual intrapreneurial experience and CV activities at the level of the firm. However, the transition from intrapreneurship to entrepreneurship can also take place without the employer's consent or support (see the right hand side of the continuum in Figure 1). In this literature study, we take the generally accepted perspective of intrapreneurship as an individual decision and action, regardless of whether or not it is supported by the corporate employer. In particular, we respond to the call by Nyström (2012), who states that "*it would be interesting for future research to study under which circumstances intrapreneurs decide to become independent entrepreneurs*" (Nyström, 2012, p. 11). To the best of our knowledge, theoretical and empirical insights in this topic are limited and fail to address all aspects of this decision.

3. Insights from entrepreneurship literature

The transition from intrapreneurship to entrepreneurship can be defined as the decision of an employee to (a) leave his/her employer and (b) start his/her own company. The entrepreneurship literature has advanced several models that explain the latter aspect of this decision.

3.1. Ajzen's (1991) Theory of Planned Behavior

Ajzen (1991) developed a model that explains and predicts human's behavior. The Theory of Planned Behavior (TPB) is a theory that has been extensively applied as a frame of reference to explain behavioral intentions in a variety of research contexts, such as social psychology and marketing research. The theory was introduced into the entrepreneurial intention literature by Krueger and Carsrud (1993) and became the reference theory ever since (Linan and Fayolle, 2015).

The TPB points out that behavior is best predicted by intentions towards that behavior. Thus, central to Ajzen's theory are the individual's intentions to perform a behavior. These are motivational factors that indicate "*how hard people are willing to try or how much an effort they are planning to exert, in order to perform the behavior*" (Ajzen, 1991, p.181). Ajzen states that there are three independent determinants of one's intentions, namely attitudes, subjective norms and perceived behavior control. The stronger these determinants are, the greater the intentions towards the particular behavior. Firstly, attitudes are defined as "*a person's general feeling of favorableness or unfavorableness toward some stimuli object*" (Fishbein and Ajzen, 1975, p.216). They state that individuals form beliefs about an object, which are the result of direct observation or inference processes. In this manner, individuals automatically create an attitude towards a new object depending on one's beliefs about the object. However, someone's 'belief system' can vary over time and thereby change one's attitude towards an object. For example, new experiences can change one's attitude in a way that additional information can be incorporated. Secondly, social norms relate to the perception of significant others' opinion, such as family, friends and colleagues, about performing or not performing a certain behavior (Ajzen, 1991). Thus, social pressure coming from individuals or groups who (dis)approve of a behavior can alter someone's normative beliefs about what is more likely to be considered as a desirable behavior. Lastly, perceived behavior control refers to one's perceived ability to perform the given behavior. It is

compatible with Bandura's (1977) concept of perceived self-efficacy (Ajzen, 1991). Self-efficacy refers to the strength of an individual's belief that he can accomplish a specific task or series of related tasks related to the given behavior (Bandura, 1977).

As entrepreneurship is seen as an intentional process (Lortie and Castogiovanni, 2015), and starting a business is seen as planned behavior (Bird, 1988), Ajzen's Theory of Planned Behavior has been a major foundation in entrepreneurship literature to explain why someone would start his own business (Krueger and Carsrud, 1993). Applying the TPB, entrepreneurial intention or the commitment to start a new business (Krueger, 1993) is determined by (a) his/her attitude towards entrepreneurship, (b) the perception of significant others' opinion about starting a business (subjective norm) and (c) the individual's belief that he/she can start a business (self-efficacy). The TPB model is illustrated in Figure 2. According to this model, the effect of other exogenous variables (e.g. prior experience) on the intention to start a business can only be indirect, through changes in these three attitudinal variables. Empirical evidence has supported the TPB by showing that the entrepreneurial attitudes, entrepreneurial role models (related to social norms), and entrepreneurial self-efficacy affect one's entrepreneurial intentions. A meta-analysis by Schlaegel and Koenig (2014) shows that all three variables have a significant and positive effect on entrepreneurial intentions, and jointly explain a fairly large amount of variance in entrepreneurial intentions (and thereby also entrepreneurial behavior).

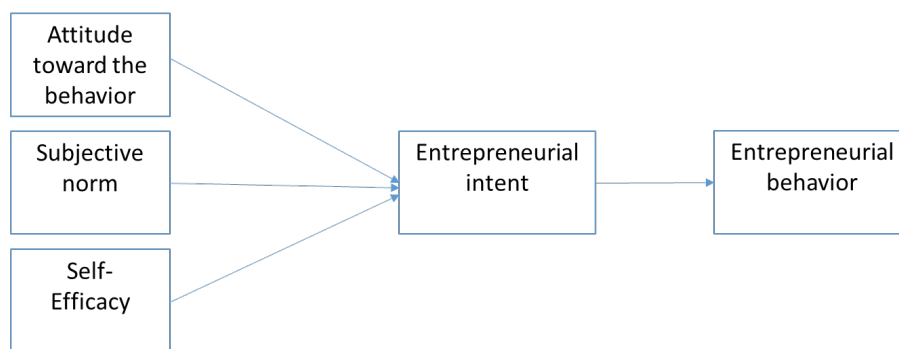


Figure 2: The Theory of Planned Behavior applied to entrepreneurship (Ajzen, 1991)

3.2. Shapero and Sokol's (1982) Entrepreneurial Event model

In the intentionality-based model of the 'Entrepreneurial event', Shapero and Sokol (1982) argue that human behavior follows the law of inertia. Inertia means that an individual keeps continuing a given path, which is the sum of vectors in his/her life such as one's family, job, etc. Due to inertia, employees will hence tend to continue their job as an employee. However, this path can suddenly be broken or displaced by a powerful force that causes a new direction. This is referred to as an essential 'displacing event', that can trigger the business creation process. Shapero (1981) offers examples where these displacing events (job loss, migration,...) precipitate increases in entrepreneurial activity.

However, whether an individual actually decided to engage in entrepreneurial behavior upon the experience of displacing events, depends on whether entrepreneurship is perceived as a credible career choice (Krueger, 1993). Shapero and Sokol argue that the antecedents of this credibility are the perceived feasibility to become an entrepreneur, the perceived desirability to become an entrepreneur, and an individual's propensity to act. Perceived desirability refers to the degree to which an individual feels attracted to becoming an entrepreneur and reflects individual preferences for entrepreneurial behavior (Shapero and Sokol, 1982). Perceived feasibility refers to the degree to which individuals are confident that they are personally able to start their own company and consider the possibility to become an entrepreneur as being feasible (Shapero and Sokol, 1982). Compared to the Ajzen framework, Shapero and Sokol state that the resulting behavior also depends on some volitional measure namely one's propensity to act upon opportunities. Shapero (1981) describes propensity to act as an individual's disposition to act on one's decision (see also Krueger, 1993; Summers, 2000). It is similar to the concept of 'locus of control', i.e. an individual's desire to gain control through taking action.

Krueger (1993) found that perceived feasibility, perceived desirability and propensity to act are all significantly associated with one's entrepreneurial intentions and explain well over half of the variance in intentions. Also the meta-analyses by Schlaegel and Koenig (2014) also shows significant support for these relationships. However, to the best of our knowledge, the entrepreneurship literature has not empirically investigated the role of displacing events put forward in the EEM model. As illustrated in Figure 3, these events could, in our view, have a direct and/or moderating effect on entrepreneurial behavior, meaning that they may either affect entrepreneurial behavior independently, or interact with the entrepreneurial intent that arises from perceived desirability, perceived feasibility, and propensity to act. For instance, we may expect that displacing events will play a smaller role if the intrapreneur has a negative perception of the feasibility and desirability of becoming self-employed, or has a low propensity to act. But also, we may expect that a positive perception and high propensity to act will become especially latent once a displacing event occurs in the intrapreneur's work environment or personal life.

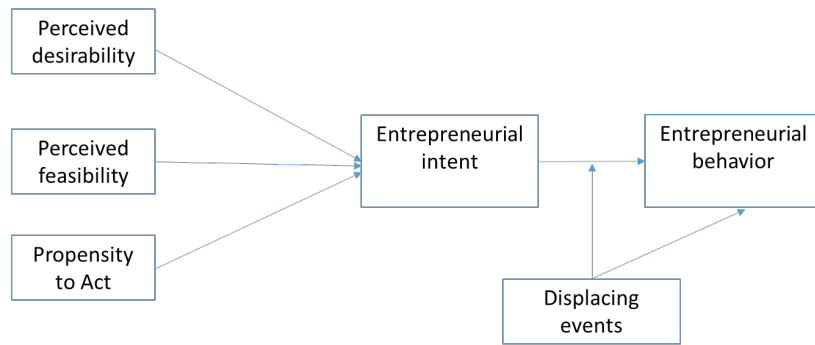


Figure 3: The Entrepreneurial Event model (own representation)

3.3. Krueger and Brazeal (1994)

In 1994, Krueger and Brazeal developed a new model, the model of entrepreneurial potential. This model integrates Ajzen's Theory of Planned Behavior (TPB) with Shapero and Sokol's model of the 'Entrepreneurial event' (EEM), as these two models overlap considerably. According to Krueger and Brazeal, the perceived desirability concept in EEM corresponds to the social norms and individual attitude concepts of the TPB model, while perceived feasibility corresponds to self-efficacy. Krueger and Brazeal argue that perceived desirability and perceived feasibility will affect the credibility of starting up one's own company. According to Krueger and Brazeal, this credibility will interact with one's propensity to act (as advanced in the EEM), in determining an individual's entrepreneurial potential. Furthermore, Krueger and Brazeal argue, in line with the EEM, that this entrepreneurial potential will only become latent after a displacing event occurs in the potential entrepreneur's environment. This model is represented in Figure 4.

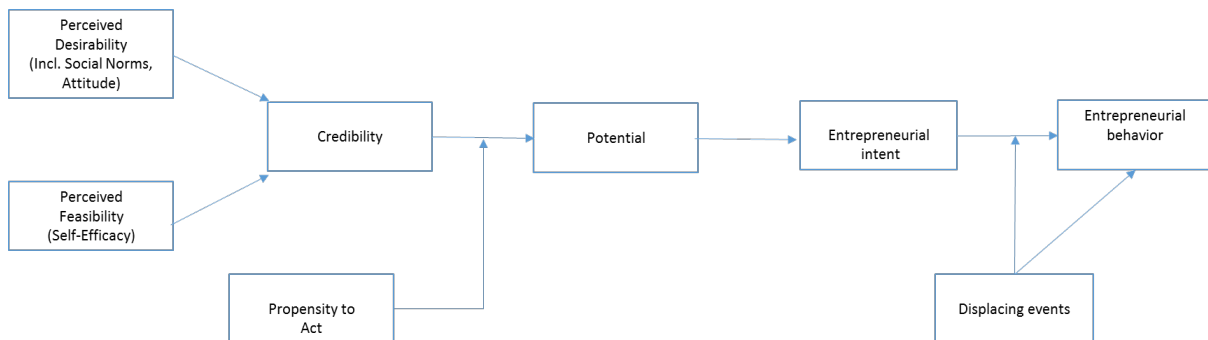


Figure 4: Krueger and Brazeal's Entrepreneurial Potential Model (own representation)

4. Insights from employee turnover literature

Over more than 100 years, academics have researched employee turnover, defined as the employees' voluntary severance of employment ties (Hom and Griffeth, 1995). Since the mid-20th century, scholars have debated about why employees leave their employer. Hundreds of studies have appeared (Hom et al., 2017) and turnover models have started to develop (see for example, March and Simon, 1958; Mobley, 1977; Price, 1977; Mobley et al., 1979; Steers and Mowday, 1981).

Although these turnover models show some differences, they all agree that job satisfaction and perceived alternatives are the main drivers of employee turnover intentions, and in turn actual employee turnover behavior (Lee and Mitchell, 1994). Given the predictive superiority of turnover intentions (Griffeth et al., 2000), these intentions have served as a surrogate or proxy for actual turnover behavior in conceptual and empirical studies (Jiang et al., 2012). Just as it is the case in entrepreneurship and many other literature streams, these models state that behavior is best predicted by intentions towards that behavior.

In the early 1990s, scholars made several refinements to the turnover models. The most promising refinement, which has now become the dominant turnover perspective (Hom, 2011), is the 'unfolding model' developed by Lee and Mitchell (1994). Next to the standard turnover variables, job satisfaction and perceived alternatives, this model also incorporates shocks that happen in the life of the employee. They can be defined as "*jarring events that initiates the psychological analyses involved in quitting the current job*" (Holtom et al., 2008, p.247). Examples of shocks are receiving an unanticipated job offer, being overlooked for a promotion, or experiencing a family issue such as a birth or death (Holtom et al., 2005). Empirical evidence has treated these shocks mainly as independent drivers of employee turnover (without looking at interaction effects with job satisfaction and perceived alternatives), and shows that they are just as or even more important than job dissatisfaction in explaining employee turnover intentions and behavior (Holtom et al., 2008).

In the early 2000s, Mitchell and colleagues (2001) introduced job embeddedness as another important driver of turnover. Job embeddedness is defined as a sort of "*net or web in which an individual can become stuck*" (Mitchell et al., 2001, p.1104). This job embeddedness depends on (1) the extent to which people have links to other people or activities, (2) the extent to which their job is similar to or fits with other aspects in life, and (3) the ease with which links can be broken. Mitchell et al. (2001) label these three dimensions as 'links', 'fit' and 'sacrifice'. Empirical studies show that job embeddedness can explain additional variance in employee turnover beyond the traditional drivers mentioned above (Jiang et al., 2012).

In Figure 5, we integrate these insights from employee turnover theory into an overarching conceptual model.

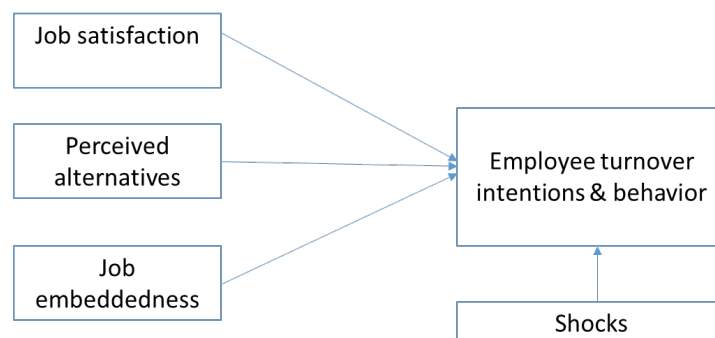


Figure 5: Employee Turnover Theory (own representation)

5. An integrated model on the transition from intrapreneurship to entrepreneurship

The decision to switch from intrapreneurship to entrepreneurship consists of two aspects, namely the decision of an employee to (a) leave his/her employer and (b) start his/her own company. We believe we can integrate the different theoretical perspectives, namely the conceptual insights from the employee turnover literature which has addressed the former aspect, and the entrepreneurship literature which has addressed the second aspect of this decision (see Figure 6 for an integrated conceptual framework). From the literature review above, it becomes clear that the theoretical explanation of employee turnover show similarities as well as complementarities to the conceptual models that have been developed to explain entrepreneurial behavior.

On the one hand, as we know that intrapreneurs share many behavioral characteristics with entrepreneurs, we expect entrepreneurial potential variables (i.e. perceived desirability of entrepreneurship, perceived feasibility of entrepreneurship and propensity to act) to have a direct impact on the transition from intrapreneurship to entrepreneurship. Secondly, as intrapreneurship also belongs to the domain of employee behavior, we expect that also employee turnover variables (i.e. job satisfaction, job embeddedness and perceived alternatives) affect the transition from intrapreneurship to entrepreneurship. In fact, we can expect that not only perceived alternatives in terms of paid employment, but also in terms of self-employment or entrepreneurship will be relevant in this respect. These perceived entrepreneurial alternatives will probably go hand in hand with an individual's perception on the feasibility of entrepreneurship, and may even be affected by the perceived desirability of entrepreneurship; an issue that future research should try to clarify.

Furthermore, both the entrepreneurship literature and the work on employee turnover suggest that positive and negative shocks in the intrapreneur's work environment and personal life will have a direct or moderating effect in this respect. They may either affect entrepreneurial behavior independently, or interact with the perceived desirability, perceived feasibility, propensity to act, perceived alternatives, job satisfaction, and job embeddedness in determining an intrapreneur's decision to transition into entrepreneurship. For example, one may argue that when an intrapreneur perceives relevant opportunities to start his/her own firm (i.e. when he or she perceives good alternatives to working as an intrapreneur for his current employer), this perception is more likely to lead to a transition into entrepreneurship when he or she is overlooked for a promotion. Vice versa, we also expect that the effect of shocks will be smaller role if the intrapreneur perceives few alternatives or is highly satisfied or embedded in his/her current employment. Overall, we expect that perceived desirability, perceived feasibility, propensity to act, perceived alternatives, job satisfaction, and job embeddedness will become especially latent once a shock occurs in the intrapreneur's personal or work environment; and that shocks can also be attenuated by the former factors.

While both entrepreneurship and employee turnover literature provide examples of potential shocks (e.g. migration, job loss, being overlooked for a promotion, an unanticipated job offer, meeting an interesting business partner, or experiencing a family issue such as a divorce, birth or death), a more complete list of relevant shocks that determine the transition from intrapreneurship to entrepreneurship is currently missing. In the period 2019-2020, Steunpunt Economie and Ondernemen (STORE 2.0) will first develop a list of relevant shocks through interviews with intrapreneurs that transitioned into entrepreneurship, and will then empirically validate the conceptual model presented in this study through quantitative data collection and

analyses. Particular care will be taken to include shocks that can potentially be affected by policy interventions.

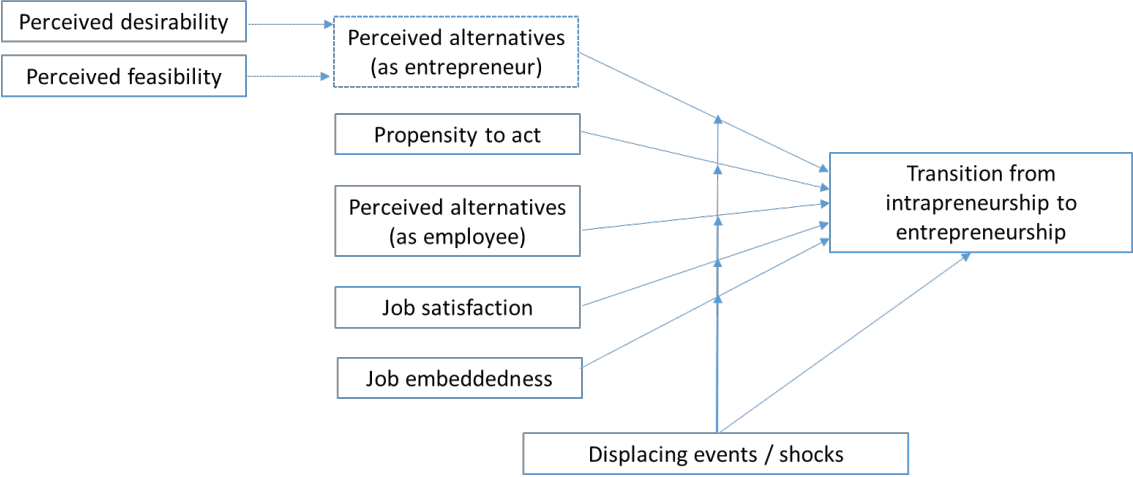


Figure 6: Integrated conceptual model (own representation)

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