Contemporary Approach of Strategic Entrepreneurship in Employee Engagement and Retention

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ABSTRACT

Strategic entrepreneurship is a distinct type of strategy where organisations focus on constant innovations. The concept of Strategic Entrepreneurship is considered to be the transformation of Strategic Management into Entrepreneurship, taking Entrepreneurial actions using a strategic perspective, as the Entrepreneurship culture developed in large corporates as growth strategy. Strategic Entrepreneurship prepares firms to stand out in the modern market. It is effective for employee retention and involves the concurrent progressive actions of companies. In strategic entrepreneurship, organisational practices and management principles are two main components of innovation.

This study explores the impact of strategic entrepreneurship on two major challenges for modern organisations employee retention and engagement. To fulfill this objective, a conceptual approach has been adopted with thematic analysis of recent literature. This study draws insights from organisational practices and secondary data available in recent studies related to employee engagement and retention. This research proposes a conceptual framework to show how these factors are interlinked.

Keywords: Strategic Entrepreneurship, Employee engagement, Employee retention, organisational practices, corporate entrepreneurship

1. Introduction

Human Resource Management and Strategic Entrepreneurship always provide support to any organisation, particularly to sustain. The concept of Strategic Entrepreneurship includes Preparation and Implementation of smart plans for corporate organisations.

Strategic Entrepreneurship involves a strategic thinking process, in Entrepreneur's perspective. The above definition expands that strategic entrepreneurship is a helping idea for the development of any organisation.

Employee engagement and retention are two of the most important factors that should be considered by companies to form strategies to reduce employee attrition (Ngozi and Edwinah, 2022). Employee retention and engagement are mainly aimed to keep employees motivated to stay up and working for the organisations (Akkerman et al, 2015). Employee retention has been pivotal in the age of digitalization as employers start realizing the value of people.

As reported by ROK (2010), a lot of organisations find it hard to retain employees when comparing with private organisations for talented and skilled employees. Human capital is very important as a key resource for overall survival of the company and society has always been based on knowledge. Interestingly, companies are trying hard to retain talented workforce (Porter, 2001). Talent has been more mobile and companies need to retain and manage them as it has a huge financial impact.

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Strategic entrepreneurship is very important for employees as it provides ideal path to operate in a challenging market and gives them an opportunity to manage risk and learn to achieve goals in the organisation (Hasan et al, 2017). Hence, this research was conducted to know the significance of strategic entrepreneurship for effective retention and engagement of employees.

2. Literature Review

2.1. Strategic Management and Employee Engagement

Kulkarni et al (2020) explored the effect of strategic management in startups on skill growth and engaging employees. It was found that strategic management was very important for engaging employees and skilling them in startups. Skill growth was a very significant factor for startup growth through the lens of HRM.

Sepahvand and Khodashahri (2021) explored the moderating role played by “employee engagement (EE)” on “strategic HRM” practices when it comes to retain employees. It was observed that strategic HRM plays a vital role and has an effective impact on retention of employees. On the other hand, employee engagement plays a vital and moderating role on the effect of strategic HRM.

2.2. Employee Engagement and Talent Retention

Ngozi and Edwinah (2022) explored the impact of engagement of employees on retaining talent and evaluated the effect of psychological engagement on capability of employees. They evaluated the impact of “emotional engagement” on satisfaction of employees and behavioral engagement on turnover. It was concluded that there was a solid and true relationship between talent retention and employee engagement.

Bhatnagar (2007) discussed the relationship between talent management and engagement. They presented a significant implication for human resource management.

The HR managers should promote the brand and organisation to existing employees as aggressively as they do to attract outside talents. Highly committed system was also needed with integrated control systems to balance both surveillance and engagement. Therefore, companies can easily predict employee attrition in future.

Storey et al (2009) have critically examined the sense and purpose of engaging employees. When employees were committed or engaged, it might result in a lot of positive outcomes. If employees are less engaged, an organisation has to bear consequences, which may result in increased competition from international companies.

2.3. Corporate Entrepreneurship and Employee Engagement

Kassa and Raju (2015) discussed the relationship between “employee engagement and corporate entrepreneurship”. Of late, “corporate entrepreneurship” has been the most sought-after research topic like employee engagement. This study completely focused on both aspects and combined both constructs.

Houssein et al (2020) discussed the impact of “employee engagement”, growth in career, and most importantly, work-life balance on employee retention. The study suggested employers to form healthy HR practices to promote employee retention and support the organisation to stay ahead.

Markos and Sridevi (2010) explored the significance of EE to improve “organisational performance (OP)”. When it came to improve OP, EE remains very important predictor of 2-way relationship between employees and employers as compared to “organisational citizenship behavior, employee commitment, and job satisfaction.” When there is an emotional attachment built among employees towards the company and they feel more engaged in their role for company’s success as employees feel more engaged.

2.4. Objectives Of the Study

This study aimed to look for the ways to engage and retain employees by adopting strategic entrepreneurship. Listed below are the objectives of the study.

- To investigate the role of strategic entrepreneurship in employee engagement
- To examine the effect of employee engagement on employee retention

2.5. Conceptual Framework

When it comes to predict employee attrition, employee engagement is among the vigorous procedures. As there is a direct relation between employee retention programs and engagement, the metrics of employee engagement reflect the quality of work life of each individual. Almost every aspect of professional life affects employee engagement, i.e., transparency related to perks and wages, and location. By measuring employee engagement and retention, businesses can have complete insights on employee attrition. There is a need to measure both factors – employee retention and engagement – to further strengthen their relationships. Hence, the study proposes a conceptual framework of strategic entrepreneurship that reflects the relationship between aspects of employee retention and engagement (Fig.1).

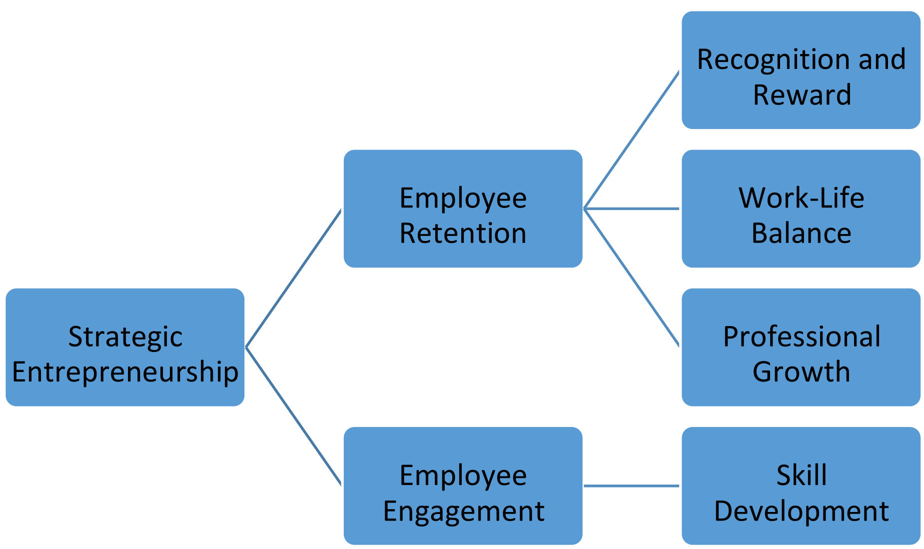

Fig.1. Proposed conceptual framework for Strategic Entrepreneurship

3. Research Methodology

3.1. Research Design

The study is based on conceptual, qualitative research design based on secondary data. This study has collected data for broad exposure from research articles published in peer-reviewed journals for framing conceptual framework and literature review. In addition, data has been collected from industry reports to determine the association between employee engagement and employee retention for strategic entrepreneurship.

3.2. Data Collection

The study conducted extensive review of recent studies for this conceptual paper by analyzing data from reputable databases like Scopus, JSTOR, Science Direct, and Google Scholar to identify relevant researchers from 2010 to 2024. For this study, some of the major search terms used were "employee retention, employee engagement, strategic entrepreneurship, HR strategies, and organisational innovation".

3.3. Inclusion Criteria

The inclusion criteria adopted for data analysis for this study are as follows

- Theoretical or empirical studies related to strategic entrepreneurship
- Studies, reports, and surveys published related to employee retention and employee engagement to innovate organisations
- Studies published in peer-reviewed journals and other survey data published in institutional reports or whitepapers

3.4. Data Analysis

In order to synthesize research findings, thematic analysis was performed to analyze data from selected studies, then grouped as per relevant themes like "career growth, recognition and reward, work-life balance, and professional growth."

3.5. Research Limitations

The study might lack empirical data and contextual insights, as this study was completely based on secondary data available on public domain. Future studies may be conducted to collect survey data or case studies for generalization of research findings.

4. Results

4.1.Role of Strategic Entrepreneurship and Employee engagement

Founders' experience and their managerial knowledge are the major factors positively affect overall growth of businesses (Zaheer et al, 2019). Businesses are based on their founders' experience and holistic aspects of the finance, product, human resource and market conditions for their success (Klotins et al, 2016). For any startup, overall experience of the founder usually affects the foundation of any business. HRM and strategic management are the pillars for long-term sustainability (Newbery, 2018).

HRM and strategic management are highly supportive to businesses for sustaining growth during the unpredictable period (Bratianu, 2017).

Hence, effective strategy is highly needed to come up with effective and sustainable environment that should further improve strategic entrepreneurship (Bendickson et al, 2017). Employees can be directed by HRM to operate in risky environments and there is a platform available for risk management for achieving desired goals in the organisation (Hasan et al, 2017). For entrepreneurial success, one of the major HRM practices is employees' skill development (Rabideau et al, 2016). Effective programs for employee engagement should be introduced for skill development (Kaur and Sharma, 2019). It is worth understanding the importance of strategic management for skillsets using effective initiatives (Beynon et al, 2016).

For strategic entrepreneurship, top-level management is responsible for making strategies as per the mission and vision of the company. Devising strategies has a strong impact on the overall vision of the founder (Kohtamäki, 2012). Strategic entrepreneurship is the key to success of businesses. It acts as a vital tool for monitoring, decision-making, managing technology, and planning pragmatic policies (Rey and

Bastons, 2018; White et al, 2015). A collaboration strategy should be developed by innovative minds of the company (Zahra and Nambisan, 2012). An organisation can have a competitive strength through strategic entrepreneurship (Allio, 2006).

Strategic entrepreneurship provides the right path to handle competition and ensures self-sufficiency among the owners (Tunstall, 2009). Considering all these arguments, strategic entrepreneurship is affected by organisation's mission and vision, top management, technology, policies, and strategic goals. In this day and age, organisations need to operate in a dynamic market (Baptista et al, 2014). Employee engagement could be effective to manage human resources as it consists of cognitive, emotional, and physical engagement of employees. Employee engagement attracts and retains talented employees (Girotra and Kaushik, 2018).

Employee engagement initiatives consist of aspects like employee compensation, training and development, and creating brand value for the organisation (Bicho et al, 2019; Coad et al, 2016). Training programs must be focused on bringing skillsets related to innovation, flexibility, and communication (Forster et al, 2013). Skill development and employee engagement are very important factors to foster high performing employees and talented team (Bendickson et al, 2017).

According to the "Towers Watson's Global Workforce Study", it was observed that organisations with high employee engagement levels reported around 3 times higher operating margin than organisations with low engagement level, when 50 companies were compared worldwide for employee engagement (Fig.2). Furthermore, organisations lost $11 billion every year due to employee turnover, which remained as a single strong motivation for employee engagement, according to recent research by "Dale Carnegie Training" (Narmadha, 2016).

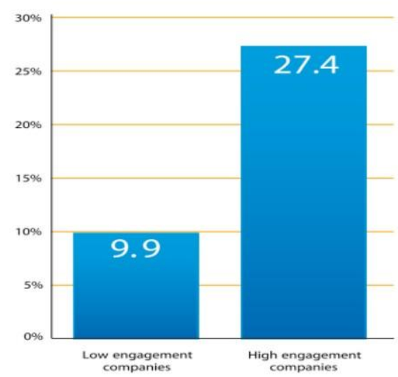

Fig.2. Employee Engagement Leading to Increased Operating Margin (Source: Narmadha, 2016)

A survey with over 32,000 full-time employees was conducted by a study by "Towers Watson" from organisations in 29 sectors worldwide. It was observed that employees who were highly engaged showed positive sentiments for the organisation in everything from manageability of workload to quality of work, to perceptions of ample support and work stress (Fig.3). Engaged workplace was definitely a healthier workplace (Narmadha, 2016).

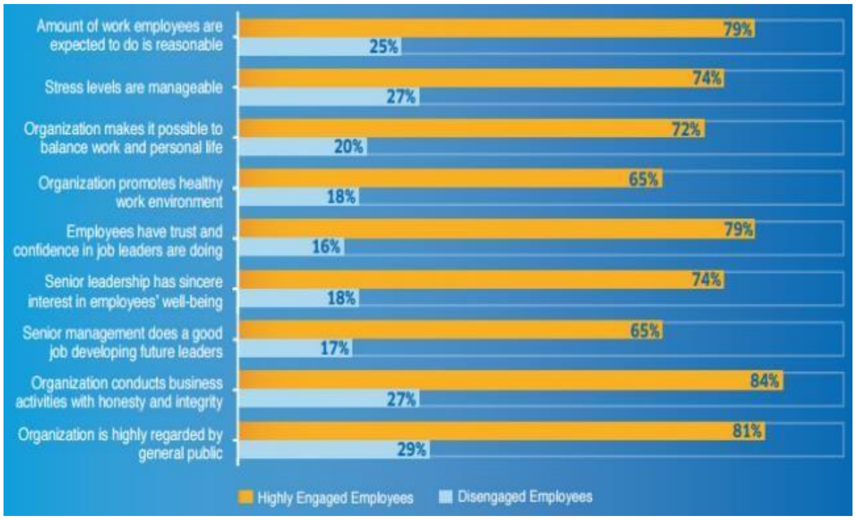

Fig.3. Employees' agreement to questions related to engagement (Source: Narmadha, 2016)

4.2.Effect of Employee Engagement on Employee Retention

According to the "Workforce Trends Report", 88% of employees were highly engaged or very engaged, (DHR Global, 2024) (Fig.3). However, it was not important that they were engaged for all positive reasons. According to 61% employees, they were engaged because of fear of losing job. On the other hand, 67% employees were engaged because of manpower shortage in job market. On the basis of external economic conditions, increased employee retention and engagement would just be temporary. Managers should openly talk to their team related to most meaningful issues.

Fig.3. Engagement Level of Employees (Source: DHR Global, 2024)

To plan a new retention strategy, employee turnover is something which should be considered. Without knowing the number of people leaving the organisation, from when and which department they are quitting, an organisation cannot understand the reason behind their attrition. They can know this why after assessing when, how, and where. As it has direct correlation between drivers of employee engagement. It is important to ask the right questions, like how they feel about the overall experience like salary, opportunities, and overall business goals, which need most attention.

With employee retention and engagement, there is no one-size-fits-all approach. Here are some of the major factors that drive employee engagement –

Reward and Recognition – Without opportunities or acknowledgement or recognition, it will always be challenging to retain employees. An employee performs the roles to the perks and salary, which is the foundation of “employee value proposition.” There are different forms of rewards and recognition, such as simple pay or having a platform to recognize top-performing employees. People want to feel a special part of the team, apart from getting decent pay. For individual successes, organisations should arrange team meetings to encourage team leaders for sensible feedback. “Employee engagement surveys” are important as honest conversations can be challenging around pay. Automated Q&A sessions may remote potential bottlenecks, providing a platform for employees to speak up without judgment. Survey platforms make issues visible for people to improve the odds of sensible action.

Professional Growth – Lack of professional growth is a significant contributor to high employee turnover. As reported by the “Workday Global Workforce”, employees who work for one to four years majorly because of career path. If they don’t find any scope for improvement in their organisation, they instantly seek better opportunities in other companies. Organisations must promise them with greater future to make them feel the part of the workforce. Managers can do more than just giving them promotions for their professional growth and making them feel valued. There are different forms of career growth, i.e., teaching a new skill to expanding their responsibilities to work in different departments.

Job satisfaction is a lot more important than future promises related to promotion for employee retention. Employees must be satisfied in their work life. The key here is to ask about their goals related to their personal growth. Employees may find it hard to raise complains directly with their leader. So, a confidential survey platform can help them discuss their needs and queries related to development and training, department change requests, etc. It adds knowledge for the managers about satisfied employees with their workload and who is aiming for the future needs.

Work-Life Balance – After trying hands with remote work for several years, a lot of organisations have switched to hybrid mode. As reported by “Robert Half’s Demand for Skilled Talent”, around 48% employees prefer hybrid role. As the boundaries between personal and professional lives are get blurred, organisations need to be proactive to ensure work-life balance. The idea that employees have to be on-site has been challenged by the change in working behaviors and a hybrid model has somehow diluted the work culture. A lot of employees have observed that they are no longer stuck to typical work week, especially when it consists of long-term separation from their families and home. Companies laying restrictions on their work lives without giving reasonable reason may isolate current employees and deter potential ones.

Employees may conduct an engagement survey to know their actual needs. It can provide a better insight to their needs to align with the organisation. A certain team may probably work best in-house, while another team is distributed around several countries, avoiding the need to be in office (Radley et al, 2025).

5. Discussion

Organisations can collect data about their employees’ sentiment to prevent employee attrition. In terms of employee retention, organisations should ensure smooth onboarding process, provide proper tools to get their jobs done, timely payments, and fair and equitable working schedule. It is important to ensure that their employees can have honest and open talks with management.

To improve engagement and retention, one of the best ways is to improve communication modes at every level. A survey platform is needed to gather their confidential feedback to open honest modes of communication. It is worth considering the importance of key announcements and internal communication tools. There is no stronger motivation to quit than the feeling of being underpaid as compared to other employees in similar roles at other companies. By ensuring transparency at each level and researching market and local differences for certain roles, organisations can form the environment where everyone feels acknowledged and supported.

Emotional safety is another major factor affecting employee retention and engagement. If employees don't feel that they can share their feedback, they will usually find external paths to share their complaints elsewhere. A confidential survey is the best option to welcome opinions openly, even when the feedback is positive or complaining. In turn, that freedom of expression promotes employee retention and builds stronger work culture. Growth is beyond climbing up the success ladder. Organisations should consider specific needs of employees, i.e., from gaining new skills to seeking potential career options. Internal mentorship programs could be great as they can provide access to educational video or relevant eBook, enabling crossdepartment or short-term tasks, or allocating budget to take external courses for employees.

When discussing perks with employees, employers can also discuss access to health benefits like wellness options, fitness classes, and medical insurance, along with social opportunities. They can improve professional and personal lives of employees. For smaller company with less resources, they can ask employees to provide feedback on what is important. When adopting new engagement and creating new employee retention strategies, managers should have proper training to operate well. Management team should understand that improvement areas don't have any negative impact.

6. Conclusion

Employee retention has been a primary concern for organisations. Job security is not the only thing that is demanded by modern workforce. They want opportunities for professional and personal growth. A strategic and proactive approach is needed for employee retention. Listening to employees is one of the ways to reduce employee turnover. By understanding their concerns, organisations can acknowledge the issues, build their future plans accordingly, and embed their employees in the workplace. Employees who leave their jobs may still leave their feedback to improve organisations. Effective communication in an organisation builds trust and higher engagement is closely associated with higher retention. Employer branding is very important to retain and attract top talent by setting a positive image of the company. Technology like HR analytics and software can be helpful to identify potential retention problems and trends. Organisations should adapt with the rise of remote work and gig economy trends to retain employees. To summarize, employee retention is a serious concern and there is no one-size-fitsall approach. Organisations need to embrace modern practices for resource management and customize their strategies to meet their unique needs for retention. Combined with commitment to foster positive culture, integrating these strategies is important to achieve successful retention of employees to ensure long-term prosperity of organisations.

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