Researching Corporate Entrepreneurship: Findings of the Corporate Entrepreneurship Track at the Chalmers School of Entrepreneurship 2020

by
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Preface

For the sixth year, corporate entrepreneurship students at the Chalmers School of Entrepreneurship have been studying what supports and stops entrepreneurial initiatives in established structures. Learning how to become more entrepreneurial is essential for large, mature businesses. We know from decades of management research that such organizations often become victims to their own success models. Instead of continuing to be fast, and flexible, the need for standardization, efficiency and established know-how make any development beyond incremental improvements hard. Entrepreneurial, or innovative, initiatives most often are killed in the established structure. They do not get the financial resources needed, not the best project managers, and not enough management time, for example. Focusing on only the established business works beautifully in the short run, but over time, other firms with alternative solutions outrun them. Management history is full of such examples. In a world of rapid change, this challenge becomes even severe.

It is clear that we need to do better. But rather than being an analytic, or decision related problem, renewal is a systemic issue. To develop as an organization, all parts need to co-develop. As students and researchers, we need to understand how such systemic transformation is achieved. Each year, we learn more. The students build knowledge on the basis of what research and their predecessors have found. We started the corporate entrepreneurship track – a collaboration between companies, students and researchers - in 2014 to increase the entrepreneurial capability of organizations, educate students to become entrepreneurial change agents, and create a basis for collective learning. Rather than doing classroom education, the corporate entrepreneurship track is based on the experiences from real entrepreneurial initiatives in six different privately owned companies. First, all initiatives were run with the outspoken goal to launch a market application. Second, all initiatives were important to the organizations, and therefore received very high degrees of management attention. Third, a basic agreement gave the students the possibility to be in the driver seat of the initiatives. The findings in this report have been collected through initiatives driven in six different organizations.

Five areas of interest were investigated from a corporate entrepreneurship perspective:

- Strategy
- Entrepreneurial Finance
- Leadership
Organizational Change

Entrepreneurial Sales

This research report describes each of the five areas with a research question, a corresponding theoretical framework of references and a proposed method. The authors have then collected the findings in the five areas and cross analysed them through the six different projects. The insider action research method applied in the initiatives has gained in depth findings that are hard for any outside research to achieve. Moreover, the findings have been collected longitudinally for ten months in the six companies. To a very high extent, the students have been recording the data through a digital research application, LoopMe, based on experiences. They were asked to use LoopMe as a logbook to register important events and to reflect upon them as they happened. This enabled them to see development in their respective initiatives, alleviating some of the post-rationalization that is a general tendency in many studies. We believe that this year's students, as well as their predecessors create knowledge that can serve many companies and see this report as an important step forward in the collective learning journey.

Johanna Pregmark

Tobias Fredberg
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1 Strategy

Sara Bergvall, Emma Karlsson and Max Lingefjärd

1.1 Introduction

The world is changing like never before; intensifying global competition, knowledge-intensive environments, rapid technological progress etc., and the speed of change will probably not slow down in the closest future. Such factors have heightened the need for companies to become more entrepreneurial in order to survive, and their internal environment needs to be faster and more flexible than their external environment, to stay competitive. Managers need to challenge the existing situation and cope with uncertainty (Dess et al. 1999).

Kates and Galbraith (2007), inventors of the Star model-framework, argue that the strategies different companies take on require different organizational systems in order to execute accordingly. In regard to this logic, the Star model-framework presents the aspects needed to be incorporated and taken into consideration to form a desirable and well-operating organizational design; strategy, structure, processes, rewards and people. Entrepreneurial initiatives are in nature requiring a different strategy - and different organizational design - and it becomes essential to understand the impact of each element and how it aligns to other organizational elements, in order to succeed in such initiatives.

In this research, empirical evidence is collected by six student pairs, each pair running an entrepreneurial project at company, and analyzed with the aim to understand what elements foster and restrict entrepreneurial initiatives in a large company setting. Creating an understanding around this is critical in order for the companies to stay competitive and survive in their dynamic and fast changing environment they are operating in.

1.1.1 Purpose

The purpose of this thesis is to address innovation strategy approaches in order to understand what elements that restrict or foster entrepreneurial initiatives in large organisations.

1.1.2 Research questions

What elements of the organizational strategy, structure, processes, rewards and people; restrict or foster implementation of radical innovations?

1.1.3 Delimitations

The research is based on the empirical evidence of six student pairs, each pair running an innovation project at a company, which means a total of six companies. The companies operate within the industrial industry, life science and trading industry. Thus, the thesis scope is therefore delimited to the empirical results from these six different companies and three different industries just mentioned. Also, the projects are run over a total period of nine months and data collection is focused on a period of approximately six months.
1.1.4 Limitations

The research is based on 12 researchers’ experiences which therefore are subjectively perceived and reflected on. However, subjective judgements are required in order to simplify and maintain a comprehensive data collection in cohesion with the methodology.

1.2 Theoretical framework

The purpose of the theories in this section is to be the underlying foundation for the research of main elements that restrict or foster entrepreneurial initiatives. Therefore, the theoretical framework should be used to support data collection and analysis of findings in the area of strategy and structure for implementing entrepreneurial initiatives in the students different established organizations.

1.2.1 Star Model

There are many important elements of an organization's strategy and structure, that are connected and affect each other. Leadership is needed to get people on board and ensure that people in the organization understand the reason for the company to exist, the current situation and the strategy to ensure the transaction from current to wanted position. At the same time leadership needs to recognize people and encourage them to deliver to the journey.

A strategy is the choice of strategic direction for the future of the organization. To create a good strategy one needs to understand the external environment - market, industry, competitors and the internal environment - technology and the own reality, as the company strengths and weaknesses (Schilling, 2013). For the strategy to perform, it is crucial to get people to strive for the same goal. Kotter & Heskett (1992) argues that if the culture is not fully understood, it will be difficult to implement a strategy successfully. The role of the historical structure of an operational organization is to guide and control behaviour and how decisions are being made while a newer and more innovative structure focuses more on the flexibility and openness (Eriksson-Zetterquist, Mullern & Styhre, 2011). For an entrepreneurial initiative to be implemented several processes are needed, as funding, exchange of ideas and the overall process of transition from the innovative to the operative unit (Galbraith, 1982).

The purpose of designing the strategy and structure is according to Schneider (2013) to shape decision-making and behaviour by integrating people, technology and information. The author further highlights Galbraith's Star model, to be used as a tool for mapping the important interactions of main components to create a learning and flexible organization. Galbraith's Star model consists of 5 different categories: strategy, structure, rewards, people and processes, that are linked to each other and affect the strategy.

**Strategy**

Strategy is how the company is beating the competition and achieves continuous success. It statues values, vision, mission, overall goals etc. The strategy of a company defines to a large extent which activities are prioritized and which are not, and therefore represents a basis for the organizational design and what trade-offs it implies. (Galbraith, 2011)

**Structure**

Structure is defining the distributed authority, specialization of tasks, shape (e.g. number of levels and number of people at each level) and departmentalization, which describes how
departments are divided (e.g. divided after functions, products, customer, workflow etc.), (Galbraith, 2011). According to Galbraith (1982) an organization that wants to foster radical innovations needs to have a different structure compared to an operating organization that is structured divisionalized.

**Process**

The structure is more a description of the organization, while the processes are the functioning part and activities to support the new idea. Processes could be informative or connected to decisions, such as allocation of resources, business planning, budgeting, product development and managing of customer orders. (Galbraith, 2011)

**Rewards**

A reward system is used with the purpose of creating incentive and motivation to reach the strategic direction. Rewards include salaries, promotions, benefits, bonuses, stock option programs etc. The model suggests that the reward systems in an organization need to conform to the structure and processes at the organization in order to influence the strategic direction. (Galbraith, 2011)

**People**

This category of the star model includes those elements that could be linked to human resources that builds the capacities of the organization. People's mindset could be more or less suitable for the implementation of an entrepreneurial initiative. (Galbraith, 2011)

![Figure 1: Star model (Galbraith, 2011)](image)

1.3 **Methodology**

*In this section the methodology of the research and data collection is presented as well a clarification of how the theoretical framework was applied by the researchers.*
1.3.1 Research methodology

This thesis is based on insider action research, where the insider both works and conducts research in parallel - in the same company setting (Teusner, 2016) However, the researchers were not part of the organization until the start of the study, which therefore is contrasted with what some theory call “complete insidership” (Coghlan, 2007). All researchers had temporary positions during the data collection for this research and thus, this study could be defined somewhat in between complete insidership and a temporary setting of insider action research.

The study rests empirically on the researcher’s inside observations within the companies during the whole project year, where interviews, workshops, meetings etc. were observed and later on reflected upon in relation to the Star Model and also which departments of the organisations that were involved in the activity. Furthermore, the researchers’ observations and reflections were continuously made with a requirement of every second week.

1.3.2 Data collection - Loop Me

All data will be documented in the research tool Loop Me. The data are reported individually and is required to be made every second week over a time span of approximately six months.

The format of the questions to be answered in Loop Me is the following:

**Task:** Reflect and describe, on your own, one event that occurred during the last two weeks that manifests restriction or fostering of radical innovation. Explain briefly (a few sentences) what happened, and use the tags to connect it to relevant Star model elements and company department.

**Follow-up question:** Why do you think the events turned out this way?

*See detailed format of Loop Me task in Appendix 1.*

1.3.3 Star Model

In order to help the researcher structuring their collection of the empirical data and to get the data corresponding, both between the companies as well as in relation to the star model, all the elements of the framework are clarified and further defined accordingly:

**Strategy:** The company’s formula for success and how they differentiate themselves from their competitors.

**Structure:** Refers to how the company has organized themselves. E.g. What are the key functions and what does the hierarchy look like in terms of informal and formal power?

**Processes:** This is how the company operates according to their structure and what does different workflows look like between functions/roles.

**Rewards:** Refers to how employees feel/get rewarded and the company's opinion and effort in the question. E.g. how important is reward within the company? How is behaviour shaped by the goals? How do the company assess progress?

**People:** The skills and competence required within the firm and how they are working with people, e.g. how do they develop talents.
1.4 Results and analysis

In this section we present the data of the reflections and an analysis on what elements that have hindered or fostered entrepreneurial capabilities within each company - and also on an aggregated level combining all the companies. The six companies have been anonymized by being assigned the names of Company A-F.

1.4.1 Summary data points

On an aggregated level, one can see that *people* is the most common element both in terms of positive and negative impact on entrepreneurial capabilities. Most company teams agree on that this generally mirrors their perceptions of what is maybe the most impacting element. They also agree on that process and structure are two other important elements that both foster and hinder entrepreneurial capabilities. Interestingly, there are more positive reflections in total compared to negative reflections. This might seem a bit surprisingly since the reflections are done at large organizations where one might expect entrepreneurial capabilities to most often be quite challenging. There are few reflections in regards to rewards. The company teams believe that the reason for this might be that reward systems are most often related to sales-performance and there is a challenge in measuring entrepreneurial performance, in terms of KPIs etc. This might therefore result in fewer established reward systems related to innovation and entrepreneurial initiatives - and one might not be able to evaluate and conclude to what extent that is hindering or fostering entrepreneurial capabilities.
Company A

The company team argues that the culture within this company is really encouraging innovation and change, which they mean is illustrated in the graph by scoring low on the people element in terms of negative impacting reflections - relatively processes and structure. It is rather the established structures and processes that are not fully developed to support this “innovative culture”, which one also can see in the graphs to be the more hindering factors. For example, the structure and processes on how cross-functional teams are operating might not be working fully in practice, since these take time to develop and implement within an established organization. However, what is important here is that most people within the company have the insight of the potential positive outcome of working cross-functionally - which is maybe most important.

Company B

In company B, the elements of people, strategy and structure are those that were reflected of having the greatest impact when it comes to both hindering and supporting innovative initiatives, while process and reward had less impact. Therefore, are the company team not
completely agreeing with the statistics, as this shows process as having a greater impact compared to structure and strategy. However, strategy was seen as promoting radical innovation but as being hindered of the structure and culture that is not aligned to the strategy. Company B was described as having a functional structure and a culture characterized of people working operative, in silos and with a short-term focus which hinders innovations. On the other hand, people within Company B were also argued to be supportive and have flexibility to design their own way of working which supports innovative initiatives.

Company C

In the company, the elements of People and strategy has the most positive effect on supporting innovative initiatives. For hindering of new innovation, People, Process and Structure was mentioned to be the most effecting. The perception of the team members is that the reported statistics is in line with the experienced results at the company. Compared to the aggregated result of all the companies, the results from Company C are mostly in line with the general result. A difference can be seen regarding the strategy at the company, which is reported to have supported innovation to a large extent. The description was that the organization has a well-defined strategy that is communicated frequently from the top management. However, through the organizational structure and its processes, the realization of innovation initiatives is somewhat lacking in the end.
**Company D**

The company reported People as most fostering, and Structure and Process as most hindering of innovative initiatives. However, not aligning with the reported results, is that they experienced the Strategy as the most positive aspect for fostering innovative initiatives. They furthermore described the strategy at the company as “being ahead of the rest of the organization” and therefore created a misalignment towards successfully implementing innovative initiatives in the company. The process was described as affecting the structure negatively and these two areas were described as being fitted into development of their products, not new innovative initiatives.

**Company E**

The company team argues that their graphs are illustrating their experiences well - except from the strategy element. They believe this is just an issue of data collection, since they argue that the strategy truly has an impacting role on entrepreneurial capabilities within the company. They argue that the company strategy is quite focused on existing core business - which therefore is hindering the organization to develop into more radical and innovative fields. Also, people seem to be a very important factor, especially in terms of how it negatively impacts, and
they argue that the reason for this is that the organization is in general very network-driven. People and politics therefore become crucial in order to drive entrepreneurial initiatives throughout the organization.

Company F

The reflections for Company F are only concerning one specific department within the company, whose departments differ a lot from the rest of the company's departments. The company team believed that the strategy, structure and processes have been the elements hindering innovative initiatives the most within Company F. This was explained as the department are not allocating resources for innovative projects. Furthermore, the process was described as slow moving, strategy as not focusing on innovations and structure leading to people working in silos and having a lack of communication. However, people was seen as the most supportive element, but that people are hindered of the structure and processes. Therefore, some of the statistic match while strategy, structure and processes was argued to be on the same level and more negative as shown in the statistics.

1.4.2 Strategy

The following part is divided in strategic alignment and communication of strategic intent. These two parts were identified as the most discussed topics of the strategy element when it comes to what is hindering or fostering radical innovation within the corporate companies.

*Strategic alignment to innovation*

Having strategic alignment has emerged as a key factor throughout the teams. However, in overall there were differences between the company's strategies where some strategies promoted radical innovation while others were more traditional and focused on excellent performance. The project in Company F have been far away from the core business and they have experienced it difficult to align their project to the company's strategy. This has affected the project in getting support and hindered progress of developing radical innovation. However, this company did not have a strategy for radical innovation rather a vision of “being the best”. Similarly, the team in Company B struggled to align their project to the strategy which mainly was because of difficulties finding out what the company wanted. However, this company had
a strategy of being “the most innovative company in the industry” but seem to lack a purpose of why. In contrast, the team in Company C projects have been aligned with the strategy which they experienced as very helpful where people have been supportive, interested and contributed to the project. This company has a strategic intent of fostering radical innovation since they believe that innovation is required to succeed in the future. In conclusion, aligning an innovative project to the company's strategy has been found to be crucial and fosters the progress of radical innovation. That it could be difficult to get funding or support to move the project forward if the innovative initiative is outside the scope of the company's core business and strategy.

Communicating a strategy encouraging radical innovations

It was experienced that the majority of the companies are lacking ways of communicating the value of radical innovations. Both Company B and C described their companies as arranging creative workshops for their employees but were still arguing that communication to promote radical innovations are limited. The purpose with the creative workshop in one company was described as: “In one event, all employees were invited and the purpose was to signal the need of change and encourage radical innovations”. In opposition, project team in Company F described their company as not speaking about or taking initiatives for radical innovations. That their company mainly has been focusing on incremental innovations and that management is communicating strategy of being the best but not really about new thinking or radical innovations. Furthermore, Company A, B and D also express somewhat a lack of communicating strategy for radical innovation and believe that this is something that hinders innovative initiatives. D for example, described that this hinders radical innovation due to that people want clear directions of where the company wants to go and that a lack of communicating the need of radical innovation otherwise could confuse people. Additionally, in Company A this had led to people somewhat perceiving the strategy in different ways, which in turn could be an issue. In opposition Company C seems to be communicating their strategy for radical innovation more frequently. However, an issue in this company is instead that projects that get funding in the end could be missing alignment with the strategy.

1.4.3 Structure

The following part is divided into established structures and cross functional synergies, as these areas were identified as hindering or fostering radical innovation within the companies.

Established structures

Within all companies, the already established structures within the firms was perceived as to hinder radical innovation to at least some extent. Participants from all companies expressed the companies using a functional hierarchy and the structure and flow of information was adapted and optimized within each department. Within the different departments however, the flow and sharing of information is lacking. At Company A, the experience was that “information silos” was somewhat a general problem and that several “innovation” projects within the company did not have a logic position in the organization (department) and the receiver of the project could be located elsewhere, but that the established structure at the same time do not allows for the projects to be located anywhere else either.

Cross functional synergies

Several companies mentioned challenges when it comes to cross functional synergies. Teams in Company A, D, E and F expressed a lack of cross functional synergies between departments, and all expressed this to be a problem within the firms regarding enabling radical innovation.
The teams in Company A and D, however, expressed some concerns about their findings regarding lack of cross functional synergies as their experience was that they had only explored a limited part of the organizations and that their findings might not be representative for the whole company. Within Company B and C, only limited cross functional synergies were observed. The cross functional synergies actually observed to exist had a positive effect on projects and activities relating to radical innovation. The presence of cross functional synergies was among most of the different teams regarded as important to succeed with successfully implementing radical innovation in a longer perspective.

1.4.4 People

In this section the focus is from the people perspective and includes three relevant areas of internal support, executives support and internal supervisor and their impact on driving projects for radical innovations is discussed.

**Internal support**

From the perspective of people, there seem to be important for the progress of innovative projects to get support from people internally. All of the six company teams had experienced it easy to get access to people and that organisations had been very helpful in setting up meetings, providing information, showing interest and actively participating in project meetings. This seems to have been valuable for the progress of the projects. For example, the team in Company F had received support in contacting people from the organisation located in other countries. In Company C, the team had met key stakeholders that were very open and supportive in mapping out the way forward. On the other hand, some of the company teams experienced people unsupportive when they wanted to reach out externally or collect information. The team in Company E explained their difficulties in collecting data from other departments that were not involved in the project and to work cross-functional due to silos impact on attitudes and norms. Both teams in Company C and Company D experienced hinders when they wanted to contact customers because of people being protective of their customers.

**Executives support**

Three of the company teams had worked close and been reporting to management frequently while the other three teams had limited access to the management during their projects. This was mainly because the teams in Company E, Company F and Company B had internal supervisor who also had a management role. However, this was experienced to be fostering radical innovation and in two of the companies these had been helpful in influencing stakeholders to contribute. On the other hand, the team in Company B described that their close contact to management sometimes also had hindered the project to move further. Which was believed to be due to conflicting interest between project team and the management. However, in Company E executives had been resistance in trying new things and also hindered project to reach out to offices abroad and hence speaking to intendent users. In Company F, the project team had not utilized the management in any specific way but a belief was that this had been an advantage when people with authority are interested in the project. Even if the project team in Company D have not had direct contact with the executive team, their project had been dependent on the management authority to take decision regarding resources. Therefore, access to executives could be both fostering and hindering but that support from executives is crucial for the project to succeed.
**Internal supervisor**

All of the six company teams have had at least one internal supervisor during the project, which was experienced by all teams as supporting the innovative projects. The team in Company A had realised how important it has been to have an internal supervisor when driving an innovative project within a larger organisation. The team in Company F was also positive about having an internal supervisor that could share knowledge about the company and give support in taking better decisions. However, they also described experiencing of having issues with their internal supervisor that sometimes could not understand issues that the project team saw. This was believed to be because of the supervisor being unfamiliar with the area that the company team were investigating. Furthermore, at one time this supervisor also suggested change of project scope which was not supportive of the project and therefore hindered radical innovation.

1.4.5 Rewards

In this section, the aspects of rewards within the different firms are presented, divided into extrinsic and intrinsic rewards, as these areas were identified to be common factors for affecting radical innovation within teams experiencing reward systems during the projects. Rewards was the element within the Star Model that had the least impact of radical innovation, with Company C and F not reporting any occurrence of rewards affecting radical innovation.

**Extrinsic rewards**

Extrinsic rewards in general have been observed within several of the companies, however only at Company B and E has it been observed to impact radical innovation at the companies, none of which in a positive manner. At Company E there exists a department specific reward system that focuses only on hard, financial, KPI:s of the company. Being tied to each department, this creates a sense of competition in a negative manner, as transparency and distribution of information is decreased, thus hurting both the company as a whole as well as the ability to successfully implement radical innovation. At Company A and B, the experience was that reward systems exist within the sales organization but not for innovation projects, and through that lowering the motivation of engaging in projects regarding radical innovation.

**Intrinsic rewards**

Regarding intrinsic rewards, several teams, including the teams that had not reported and occurrences of rewards affecting radical innovation, acknowledged that the companies were lacking in having a structured way of giving acknowledgement for initiatives, performance and deliveries around innovative projects and that a more structured way of managing this matter would have the potential to increase the ability to see initiatives and increased motivation towards initiatives within radical innovation. However, Company B reported that they worked structurally with intrinsic rewards generally at the company and that is also included initiatives within radical innovation.

1.4.6 Processes

In this section, the common aspects that have either hindered or fostered innovation initiatives within the companies - resource management, agile processes, internal communication and stakeholder management - are presented below.
Resource management

Several companies had encountered challenges in relation to the process around resource management and allocation. For example, the team in Company C argued that one could see an issue of internal “competition” between different projects and different functions in the organization which makes prioritization of resources hard. The team in Company A agreed by meaning that one could see a prioritization problem on organizational level, whereas one initiates several projects at the same time instead of focusing on fewer projects, which results in lack of resources on project level. Team Company F also encountered the similar problem and argued that resources where lacking also as a result of that some required capabilities where missing internally. Galbraith argues that processes need to be informative or connected to decisions, such as allocation of resources. The three company teams previous mentioned, argued that this clearly hindered entrepreneurial capabilities and initiatives since the existing process around resource management seems to not manage to prioritize between different activities, and consequently not cover enough resources for different innovation initiatives to progress accordingly.

Agile vs. waterfall

The concept of agile seems to have reached all the different companies, but quite few companies that have managed to implement the concept successfully. However, team B and D had the aim to apply an agile process approach in their projects throughout the year. The Company B-team divided their projects in different sprints which they argued enabled them to get very fast feedback and also fostered the process to progress quickly. Team Company D also had an outspoken agile approach in their project, that was also part of an already existing and larger project at the company, but compared to projects at Company B, that team argued that an agile process where never really successfully implemented. It was more that people used the terms related to theory around agile processes, such as scrum master, sprints etc., but it never worked well in practice - which they made one miss out on important entrepreneurial processes such as continuous iterations - and therefore will have impacted the entrepreneurial outcome. Several other companies agreed that one could see similarities around the challenge of using agile processes in a large context since people are not used to working in that way and the perception of what agile means differs between people - it rather tends to become a buzzword.

Internal communication

Another similarity between the companies was the processes around internal communication. Many companies seemed to seldomly have well-established and formal processes on how different types of information was shared throughout the company. Team Company A and partly team Company E had quite established requirements around how things should be documented, compared to the other companies, but not in terms of how the information should be spread further throughout the organization. Therefore, both company teams argued that this only became a time consuming process, impacted autonomy in a negative way and as a result impacted how well the entrepreneurial ability fostered. As another consequence, the teams in Company A, E and B agreed on that that lack of established processes around communication therefore created a culture that did not foster openness and transparency which everyone agreed on was a critical factor for successful entrepreneurial initiatives. However, most companies agreed ton hat since the formal processes (in terms of formal meetings) did not foster transparency, the informal meetings became more important where people were less afraid of sharing information and these types of meetings therefore become the ones that fostered openness and people’s ability of sharing relevant and critical information in relation to innovation initiatives.
Stakeholder management

Lastly, one could see that the companies encountered some challenges, and enablers, that they argued hindered/fostered entrepreneurial capabilities (in both the specific projects but also in general in the organization) that was related to stakeholder management. Further, the different areas of stakeholder management could be divided into the role of steering group and customer relations. Team Company E argued that having a steering group truly fostered how innovative initiatives progressed since the external insights from people were very valuable in order to keep a more holistic view. However, team A and C argued that they perceived the steering group to rather hinder innovation initiatives to progress. Team A argued that the reason for that was that decision were taken very slow if the different roles in the steering group was not defined in detail and team C argued that there were tendencies that people used their power that the assign as a steering group member, to say no to things in order not have to worry about taking any risks - and people become hesitant to support innovative ideas.

Several of the companies also argued that the process around how the companies interact with their customers in the development of innovation projects was a factor that has impacted the entrepreneurial capabilities in a negative way. Company E and A had some challenges to get access and permission to talk with customers since the relationship was in the responsibility of the sales organization in the companies. Company E argued that they managed to meet a lot of customers but thanks to that they did not follow the established process that they had in the company, and instead applied their own strategy. This resulted in challenges of getting solid customer input in the projects and to verify that the projects were progressing in the right directions. Company F argued that the process of how they worked with customers where without obstacles and that this was a fostering factor in the project since it enabled the company to pivot and iterate with the customers easily.

1.5 Conclusion

The research question for this study was: What elements of the organizational strategy, structure, processes, rewards and people; restrict or foster implementation of radical innovations?

Findings show that there are some common patterns in what elements that foster and/or hinder entrepreneurial capabilities in established contexts that we believe one can, to some extent, draw generic conclusions on. The most critical element, both in terms of having potential positive and negative impact seem to be people. From a people perspective, it seems like internal support from people could have a great impact in getting support with access to people and information. Moreover, the study implies that access to executives are crucial for the progress of the project but that the influence of executives could both hinder and support radical innovation depending on their interest. From a strategy perspective, this element seems to hinder radical innovation in company’s having a strategy that is focusing more on the performance part of the core business rather than encouraging innovations. Conclusions are that innovative projects alignment to a company's overall strategy can be crucial to get support and funding for radical innovations. However, if a company is not communicating a strategy for radical innovations it could hinder these types of projects, when people within the company do not know where to focus or allocate resources. From a structure perspective, it was found that established structures in the form of functional hierarchy are hindering radical innovations. Hence, these structures are often lacking in information sharing and flow. This element seems to be one of the most hindering elements for most companies. Another conclusion was that most of the companies are lacking cross-functional synergies which have an impact in the long-run
and hinder radical innovations. Reward seems to be the less impacting element according to this study, both in terms of hindering and fostering innovation. One theory is that rewards systems are often set up within the sales organizations, and more seldomly incorporated in innovation organizations since it might be harder to measure innovation outcomes and innovation performance compared to sales performance. Therefore, we would conclude that the low data-input is a result of most companies lacking an established reward system related to innovation initiatives. From a process perspective, this element seems to overall be one of the most impacting elements, both in terms of hindering and fostering innovation. We can conclude that it is processes often related to how the companies work with resources management, internal communication, agile processes and stakeholder management that are influencing the most.

Even though there are clear similarities, we have also identified that each organization is still unique in terms of company operations, culture, legacy system etc. and these characteristics make the elements having more or less impact in each company. Therefore, it is of high importance for the companies to consider and handle their elements differently. Having that said, one can conclude that a critical factor, and what the companies should aim for, just as Galbraith (2011) says, is to have the ability of being a flexible organization. Corporate entrepreneurs should be flexible in their considerations and activities related to each element, but take into account what elements that research argues might be most critical for successful implementations. Also, as one can see in this study, all elements are together creating an ecosystem where each element impacts each other and one cannot separate one element from another.
1.6 References


1.7 Appendices

1.7.1 Appendix 1

**Group name:** RQ Strategy & Strategy

**Name of task:** Reflect and describe individually one event that restricts or fosters radical innovations.

**Description:**

This question is about what elements within the Star model; organizational strategy, structure, processes, rewards and people, that restrict or foster implementation of radical innovations?

Reflect and describe, on your own, one event that occurred during the last two weeks that manifests restrictions or fostering or radical innovation. Explain briefly (with a few sentences) what happened, and use the tags to connect it to relevant Star model elements AND company department.

**Follow-up question:**

Why do you think the events turned out this way?

**Tags:** Strategy (Star model), Organizational Structure (Star model), Processes (Star model), Rewards (Star model), People (Star model), Business development department, Finance department, HR department, IT department, Marketing department, Production department, Purchasing department, R&D department, Sales department, Top management department, Other department.
2 Entrepreneurial Finance

Maruan Abdul-Karem and Johanna Konsèleus

2.1 Introduction

In today’s fast-changing society, large corporations are realising the need of becoming more innovative. Thus, what is crucial for a business to survive is being profitable. The traditional measurements for planned projects usually have a future financial benefit focus, i.e. calculating the discounted cash flow (DCF), return on investment (ROI) and Net present value (NPV). These measurements are not always suitable for measuring innovation projects. Conducting radical innovation within a corporation can change minor and/or major parts of a business, but compared to common projects, they have a greater chance to fail. This is due to uncertainty, implementation barriers or lack of knowledge. Therefore, measuring the learning outcome of projects is of great importance. Gupta and Singhal (1993, p. 43) state that “Innovative companies accept failure as a price of playing the game.”, thus not all companies have this type of mindset. This means that failing does not necessarily need to be recognized as a cost, if there is a way to measure the learning outcome which in turn can bring value to the company.

Learning capability related to business performance is something that Prieto and Revilla researches in their article Learning capability and business performance: a non-financial and financial assessment. The analysis shows an existing positive link between both learning capability and non-financial performance as well as between non-financial performance and financial performance (Prieto & Revilla, 2006). In order to create value for stakeholders when pursuing innovation projects, the authors pinpoint the significance of developing knowledge and the importance that managers determine what and how to learn within the strategic context, which needs to be relevant in current circumstances (Prieto & Revilla, 2006).

Some authors notice the fact that large corporations ought to change the traditional key performance indicators (KPIs) in favour of new ways of measuring. Kanter expresses in his article Supporting innovation and venture development in established companies that “Results are highly uncertain. Indeed, analysts have variously estimated that it takes an average of 10-12 years before the ROI of ventures equals that of mature businesses or 7-15 years from invention to financial success” (Kanter, 1985, p. 49).

2.1.1 Aim and purpose

The purpose of this research is to compare how six companies measure learning from intrapreneurial activities. Furthermore, if there is a common way to convert learning into financial means. Intrapreneurial activities are defined as innovative solutions within the companies or new projects which are of both radical and incremental nature.

The aim of this paper is to examine how to financially measure entrepreneurial knowledge within companies. More specifically, how to convert learnings from entrepreneurial activities into financial measures.

2.1.2 Research Questions

RQ 1: How do stakeholders measure learnings from intrapreneurial projects?
RQ 2: Which measurements can be used to measure learning outcome from intrapreneurial projects?

2.2 Theoretical Framework

In the following chapter, the theoretical framework for the conducted research is presented.

2.2.1 Hard measures vs. soft measures

When pursuing development projects in general, a great number of estimates and assumptions needs to be derived. Development cost is an assumption that in traditional development projects tend to be a great estimation and can therefore sometimes be misleading. This in turn can lead to an even more misleading estimation of cost when being conducted for an innovation project. Hence, if one regards a situation where development costs are estimated larger than they “would be”, it can generate harmful consequences if an executive who analyzes the situation takes the decision that the costs are too high. The executive may then prevent the company from taking risks following development projects again. This could potentially lead to that the company in the future will engage in fewer product development projects, and through that perception not even consider taking on an innovation project where the outcome is uncertain (Tracy, 2004).

In order to measure intangible assets, such as knowledge, Voisey et al. (2006) raises a terminology of hard outcomes and soft outcomes, and makes a distinction between outcome and output. Output is something tangible, while outcome refers to something more behavioural (Voisey et al., 2006). Voisey et al. coins another phrasing of distance travelled, which conceivably is another measure applicable in a process where there are no hard outcomes in terms of a financially quantifiable result. The phrasing targets the advancement of a project toward a hard outcome, which in turn can be seen as a measurement beneficial for an innovation project where learning can be the one outcome.

2.2.2 Knowledge management performance index (KMPI)

Knowledge management performance index (KMPI) is constructed to assess the performance of a firm in its knowledge management at a specific point in time (Chang Lee, Lee & Kang, 2005). KPMI is defined as a logistic function, the index has five components which determine the knowledge circulation process (KCP) (Chang Lee, Lee & Kang, 2005). KCP which is constructed by five components: knowledge creation (KC), knowledge accumulation (KA), knowledge sharing (KS), knowledge utilization (KU) and knowledge internalization (KI), can increase and deter which means that the KMPI will either expand or shrink. When the KMPI expands, it is enabling firms to become knowledge intensive (Chang Lee, Lee & Kang, 2005). Lee and Kang (2005) argue that the expansion of KMPI per unit time is modest at first but will increase rapidly and finally slow down.

KMPI is constructed through an equation which consists of the impact of KCP application at time (t) which is proportional to the KMPI gained at the time (KPMIt-1), relative to the maximum possible KMPI gains from the KCP which is 1. This can be expressed as:

\[
\frac{d\text{KMPI}}{dt} = -\text{KCP} (1 - \text{KMPI}_{t-1})
\]

KCP is denoting efficiency of knowledge management (KM in the organization (Chang Lee, Lee & Kang, 2005). To understand the equation fully we need to convert so that we have KMPI on the left side of the equation.
\[
\text{KMPI}_t = \frac{1}{1 + e^{t \text{KCP}}}
\]

This equation is drawn from a S-shaped logistic mode, where 1 is an upper bound on the KMPI from the KCP application. Furthermore, the KCP term is a function of relative weight of the eigenvalue (RWE) of each knowledge circulation component multiplied by the average factor value (AFV) of the corresponding knowledge circulation component (Chang Lee, Lee & Kang, 2005).

Each knowledge circulation component is measured by answering a questionnaire which includes a Likert scale, ranging from 1 (strongly disagree to 4 (neutral) to 7 (strongly agree) (Chang Lee, Lee & Kang, 2005). (see appendix C).

\[
\text{KCP} = \text{RWE}_{KC} \text{AFV}_{KC} + \text{RWE}_{K_A} \text{AFV}_{KA} \\
\quad + \text{RWE}_{KS} \text{AFV}_{KS} + \text{RWE}_{K_U} \text{AFV}_{KU} \\
\quad + \text{RWE}_{KI} \text{AFV}_{KI}
\]

2.3 Method

2.3.1 Empirical data

The method of collecting data will be conducted through semi-structured interviews with specific key stakeholders. The specific stakeholders and questions will be included in templates (see Appendix A; Appendix B). Furthermore, the interview-template will be used as an interview tool for the student-teams at the CORP-programme to collect data. Each team will be responsible for its unique company. The interview-template can be modified by the student-teams to fit their company if necessary, this should however be done with care. When the student-teams are done with their interviews, the collected data will be gathered and analyzed by the researchers of this study. The structure for the data collection will be done through a scientific social media (SSM) platform called LoopMe. There is a three-step process which will be done in LoopMe:

1. Specify task.
2. Let student-teams do
3. Inform the authors of the collected data

Specific task will be handed out to the participants of this research. The task will include the methodology which will be used when gathering data for this research. Furthermore, the participants will be informed on how to report the data through LoopMe.

The second part is to let the student-teams do; this means the specified task is now ready to be done. This part will let the student-teams reflect upon each task and connect to relevant learning.

Lastly, the collected data by the student-teams will be sent through LoopMe in written form. Furthermore, the collected data will be discussed during a specified session in which the authors can take notes as well as ask questions about the collected data.

Moreover, the designed method to collect data through student-teams and specific companies result in deeper empirical data which enhances the outcome of this research.
2.3.2 Data analysis

The collected empirical data will be analyzed in two processes, first through a cross-analysis and the second step is through a comparison between the literature review and the collected empirical data.

2.3.3 Cross analysis

The cross-analysis will focus on a comparison between the six companies which will result in common as well as uncommon practices referring to the purpose of this research. The cross-analysis will be conducted through a workshop which will identify common financial and non-financial metrics between the companies.

Literature review and empirical data comparison

The empirical data will be compared to the literature review to examine if there are any type of connections and similarities. This means that through the theoretical review, a broader perspective will be obtained which can be used to understand the empirical findings. Furthermore, the connections and similarities will be used to validate findings from the collected data.

2.4 Findings

This chapter will present findings focusing on similarities between the six companies participating for this study. Moreover, the findings will include suggested measurements which are found by the participants.

2.4.1 Similarities

The findings display several common factors between the six companies participating in this research. The first being the method of how to measure learning at each company. None of the companies have a structured way of measuring learnings. Even though learnings and knowledge are highly emphasized and valued, none of the companies work actively with knowledge management according to the participants. Furthermore, some of the companies work with having group discussions around project learnings. However, neither of these methods are conducted in a structured way to continuously forward the knowledge throughout the company. The main reason according to the participants is because there is a scarcity of resources, in this case time. The companies emphasize on the importance of having knowledge management and it is important for projects focusing on research and development.

Moreover, similarities between the companies when starting new projects focuses on gathering information to create a business case. These business cases are usually built on information from both inside and outside the company. The difficulty with gathering information internally is according to the participants that there is no knowledge transfer, especially between divisions. Furthermore, the documentation which is made contains only project failures and the errors made from previous projects. There is a lack of knowledge documentation when it comes to best practice and successful projects. Most of the participating companies use lessons learned as a tool and try to transfer the knowledge to the people which are involved in the project group. These are however not used as knowledge spill for others to learn and use for other projects throughout the company. There were only one out of the six companies which had the
requirement to examine resources and knowledge from previous projects within the company’s various divisions before starting a new project.

Five out of six companies write white book notes after projects, with the main focus of why a project failed. However, these white books are not used afterwards by others within the company. Many of the participating companies’ white books have bad indexes, and the most obvious barrier to use them is that they are hard to find. The format of documentation is too boring for knowledge transfer according to the participants. The format of writing long documents is time consuming and the employees do not have time to read them, which is one of the implications of why knowledge transfer is hard to motivate.

Moreover, the findings display that the companies mostly use financial hard measurements. The participating companies have no measurements for knowledge and learnings. The only measurements being emphasized are intangible assets, in the form of patents. Whereof one of the companies uses this measurement to examine the revenue stream which one particular patent is contributing with.

2.4.2  Suggested measurements

One of the suggested measurements by the participants is to use the KMPI created by Chang Lee, Lee & Kang (2005). The participants of this research concluded that KMPI is a viable tool to use as a discussion point and to further draw strategic decisions on how to develop the company knowledge management. Furthermore, KMPI is built on several factors (see appendix C) and the findings by the participants display that the factors can be divided into several KPIs which can be used differently within the company.

Moreover, the KMPI is hard to measure according to the participants as it includes intangible assets and the acceptance of the tool can be seen as “just another tool”. This means that the employees do not want new tools which later are not implemented and applied properly. Furthermore, the way of working with KMPI should not be static according to the findings, because there is a risk to take the numbers for granted. One still needs to analyze the numbers in order for the index to provide most value to the company.

A further suggested measurement by the participants was distance travelled (Voisey et al., 2006). The distance travelled measurement includes measuring different types of interactions, such as interactions with customers, between silos and different units across the organization. What is recognized by several of the participants is that the companies seem to desire to have customer interactions. Hence, traditional companies have a high confidence in existing products which makes customer interactions secondary. Consequently, changing customer demands are sometimes overlooked. One of the researchers at one of the companies expressed that there are no measurements regarding this topic, more than a customer survey conducted once a year. A measurement like distance travelled is expressed to have the potential to increase the engagement by both customers and the company, as well as being a hands-on tool to measure interactions. The participants from another company conveyed that a company-specific goal is to become more engaged with the customer, a tool that measures activity points in regard to customers could be useful in order to evaluate if the company is hitting the goal or not.

The third and last suggested measurement is to use a learning platform and through the platform collect data. The data that the participants discussed were such as how often certain documents are being used, how long documents are open and other data in terms of employee behaviour. A topic lifted by one of the participants was that one gets credits when our education in school,
hence this stops in corporate life. Consequently, motivating employees to continue learning through gamification or a type of scoring system may be a beneficial feature for a platform like this. An aspect considered important in the discussions was that it is necessary to excite and motivate people to use the platform, perhaps more than through only giving credits or similar. A contradictory point brought up was that the gamification strategy could potentially become a scoreboard, and employees could start exploiting the system. Another adverse aspect brought up regarding a platform like this was the investment, both in terms of money, but also the time that needs to be put off to engage in the platform. Further discussed was that a learning platform could be equipped with a forum where employees can ask questions in regard to the documents or training they engage in. In addition, the platform can generate data points from soft outcomes, hence how people learn and engage in the provided documents, giving hard measurements on soft behaviours.

2.5 Discussion

This chapter presents a discussion around the findings. It will include suggestions on how to measure and display the knowledge management related to the research questions and purpose.

2.5.1 Documentation/whitebooks are written, but not used

The findings display that the companies do not measure learning in any way. However, the majority of the companies write some kind of documentation or white book. Furthermore, the findings display that the majority of the outcome is documented when it had a negative outcome. This can be related to Tracy’s (2004) statement that it is important to examine the costs but also the risks about redeveloping projects which becomes a double cost. By examining the findings and theoretical framework it is obvious that the documentation needs to be continuously followed-up on. Furthermore, the documentation needs to contain best practice to mitigate the risk for development projects (Tracy, 2004). The lack of best practice and follow-up can further increase additional costs.

Moreover, the findings show that the documentation process today is too boring to use for transferring knowledge. Chang Lee, Lee & Kang (2005) state that knowledge management is of great importance not only for the sake of examining how much the employees know, but to mitigate the cost which Tracy (2004) emphasises is important, the development cost. The transferring of knowledge needs new formats due to the lack of follow-up. According to the participants the greatest barrier is scarcity of resources. Writing extensive documents which never are followed-up generates a direct administrative cost. This can be examined in various ways but the most simplistic is to calculate the time to write it, multiplied with the employees writing the documentation. Furthermore, there is a cost of transferring knowledge. This can be calculated through examining how long time it takes to read and understand the documentation. However, the greatest cost is when companies do not read the documentation and hence not understand it. A potential consequence can be that a new project manager makes similar mistakes again which in turn needs to document the same mistakes. This scenario is not impossible at the companies which participated in this study as the follow-up of white book and documentation is not common.

According to Tracy (2004) there is a difference between outcome and output. Output being tangible and outcome being something more behavioural. The findings make it obvious that the documentation and knowledge transfer clearly can affect the company’s performance output and outcome. The documentation and follow-up can, as discussed, lower the cost side of the
output. However, the outcome is influenced simultaneously as the output. The findings display that the participating companies desire to work more proactive in what to measure. This can be related to the outcome as the proactive means can be different from traditional financial outcome, and can change the behaviour at the companies which is to allocate more time to document in new formats and work with follow-up.

2.5.2 Usage of KMPI

KMPI is a tool created by Chang Lee and Kang (2005), the purpose is to create an index which can display knowledge management and how well the knowledge is transferred. The findings tell us that the tool is not used by the companies today but there is a feasibility to use the tool and also parts of the tool to further develop the knowledge management within each company. The five components which KMPI is built on can help companies to create measurements. With the help of the questionnaire (See appendix B) the companies can examine each of the components to further develop their knowledge management (Chang Lee, Lee & Kang, 2005). The findings display that one of the barriers include internal silos which makes it hard to transfer knowledge between the divisions. By implementing KMPI, the index can be used as a discussion point, as the participants of this research stated.

Moreover, there is a need to examine the result critically. This is necessary because when using KMPI as a tool, the numbers should not be taken for granted i.e. if the numbers are excellent according to the index the companies needs to check if this is in accordance with reality. This is further emphasized by Chang Lee and Kang (2005), which states that the index displays how the knowledge circulation process is handled. This can be related to the previous section which is related to the follow-up process. As stated previously, the KMPI covers a great range of intangible measurements but it does not display how much the knowledge is worth. However, the KMPI answers the question of how to measure learning outcomes which is behavioural and intangible (Chang Lee & Kang, 2005).

2.5.3 Distance travelled

As distance travelled is expressed by Voisey et al. (2006), it is a measurement applicable where no financially quantifiable results can be obtained, hence measuring different interactions applies to the reasoning. One can argue that interactions usually lead to something beneficial, e.g. a new interaction between two colleagues working in different units could lead to advantageous information sharing and a better understanding of how to utilize the company’s inherent knowledge. Furthermore, an interaction between an employee and a customer can spark innovation as new inputs are brought to the table, hence also new learnings (Voisey et al., 2006). Linking distance travelled as a measurement tool to KMPI (Chang Lee, Lee & Kang, 2005), the internal cross-functional interactions can be related to the component KS. Interactions with customers could be argued to relate to KC, as it creates a deeper understanding of customer needs. By that either new knowledge is created, or an awareness of what knowledge is needed in order to meet the discovered customer demands. This can be argued as a way to measure intangible assets (Voisey et al., 2006), making it into something tangible and outputs that can be turned into points of action.

As mentioned by the participants from one company, it exists a specific goal to be closer to the customer in the development phase of projects. To then measure customer interactions creates a concrete tool to identify if efforts are being made in the organization to interact more with customers, as well as to what extent. It can be further argued that a measure like this can increase
the motivation by employees or units, perhaps recognizing that other units work closer to the customer, and by that being triggered to increase customer interactions likewise.

2.5.4 Internal learning platform

The KMPI (Chang Lee, Lee & Kang, 2005) components KC, KS, KU and KI could all potentially be measured in a learning platform that collects behavioural data. KC can be assessed through e-learnings or by surveys filled in by employees, KS and KU through analyzing how many new documents (e.g. white books or lessons learned) and how many times these then are opened and read by employees. KU can be further assessed through studying how a potential forum for question is being used. KI can be interpreted as one of the more intangible and harder to grasp components of KMPI. A suggested way to assess the KI is to incorporate a survey into the learning platform where employees can assess their learnings in accordance to the KI questions (see Appendix C).

A further aspect discussed was the motivational aspect, how to excite employees to use the learning platform and consequently taking time that could be spent on other projects. As learning capabilities, and nonfinancial performance seem to increase financial performance according to Prieto and Revilla (Prieto & Revilla, 2006), it should be progressively important for managers to support and encourage learning behaviours by their employees. If a manager can get actionable results on how the employees are developing their knowledge, and how they are converting the knowledge into innovation projects, the advancement towards financial outcomes in projects could be measured. If the manager in turn encourages the employees to take time to engage in the learning platform, this increases the data that can be collected, hence a step in the direction to measure how knowledge intensive the company is.

Moreover, an important factor to take into consideration is that the platform needs to be designed in a way so employees cannot exploit it. The collected data should only fall into the hands of the responsible managers. The aspect of implementation cost is further something to regard. Hence if one can measure the components of the KMPI in the platform, hence see the effect of the increased interactions, learnings or knowledge sharing, this could help increase the likelihood that uncertain projects as innovation endeavours are being performed, even though it may be a few years until the financial measurements are showing success (Kanter, 1985).

2.6 Conclusion

This chapter will present answers and conclusions regarding the purpose of this research which is to examine if there is a way to convert learning into financial means and answering. Furthermore, the conclusion will display the answers of the RQs, how do stakeholders measure learnings from intrapreneurial projects? And, which measurements can be used to measure learning outcomes from intrapreneurial projects?

From conducted research, no concrete answers have been encountered in the question of how stakeholders measure learnings from intrapreneurial projects. The suggested measurements in the report can be used to measure learning outcomes from intrapreneurial projects as well as how knowledge intensive a company is.

The theoretical framework displays a gap in academics. There is little literature about how to convert learning to financial measurements in terms of output. The conclusion drawn from the theoretical framework is that there is a gap which can be researched in more depth. However,
the purpose was to find answers through the findings of this research. The findings bring forth
that learning, and knowledge is highly valued but never converted to financial means. There is
one exception to this, the only way which was found of how to convert knowledge into financial
measurement was through examining how patents created revenue streams. This is however not
an applicable way which can be generalized due to the different forms of core business i.e.
organization’s core business which is product abundant and have patents can apply it, while
service-oriented organizations with no patents can’t. To conclude, the findings and theoretical
frame does not present a generalized way to convert learnings or knowledge into financial
measurements.

Moreover, the result of the theoretical frame and findings has contributed with another
conclusion which focuses on the other side of financial output which is the cost side. The
findings display that organizations document and write white books to transfer knowledge. The
knowledge transfer is however not fully executed due to the lack of follow-up processes at the
majority of the participating companies. This creates an indirect cost which is related to the
documentation process which is written by project management and upper management. A
simplified model of how to measure the cost is to count the total administrative hours with an
average hourly payment to examine the cost of documentation. Furthermore, the documentation
contains important information to not make similar mistakes as previously. If these lessons
learned are not applied in the next project, the cost can become significantly higher. Considering
that the findings display that stakeholders do not measure learnings from projects or trace
knowledge management, the result of this research contributes with suggestions of
measurements which can be applied to examine if companies face this cost issue, and how
different measurements for soft outcomes can be applied.

One of the measurements which can be used according to the theoretical frame and findings is
the tool, knowledge management performance index, which displays how well an organization
manages knowledge and information (Chang Lee & Kang, 2005). This in relation to the
previous issue about cost can be an indication to examine how well follow-up and other
information flows perform within the company. This is an index which should not be taken for
granted but can still be used to pinpoint the performance. KMPI can help management to make
strategic decisions about how to work with education, information flow and follow-ups. This
can contribute to overcoming indirect cost and unnecessary mistakes more than once.

Finding more measurements to include in the KMPI increases the ability of measuring how soft
outcomes bring value to the company. This can be examined through how customer interactions
in the end can lead to new innovative products which are put on the market. Thus, this can lead
to a larger acceptance to innovation efforts, regardless of the amount of years that Kanter
estimates it takes for inventions to become profitable (Kanter, 1095).
2.7 References


2.8 Appendices

2.8.1 Appendix A

Key stakeholders which will be interviewed:
1. CFO
2. CEO
3. Controller
4. Project manager
5. Head of R&D
2.8.2 Appendix B

Interview the “specific person”.
You are allowed to change the questionnaire if necessary. Do this with care.

1. If you were to start a new development project where traditional KPIs are not applicable, what types of measures would you use?
2. How do you value learning today from projects?
   a. If so, how do you measure learning?
3. What is new knowledge worth?
4. Is there a declared strategy of capability building?
5. Do you have a structured way today which you use to derive learning outcome from projects?
   a. If yes, how do you spread the learning outcome?
6. Are you making a differentiation when measuring, “hard measurements” vs. “soft outcomes”?
   a. If yes, how do you differentiate these?***

***Hard outcomes: are the clearly definable and quantifiable results which show progress made.

***Soft outcomes: represent the intermediate stage on the way to achieving the hard outcome. Typically this would include personal skills such as improved financial/business planning or management skills

**TAGS for LoopMe:**
Hard to reach the person
Great answers
Great knowledge transfer
Hard measurements
No answers
No knowledge transfer
Not the right person to ask
Only traditional KPIs
Other
Partly knowledge transfer
Soft measurement
2.8.3 Appendix C


KC questions:
1. I often use and electronic bulletin board to analyze tasks?
2. My predecessor adequately introduced me to my tasks
3. I fully understand the core knowledge necessary for my tasks
4. I obtain useful information and suggestions from brainstorming meetings without spending too much time
5. I am ready to accept new knowledge and apply it to my tasks when necessary
6. I understand computer programs needed to perform the tasks and use them well
7. I search search information for tasks in various knowledge sources administered by organization

KA questions:
1. We refer to corporate database before processing tasks, and
2. We extensively search through customer and task related databases to obtain knowledge necessary for the tasks.
3. We try to store expertise on new tasks design and development.
4. We try to store legal guidelines and policies related to tasks.
5. We are able to systematically administer knowledge necessary for the tasks and store it for further usage.
6. We document such knowledge needed for the tasks
7. We summarize education results and store them

KS questions:
1. We share information and knowledge necessary for the tasks
2. We improve task efficiency by sharing information and knowledge.
3. We promote sharing of information and knowledge with other teams
4. We developed information systems like intranet and electronic bulletin boards to share information and knowledge

KU questions:
1. Teamwork is promoted by utilizing organization-wide information and knowledge.
2. EDI is extensively used to facilitate processing tasks.
3. Work flow diagrams are required and used in performing tasks.
4. There exists a culture encouraging knowledge sharing.
5. There exist incentive and benefit policies for new idea suggestions through utilizing existing knowledge.
6. There exist research and education programs.

KI questions:
1. I have a unique mastery of the tasks.
2. I can learn what is necessary for new tasks.
3. I can use the Internet to obtain knowledge for the tasks.
4. I can refer to best practices and apply them to my tasks.
5. Employees are given educational opportunities to improve adaptability to new tasks.
6. University-administered education is offered to enhance employees’ ability to perform the tasks.
7. Professional knowledge such as customer knowledge and demand forecasting is managed systematically.
8. Organization-wide standards for information resources are built.
9. Organization-wide knowledge and information are updated regularly and maintained well.
3 Leadership
*Sara Rydehell and Hanna Wegelius*

3.1 Introduction

In a fast-changing business environment, innovation has become increasingly important for companies in terms of creating competitive advantage (Ketels, 2006). Managing the innovativeness of the organisation as well as corporate entrepreneurial activities are affecting the performance of the organisation (Adams et al, 2006; Uslu et al, 2015). The core of innovation is considered to lie in the hands of the people in the organisation (Janssen et al, 2004), hence the leaders of the company play an important part of creating and managing these innovative and entrepreneurial activities (Janssen et al, 2004; Strobl et al, 2019; Uslu et al, 2015). It is therefore interesting to further investigate leadership behaviours that hinder and support innovative initiatives in a corporate entrepreneurial setting, and in relation to the leadership style that is used.

This report presents an exploratory case study to examine what leadership behaviours support and hinder entrepreneurial initiatives in a corporate setting. The analysis focus on how an established company can use different leadership strategies to enhance the innovation of its units, and capture its value. This section describes the purpose of the study and the research questions it aims to answer.

3.1.1 Purpose

The purpose of the paper is to create a literature study on the topic, leadership behaviours and leadership styles, and compare this with the case study to identify theoretical conflicts, knowledge gaps and inconsistencies between the research and practice as well as give relevant recommendations for leaders of entrepreneurial initiatives in established firms.

3.1.2 Research questions

What leadership behaviours support and hinder entrepreneurial initiatives in a corporate setting, and what leadership styles can be linked to these behaviours?

3.2 Method

A research question has been formulated to guide the literature search, research design and prevents unnecessary circuits (Bryman & Bell 2011). The study is supplemented by a qualitative study through interview and observation. The method for the literature research and the qualitative study is described in this section.

The data is collected and analysed in the action-based researcher tool LoopMe. The tool structures the data collection and facilitates statistical analysis and opportunities for exploring more complex issues (LoopMe.io).

3.2.1 Literature review

During a literature review references to searched articles are examined and chain research is conducted in order to find further material. The purpose of the literature study is to provide in-
depth knowledge of the subject. (Denzin & Lincoln, 2000). Relevant scientific articles and literature are to found at Chalmers and online. Some of the keywords used are: Leadership behaviours, Leadership styles, Corporate entrepreneurship, entrepreneurial initiatives and innovation.

3.2.2 Data collection

This qualitative researches are based on insider action research approach and is conducted on six entrepreneurial initiatives on large corporations in Swedish companies. It is performed by participation in order to get an inside understanding and at the same time the researcher should try to look at it objectively by analysing the situation from a theoretical framework. The model encourages involvement, reflection and participation (Berg (2009)). This research method is an effective way to understand how an organization works (Coghlan, 2007). The data collection is conducted through interviews and observations.

The RQ teams have conducted three observations and two interviews per person in the team. Totally, 36 observations and 20 interviews have been conducted. The team have received observation and interview tasks on the tool LoopMe. These were used as a source of questions and description for the data collection.

Observation

Marshall and Rossman (1989) describes that the method of observation is used to enable systematic noting and recording of events, behaviours and interactions. The setting for the observation is formal meetings where leaders of entrepreneurial initiatives are present as well as the researcher itself. During these meetings, the research will often be actively participating and therefore the data collection will be a participant observation. It is important that a concrete description of the observation is made. Therefore, the observation must be recorded or written down in an as detailed and non-judgement (ibid).

The observation is structured by following an observation list provided in Appendix 1.2. This describes in more detail in which situations the observation should be carried out as well as criteria to observe. Tree different observation tasks with different deadlines are provided through Loopme. By conducting the observations and follow out the guides the teams will provide useful data for the research.

Interview

For this part of the data gathering standardized interview are used. The interviewer uses formally structured “schedule” of interview questions, or script and are required to ask subjects to respond to each question, exactly as worded. This aim to offer each subject approximately the same stimulus so that responses to questions will be comparable (Berg, 2009). The interview questions together with a guide can be found in Appendix 1.3. Two different interview tasks with different deadlines are provided through Loopme. By conducting the interviews and follow out the guides the teams will provide useful data for the research.

3.2.3 Data analysis

A data analysis is performed to draw out patterns from concepts and insights. The process aims to move from the qualitative data that has been collected into some form of explanation, understanding and interpretation of the people and situation investigated. Miles & Huberman
(1994) describes that it is important to do the analysis in chronology and to identify key events, settings and focus on the people when performing analyses of observations.

The process of qualitative data analysis used is to first organize the data. This is done with the tool LoopMe. The next step is to identify framework and coding the data. Coding mean that you attach labels to lines of text so that the researcher can group and compare the data. You thereafter sort the data into the identified framework. This framework is used to for descriptive analysis. Here categories and recusant themes are identified (ibid).

3.2.4 Method critique

Some of the contrast between quantitative and qualitative research is that the researcher is more distance in quantitative research. This study is conducted on companies and in projects in which the researcher is personally involved which mean that this distance is difficult to achieve, hence the qualitative approach. Likewise, the study focuses more on qualitative acknowledgements such as words and meaning than quantitative data such as numbers, and is performed in a slightly less structured way than a classical quantitative study (Bryman & Bell, 2011).

**Observation**

Marshall & Rossman, 1989 describes observation as a powerful data collection method since it allows to discover complex interactions in natural social settings. The collected data often becomes rich when the researcher is allowed to record body language, voice and other subtler expressions.

Observations can, like other qualitative methods, be difficult to use in comparison and analysis. There is a risk that the researcher will be influenced by the social context in which the study is performed or will be influenced by the guiding material (ibid).

Further, Marshall & Rossman, 1989, notice the ethical challenges with participant observation when it comes to personal integrity and whether observed persons are aware of the research or not. There is a paradox in that one would like the object's behaviour not to be affected by the study but that it is unethical to make the observation without their knowledge. In this study, all participants know that they are being observed.

**Interview**

Criticism of the standardized interview method is often about the risk that the questions affect and control the person you are interviewing. Therefore, it might in some cases be better to use semi-structured interviews. These allow for more interaction, have more open questions and enable follow-up questions.

Standardized interviews are especially useful when the information to be gathered concerns tangible data such as events, priorities, or more simple matters of opinion. It is also a preferred method when multiple interviewers are to conduct comparable interviews. Standardizing the interviews makes it possible to aggregate the data despite differences among the interviewers (Berg, 2009). This is the main reason why the method is applied to this study.
3.3 Theoretical framework

Hayton (2005) states that corporate entrepreneurship is the process by which companies make use of existing knowledge as well as exploring new knowledge in order to act on new business opportunities. As a leader, it then becomes crucial to be able to unleash and manage the knowledge of the employees’ to create and support entrepreneurial activities. This section will further suggest both behaviours and leadership styles that is related to innovative initiatives in corporate entrepreneurial settings.

3.3.1 Leadership Behaviour

Schwartz et al (2011) states that success in the workplace is dependent on the leader’s ability to create positive change and inspire others to higher levels of achievement. Employee initiatives that drives innovation and corporate entrepreneurship is affected by the behaviours of those who lead them. Leadership behaviour thereby causes people to act, and the actions at the workplace is driving change (ibid).

There are many definitions of leadership, and many of them focus on individual traits and characteristics. Haranath (2012) define leadership as an attempt to influence the activities of followers through the communication process towards the accomplishment of some goals. Furthermore, behaviour theory describe leadership as the sum of two important behaviours that great leaders hold in common; getting things done and relating well with people (Fairholm, 2015).

3.3.2 Leadership styles

This section introduces some well-established leadership styles and the leadership behaviours that are associated with them. Researchers have further discussed leadership behaviours in relation to different leadership styles (Uslu et al, 2015; Osborn and Marion, 2009; Raza and Sikandar, 2018; Thompson and Glaso, 2018).

**Transformational Leadership**

The characteristics of transformational leadership is that the leader has an ability to identify when the organisation needs to change, and thereby creates conditions for employees to contribute to change (Uslu et al, 2015). This type of leader should influence employees by using affective appeals to emphasizing a vision and create effort towards a desired target. The transformational leader motivates its subordinate by using affective appeals including visioning, determination, self-sacrificing and high expectations (Osborn and Marion, 2009).

**Situational Leadership**

Situational leadership is based on the leader’s ability to vary behaviour according to the situation. The leader must therefore be able to change between task and relationship behaviours. The characteristics of such a leader could therefore be both supportive, participative as well as achievement oriented (Raza and Sikandar, 2018).

The leadership behaviours of the situational leadership style consist of the two dimensions; supportiveness and directiveness. The leader is using directiveness when dealing with newer employees and then gradually replace it with supportiveness as the employee becomes more senior (Thompson and Glaso, 2018). Supportiveness refers to when the leader shows warmth.
and consideration, whereas directiveness refers to the leader as focusing on structure and results (ibid).

**Open Leadership**

Open leadership is an approach that is focusing on the aspect of shared leadership. This type of leader is confident to give up the need of being in control and inspire commitment and initiatives of others to accomplish goals (Uslu et al, 2015). With an open leadership approach, the leadership behaviours are identified by information sharing and decision making. Uslu et al (2015) argues that the information sharing leadership behaviour is characterized by explaining and updating as well as conversing, crowdsourcing and involving platforms. With decision making, the open leadership approach is giving possibilities of democracy and self-managing activities. Research suggest that compared to transformational leadership, open leadership more often result in organisational innovation and corporate entrepreneurship (ibid).

### 3.3.3 Summary

According to the theory, certain leadership behaviours can be linked to specific leadership styles. Based on this theory, a framework for linking behaviours and styles has been developed and presented in Table 1. This table is used to compile the result.
Leadership Styles

<table>
<thead>
<tr>
<th>Leadership Behaviours</th>
<th>Transformational</th>
<th>Situational</th>
<th>Open</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supportive**</td>
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<td>x</td>
<td></td>
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<tr>
<td>Participative**</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Creating conditions to enable change****</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Provides and encourage autonomy****</td>
<td></td>
<td></td>
<td>x</td>
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<tr>
<td>Informative and communicate updates****</td>
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<td>x</td>
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<tr>
<td>Show consideration***</td>
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<tr>
<td>Performance focused*</td>
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<td>Democratic decision-making****</td>
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<tr>
<td>Have high expectations on results*</td>
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<td>x</td>
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<tr>
<td>Determinative*</td>
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<td></td>
<td>x</td>
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<tr>
<td>Focused on structure***</td>
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<td></td>
<td>x</td>
</tr>
<tr>
<td>Use affective appeals*</td>
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<td>x</td>
</tr>
</tbody>
</table>

Table 1. Framework for linking behaviours and styles

* Osborn and Marion (2009)
** Raza and Sikandar (2018)
*** Thompson and Glaso (2018)

3.4 Result

In this section, the findings based on 20 interviews and 36 observations made at six different industry companies are presented.

3.4.1 Leadership behaviours

The results for leadership behaviours that hinders and support entrepreneurial initiatives at established companies are visualized in tables 2 and 4 in the sections below. As the number of observations and interviews differ, this naturally leads to a difference between the number of answers. As more observations were made, results from these will affect findings more than interviews. When comparing observations and interviews, one must also consider that the number differs. However, the results indicate that the difference can not only be explained by the amount of data. Some leadership behaviours are common in observations but do not occur at all in interviews. This indicates that there is a difference between behaviours that are preceded as hindering or fostering for observations and interviews.
The observations were made by the researchers, final-year students conducting their master's degree, who are new to the companies studied. The interviews were done with more senior persons employed by the companies. Tables for comparison between interviews and observed results have therefore been compiled.

**Leadership behaviour that support**

The results show that the behaviour that has the most fostering effect is to be supportive. The behaviour of being supportive is described as providing encouragement and help or assistance. When being supportive the leader is positively attuned to the idea or the project. One of the observations describes a situation where support was fostering. “The supportive appearance had a positive impact of the morale in the team, encouraging me to explore the proposed areas more and reducing the fear of exploring different approaches to the identified customer needs.” This view is confirmed during an interview at another company. "Being supportive is also encouraging entrepreneurial effort, If project leaders do not feel supported and a belief in the idea, they soon also lose the belief.”

To provide and encourage autonomy is, according to the results, the second most beneficial behaviour. One observation described the feeling when a leader had this particular behaviour: “The encouraging of autonomy really marked the tone of the meeting and that we are in the driver seat of this initiative. With that follows an inner urge to explore different approaches to the problems you are facing and to be bold in your decisions”. During an interview it was also discussed how this behaviour can be expressed. "What I believe is important is to give the people that are working in these projects both time and freedom. From my perspective, leaders need to give a purpose to why we set up the project, so that it is clear why we do the project. Then, it is important to take a step back, and presuppose that the people in the project are qualified for the given task, and give them time and space to elaborate.”.

At the same company, the balance between giving freedom and providing guidance and direction was discussed. Many interviews and observation described this paradox as a difficulty. “I see leaders in the organization that sometimes does not give a clear direction, and instead gives the team free hands to solve the project as they like. This could be seen as something good, but if the solution in the end does not go well in line with the overall strategy of the organization, it will hinder the advancement of the project since it will only create an infinite internal dialogue”. This can be linked to the behaviour of being informative and communicating which was commonly reported as fostering for entrepreneurial initiatives in the established firms studied.

Other leadership behaviours that were commonly reported as fostering for entrepreneurial initiatives was to be participative, create conditions to enable change and to show consideration. The whole list is summarized in table 2.

Three other leadership behaviours that was often described as beneficial from both observations and interviews were transparency, risk-taking and being humble. These three alternatives were not included in the data collection template that were prepared for the study. Findings from both interviews and observations suggest that these behaviours would score quite high in the result if they were included. This is evidenced by the fact that both observers and interviewees mention these behaviours, even though they are not mentioned in the guides for interviews and observations.
Table 2: Leadership behaviours that benefit entrepreneurial initiatives. Total findings.

The results show that differences between the interviewees and observations is biggest when it comes to being determinative and performance focused which was reported repeatedly during observations but not at all mentioned during interviews. One of the observations described that “by being communicative and informative, the leader provided a good basis for the argumentation about why certain decisions were taken. The leader connected our current initiative to the goal and vision of the company. By doing this, we are forced to take other considerations and maybe experiencing a slight drawback in the very short term but will in the end enable the project to be matched and incorporated in the organization as a whole, and thus enabling innovation in the long run, instead of the project running a greater risk of being discontinued”. The behaviours of being participative and democratic decision-making do also stands out in the result. Table 3 presents the whole list.

Table 3: Leadership behaviours that benefit entrepreneurial initiatives. Comparison between Observations and Interviews.
Leadership behaviour that hinder

The results show that the lack of encouraging and providing autonomy as well as being too focused on structure is the behaviours reported as the two most hindering behaviours. One observations described the effect of this two behaviours. “The leader was determined to follow the practice and tried to lower the autonomy of the project. This is to create greater control and reduce risks. The atmosphere was not at all enthusiastic or creative. I experienced lack of trust and the feeling of security that is needed to be motivated.”. The same observation also mentioned being determinative as hindering the project. This was the behaviour reported as the third most hindering. “The leader was also very determinative in the approach in the meeting and thereby not encouraging all thoughts in the room to come to light, possibly impacting the project negatively from lack of input from different actors.”

These negative leadership behaviours describe leaders that is to focused on structure, being to determinative and not giving autonomy. Contrasting to this is also described behaviours that lack structure as an obstacle. This is described in one of the interviews “Many managers are very anxious and there is a lack of direction of where to go. There is for example no goals for learning or for new initiatives”.

When comparing observations and interviews you can see that it is more common for observations to describe behaviours focused on structure, determinative and performance-focused as a hindrance. Table 4 presents the combined result of leadership behaviours that hinder entrepreneurial initiatives and table 5 presents the comparison of observations and interviews.

Table 4: Leadership behaviours that hinder entrepreneurial initiatives. Total findings.
Table 5: Leadership behaviours that hinder entrepreneurial initiatives. Comparison between Observations and Interviews.
3.4.2 Leadership styles

In this part of the result section, the link between behaviours and leadership styles has been combined with the results of the behaviours that was most frequently mentioned as fostering for entrepreneurial initiatives. This finding is presented in table 6. The leadership behaviours that received the highest results in the compilation of observations and interviews are coded with a deeper green colour and is to be found higher up in the table.

<table>
<thead>
<tr>
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<th>Situational</th>
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<td>Use affective appeals*</td>
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<table>
<thead>
<tr>
<th>Others</th>
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</thead>
<tbody>
<tr>
<td>Transparency</td>
</tr>
<tr>
<td>Risk taking</td>
</tr>
<tr>
<td>Humble</td>
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</tbody>
</table>

Table 6: Framework for linking the most common leadership behaviours and styles

* Osborn and Marion (2009)
** Raza and Sikandar (2018)
*** Thompson and Glaso (2018)

Open leadership was the leadership style that corresponded most with behaviours described as the fostering entrepreneurial initiatives. Three out of five behaviours associated with the leadership style is to find in the top of the table. The behaviour is being participative, creating
conditions to enable change as well as providing and encouraging change. Also, the behaviour of being informative and communicate updates is seen as fostering innovation. The observations describe that the behaviour of creating conditions to enable changes is expressed by the leader trying to simplify the steps for change. This is done by preparing the change work and pushing issues that are important before the change.

Situational leadership have two out of five behaviours associated with the leadership style in the top of the table and is thereby to second most fostering style according to the result. One interview described a leadership style that can be compared with situational leadership. “The leaders who can change during the project. In the beginning, the leader must fire up the workers, help and make sure there are resources, but let the competent technicians work and come up with good ideas on their own.” At the same company it was described that “You must be able to switch between these behaviours, having different leadership styles throughout the project.” At another company, an interviewee described the supportiveness associated with situational leadership as really important. “The best leadership would be a collaborative leadership style, where there is an environment of trust and also a leadership where the leaders dare to work outside their comfort zone.”

The results of leadership behaviour that is fostering to entrepreneurial initiatives that correspond to transformational leadership have the lowest result. Only one out of five behaviours linked to the style can be found in the top of table 6. Some of the results still indicate that transformational leadership could be good when leading innovation. Such a leader was described during an interview at one of the companies. “The leaders that were part of the project where all enthusiastic in the beginning, a bit visionary, entrepreneurial – they were about to test something new and therefore also tried to create engagement. This was the behaviour that was maybe the most beneficial for the project – the aim to mobilize enthusiasm and engagement”

Result based on observations indicates that both transformational leadership and situational leadership could be beneficial as a leadership style for innovation projects. The behaviours of being performance-focused, determinative and showing consideration have a higher result from observations.

Additional leadership behaviours that cannot be linked directly to one leadership style is transparency, being risk-taking and humble.

3.5 Analysis

In this section, an analysis will be given based on the result of this research. The analysis will discuss the leadership behaviours that support and hinder entrepreneurial initiatives, as well as different leadership styles based on the result and linked to theory.

3.5.1 Leadership behaviours

Based on the result, employees need to be motivated to be encouraged to drive change and work with entrepreneurial initiatives. The leadership behaviour that was found supportive towards entrepreneurial initiatives were primarily based on the ability to motivate the employees to work in these areas. In correlation with Schwartz et al (2011), success in the workplace is determined by the leader’s ability to influence positive change, as well as inspire others to make new accomplishments. Leaders seem to influence employees to act or choose to abstain from acting, and this affects how entrepreneurial initiatives are received, developed and implemented in the
organisation. As Hayton (2005) also state, corporate entrepreneurship is a process by which organizations utilize existing knowledge, as well as exploring new knowledge, which seem to correspond well with what leadership behaviours that support this.

Given the result, the leadership behaviours that were stated as most supportive towards entrepreneurial initiatives were being supportive, participate, provide and encourage autonomy, informative and communicative, as well as creating conditions to enable change. The leadership behaviours that were stated as the top behaviours that hinder entrepreneurial initiatives were the lack of providing autonomy, structure-focused, determinative, performance focused, and the lack of openness and transparency. Even though the result from the interviews and observations were somewhat aligned, differences were found in which behaviours that were more or less reoccurring.

Finally, being transparent, risk-taking, as well as being humble and give credit to others, were additional leadership behaviours that was found supportive towards entrepreneurial initiatives. These were not part of the set list of leadership behaviours that were given based on theory, but were definitely important in supporting entrepreneurial initiatives, based on both interviews and observations. These behaviours were not highlighted among the leadership styles that were discussed previously, but seem to be highly important in the encouragement of intrapreneurial initiatives. Result therefore implies that these behaviours should be considered for a leader working in innovative corporate environments. For example, being risk-taking may recur more frequently among entrepreneurs outside the corporate setting. For leaders working in a corporate environment, existing structures and processes may force leaders to make less risk-taking actions, and so this becomes an important behaviour for intrapreneurial projects, as it enables employees to push boundaries.

3.5.2 Leadership Styles

The following leadership styles; transformational leadership, situational leadership and open leadership will be discussed based on the result and what behaviours of each leadership style that encourage and hinder entrepreneurial initiatives.

**Transformational Leadership**

According to Uslu et al (2015), a leader having a transformational leadership style has the ability to identify when the organisation needs to change, and thereby creates conditions for the employees to contribute to change. However, as result indicate, the characteristics of the transformational leader, such as being determinative and having high expectations on results (Osborn and Marion, 2009), did not score high in being encouraging towards entrepreneurial initiatives. According to Osborn and Marion (2009), the transformational leader motivates its subordinate by using affective appeals including visioning, determination, self-sacrificing and having high expectations. Given the result, these leadership behaviours can be positive when the organisation needs to transform, but may be demotivating for innovative and entrepreneurial initiatives, as it does not enable employees to be creative about the potential output of the innovation project. This was especially seen if the goal were set too early in the intrapreneurial project. Creating conditions to enable change is important for the employees to be able to be innovative or entrepreneurial, but the leadership behaviours that characterize the transformational leader does not help to motivate employees to contribute to change. The result therefore indicates that there are other leadership behaviours that are more preferable.

On the other hand, result also imply that transformational leadership may to some extent be
appreciated depending on the stage of the project. In some examples the result indicates that transformational leadership behaviours are encouraging in an early stage of an innovation project, as it helps the employees to find direction and be visionary. In other occasions, some of the leadership behaviours was encouraging in the end of an innovation project to determine the result and be able to implement ideas. Result therefore imply that the transformational leadership could be used to some extent in different stages of an entrepreneurial project to communicate vision. However, the transformational leadership behaviours seem to be less effective on an operational level on the organisation. The majority of the employees that was interviewed were in the operational level of the organisation or in the middle management, which imply that these leadership characteristics are less preferable on this level of the organisation. Nevertheless, transformational leadership drive strategic direction, and may therefore be better in a top management level of the organisation to motivate entrepreneurial initiatives on a lower level of the organisation. Being visionary could motivate employees to see a long-term strategic direction and may thereby be more effective in the top management level.

**Situational Leadership**

Given the result, the supportiveness of the situational leadership style scored high in motivating and encouraging entrepreneurial initiatives. According to Raza and Sikandar (2018) the leader must be able to change between task and relationship behaviours. This does support the result from this research as there seem to be important to have a balance between being supportive and focusing on structure and results. Finding the right balance can be difficult, and it may also depend on how supportiveness and directiveness is used. For example, focusing on structure and result in terms of financial measurements too early in the project could harm the entrepreneurial ability, whereas focusing on structure in terms of setting a clear direction of project could help employees to contribute to change.

The differences between the results of the observations and the interviews could be due to the differences in experiences between the observants and the interviewees. The observants are all students that are more or less junior in working with entrepreneurial projects. The interviewees on the other hand, were all employees at the different companies and could be seen as more or less senior in working with entrepreneurial initiatives compared to the observants. The interviewees therefore have more experiences on what leadership behaviours that are more or less encouraging towards entrepreneurial efforts, but they could also be more influenced by the different structures and cultures of the organizations that they are working in, where some leadership behaviours could be more absent in some of the organizations compared to others. Furthermore, the reason for these changes between interviews and observations could also be due to that leadership behaviours are perceived differently depending on the different experiences that the observants and the interviewees have. Nevertheless, result indicate that different people appreciate different type of leadership, which implies that the situational leadership would be a leadership style that is well received by employees, as it enables the leader to change between different type of leadership behaviours.

In addition, the differences could also be due to the different stages of the innovation projects that the data was collected from. All observations were based on projects in an early project stage, whereas the interviews were based on a combination of projects in different stages. Also, what influences the leadership behaviours that are appreciated by employees in innovation projects may be affected by the processes and structures that is set by the company, as well as the positive and negative experiences that the interviewees have had among the years. The result may therefore also be influenced by who in the organisation that was interviewed or observed.
Based on the interviews and observations from this result, the majority of them were middle managers and their leadership behaviours. Possible differences between top and middle managers in terms of appreciated leadership behaviours may therefore occur.

Result also indicate that more junior employees need more guidance and direction compared to senior employees, which supports Thompson and Glaso (2018) who argue that the leader may use more directiveness when dealing with newer employees and then gradually replace it with supportiveness as the employee becomes more senior. Even though directiveness is needed to a larger extent towards newer employees, the supportiveness behaviours of the situational leadership are preferred for both newer and more senior employees who are working with innovations or to encourage entrepreneurial initiatives. In addition, since there are some differences between observations and interviews, the result may also imply that the situational leader may need to adapt its behaviours depending on the stage of the project, the type of project, as well as the people working in the project. In an innovation project result imply that the leader needs to be more risk-taking in order to create conditions for radical innovations, which has not been brought up by the given theory.

Finally, as mentioned previously, different type of leadership behaviours is needed depending on the stage of the innovation project. In order for innovation to be implemented, directiveness may be necessary. The findings indicate that additional leadership behaviours could be added to the situational leadership style, with a higher focus on the adaption to the different stages of the project rather than the people you lead. Otherwise, the situational leadership style seems to be supportive towards innovation initiatives, by having a balance between supportiveness and directiveness, and with a higher focus on supportiveness to encourage entrepreneurial initiatives.

**Open Leadership**

Uslu et al (2015) describe the open leadership approach as focusing on the aspect of shared leadership. The theory argues that the identified leadership behaviours are information sharing, democratic decision-making and self-managing activities. Based on the result, these leadership behaviours were found among the top leadership behaviours that encourage entrepreneurial initiatives. The open leadership approach thereby seems to be more encouraging towards entrepreneurial initiatives in a corporate setting compared to transformational leadership style, which is also supported by Uslu et al (2015).

On the other hand, result also imply that situational leadership encourage entrepreneurial initiatives as the leader needs to shift between different type of behaviours depending on the situation, project stage and the differences between people in the project. Nevertheless, behaviours such as provide and encourage autonomy, as well as being informative and communicate updates were found highly encouraging towards entrepreneurial initiatives. These leadership behaviours have been highlighted in the open leadership approach, but not previously mentioned in the situational leadership style. The situational leadership approach could thereby benefit from adding parts of the approach from the open leadership style. The result imply that the open leadership style creates trust between leaders and employees, which is crucial when driving change.

Even though all aspects of the open leadership style encourage the entrepreneurial ability of the employees in the organisation, some leadership behaviours that supports innovation were not found in the open leadership approach, such as being able to take risks. Also, open leadership focuses on the aspect of shared leadership and this require taking responsibility. Some
personalities may work better in taking responsibility, whereas other prefer not taking the lead. As result indicate, the open leadership approach will therefore work as long as responsibility is set between people. When problem arise, there still needs to be clear on who will make the decisions in order for the project to proceed.

Nevertheless, the characteristics of the open leadership style does encourage entrepreneurship in a corporate setting, and may be combined with situational leadership in order to adapt to different situations, projects, and people.

3.6 Conclusion

The findings and analysis of this research imply that there is not one exclusive set of leadership behaviours that encourage entrepreneurial initiatives. This depends on the people that are led, the stage of the project, as well as if the leader is working with more operational or innovative activities. Different type of leadership behaviours may therefore be preferred depending on the stage of the project and the management level of the leader. Nevertheless, the leadership behaviours that were found most encouraging towards entrepreneurial initiatives were being supportive, participative, provide and encourage autonomy, informative and communicative, as well as creating conditions to enable change. Among the leadership behaviours that were found hindering entrepreneurial initiatives were the lack of providing autonomy, structure-focused, determinative, performance focused, and the lack of openness and transparency. The leadership behaviours that were found encouraging towards entrepreneurial initiatives gave a positive effect on these projects as they created trust, motivation among the employees, as well as credence towards the leader.

Given the result, the leadership behaviours that were found to encourage entrepreneurial initiatives were primarily found in the open leadership style, as well as the situational leadership style. The leadership behaviours that can be linked to the transformational leadership style were less frequently found among those leadership behaviours that encourage entrepreneurial initiatives, even though some behaviours were to some extent perceived as encouraging at a final stage of the project.

This research supports that open leadership and situational leadership does encourage entrepreneurial initiatives, even though there does not seem to be one single leadership style that will work for all situations and all types of people. The findings therefore indicate that the leader should be able to adapt to different situations and be able to analyse when to be more supportive and open, and when the leader needs to be able to direct and take decisions that enable innovations to move forward and be implemented.

The theory that discuss leadership styles and behaviours that support or hinder initiatives does not discuss the differences that may depend on the phase of the project. This hypothesis would be particularly interesting to investigate through observation in different phases of corporate entrepreneurship projects. Also, to compare observations made by employees at different stages in their careers could provide interesting learnings about leading individuals in innovation projects. Further, it would have been interesting to extend the material of the data collection to enable it to capture results around more leadership behaviours. This could be done by including more leadership behaviours in the interview guide, or by not naming any specific behaviours or styles at all to avoid controlling the results.
3.7 References


Haranath, G. (2012). *A comparative study of leadership styles in select public and private sector organisations.* Acharya Nagarjuna University, Department of Commerce and Business Administration.


LoopMe, [https://www.loopme.io/features](https://www.loopme.io/features), Accessed 10/17/2019


3.8 Appendices

This is the guide for the interview and observation provided for one task in LoopMe. In total three observation tasks and two interview tasks have been uploaded in LoopMe for every member of the RQ teams.

3.8.1 Interview guide

To conduct a structured interview, follow these instructions:

- No deviations from question order.
- Wording of each question asked exactly as written.
- No adjusting of level of language.
- No clarifications or answering of questions about the interview.
- No additional questions may be added. (Berg, 2009)

This is a study of what leadership behaviours in the traditional organisation supports and hinders entrepreneurial initiatives.

Interview one person in your organisation that are working with or have recently worked with an intrapreneurial or innovation project. The person will be asked about experiences regarding leaders at the company and how the leadership behaviours affected the innovation project. This should be a structured interview, following the questions:

1. Describe the entrepreneurial project that you took part in.
2. In what company did the project take place?
3. What was your role in the project?
4. How would you describe the leadership of the organisation?
5. How would you describe the leadership style(s) of the leaders of the organisation?
6. Did you identify any specific leadership behaviours that were beneficial for the innovation project that you took part in?
7. Did you identify any specific leadership behaviours that hindered the innovation project?
8. What leadership behaviours do you think benefits an intrapreneurial or innovation project?

NOTE! All persons should conduct one interview at its company, this means that each corp-team will conduct two interviews in total.

Before conducting the interview, please read the RQ Leadership Three Pager.
3.8.2 Observation guide

This is a study of what leadership behaviours in the traditional organisation supports and hinders entrepreneurial initiatives.

Read this guide before the participant observation. During the observation, the researcher is allowed to participate actively. Before the observations, acknowledge all participants that a study is being conducted.

One observation shall be conducted. During the observation, only one leader of the traditional organisation should be observed. The setting for the observation must be a formal meeting where leader(s) of entrepreneurial initiatives are present. The meeting must address issues related to this initiative. NOTE! The corp-team cannot observe the same meeting.

After the observation, please answer the following questions:

1. What was the social situation that you have observed?
2. What role does the observed leader have?
3. Where there any other persons present during the observation? If yes, what roles do they have?
4. Which of the following leadership behaviours did you observe during the meeting?
   - Performance focused
   - Focused on structure
   - Creating conditions to enable change
   - Use affective appeals to emphasize a goal/vision
   - Determinative
   - Have high expectations on results
   - Supportive
   - Participative
   - Show warmth and consideration
   - Informative and communicate updates
   - Democratic decision-making
   - Provides and encourage autonomy
   - Other, please specify:

5. What behaviours had a positive/negative affect?
6. How did these behaviours affect innovative initiatives and the overall meeting?

Follow-up Question: How did you experience the atmosphere in the meeting that you observed?
4 Organizational Change

Maja Jansson, Niklas Lindström and Anna Olsson

4.1 Introduction

This chapter presents the background of the presented study. Its biggest focus is on the importance of being able to change to maintain the market position as well as how vital it is to have employees engaged and understanding to be able to do these changes. Further, the purpose of the study is stated followed by the decided research question on the subject of the organization’s core purpose and culture.

4.1.1 Background

To be able to stay competitive in today’s business landscape, characterized by shorter lifespans of companies, intense competition, and fast technological development, companies need to be able to continuously change (Beer et al., 2009). Still, many change efforts in large organizations fail (Beer et al., 2009). Several theorists have argued that an organizational transformation cannot be accomplished only through changes in an organization’s structures and processes. For example, a successful transformation requires a broad engagement of employees in the change effort. This, in turn, might warrant changes to the company culture, and formulating a purpose that can inspire engagement and point out the direction for the change effort (Beer et al., 2009; Beer et al., 2011; Pregmark, 2016).

4.1.2 Purpose

The research study will aim to evaluate if and, in that case, how the organizational culture is connected to an organization’s entrepreneurial ability. This includes constructing a framework that tests how the culture and entrepreneurial ability are connected. Secondly, this study also aims to evaluate whether the core purpose of the organization is linked to the ability to be entrepreneurial within big corporations.

4.1.3 Research Question

The research will be centered on one main question: How do the organization's core purpose and culture relate to its entrepreneurial ability?

To support the study the following sub-questions will be researched:

1. How is the culture manifested in the organization?
2. Does the core purpose of the organization encourage entrepreneurial ability? If so, how?
3. Does the culture of the organization encourage entrepreneurial ability? If so, how?
4. What alignment exists between the core purpose and the culture?
4.2 Theoretical Framework

In this chapter, the theory which is the basis for this study is introduced. It is centered on three areas: organizational culture, organizational purpose, and entrepreneurial ability.

4.2.1 Organizational Culture

Organizational culture is made up of different factors. As proposed by Schein (2016) these factors can be climate, observed behavioural regularities when people interact, espoused values, formal rituals and celebrations, group norms, formal philosophy, identity and image of self, rules of the game, embedded skills, shared meanings, habits of thinking, mental models or linguistic paradigms and lastly root metaphors or integrating symbols. In other words, culture is something not clearly defined and quite complex. Culture is also one organizational aspect that often is recognized as more “fluffy” or hard to grasp within organizations (Alvesson, 2002).

Schein (2016) further presents a framework for the analysis of organizational culture whereas the observable artifacts are influenced by norms, values, ideology, and philosophy. These factors are all built by underlying assumptions. French and Bell (1990) argue that organizational culture can be analogized with an iceberg, where the visible factors of the culture are only the “tip of the iceberg”. The factors lying below the water surface still affect the organization and culture even if they are not visible. Hall (1976) talks about the external/conscious and internal/subconscious part of the cultural iceberg model. The first consists of behaviours, mainly, but also beliefs and the latter more of some beliefs but more of patterns and values that are influencing certain behaviour.

Shani and Divyapriya (2011) talk about the innovative culture and dimensions needed to sustain innovative initiatives. The dimensions that make up an innovative culture in organizations are goals, knowledge, rewards, resources, risk-taking, relationships, and tools. More specifically, organizational culture needs to have several characteristics to support creativity and innovation (Shani et al., 2012): employees need to feel pride and ownership of their projects and have freedom in their work, their ideas should be listened to and encouraged, employees should feel comfortable to share ideas, there should be an open climate for debate, the working climate should be exciting, there should be space for playfulness, conflicts should be resolved promptly and openly, acceptance for failures should be high, and there needs to be room for discussing ideas.

4.2.2 Organizational Purpose

Pre 1880, inventions were looked upon as what Drucker (1985) calls “a flash of genius”. However, he further states that between the late 19ths century and the early 20ths century, the view of invention developed to become research, a more systematic and purposeful approach to inventing. By carefully planning and organizing the efforts of inventing, one increases the predictability of the process and the probability of obtaining aimed-for results. Drucker further argues that one common goal amongst successful entrepreneurs is to create some new value and by doing so making a contribution of some sort. That is the purpose of why an entrepreneur tries to be entrepreneurial, a reason for why an entrepreneur does what he or she does.

Similarities to this can also be found in organizational settings, referred to as an organizational purpose. The cornerstones of an organization's purpose are mainly built on and intertwined with the vision, mission, values, and culture of a company (Baldoni, 2012). A vision of a company tells what they want to achieve or become. A mission should communicate what a company is
doing, why it is doing so, and how. The values of the company should work as the guiding principles for the employees of how they act towards each other as well as external parties. If an organizational purpose is to be effectful, it also needs to be accurate and relevant to the core business and its employees.

As Sinek (2011) points out, businesses are almost always set up to compete with competitors. Their only aim is to beat someone else, which does not necessarily mean that the company always strives to become better at what they do. Every company that is founded starts with a clear purpose, their ‘why’, but only the great ones remember their purpose through time. If the purpose of a company is set up and used properly, it will guide the company and its employees to constantly try to improve what they are doing. Bonchek (2013) states that organizations often are focused on a purpose for, but on the contrary, it’s the purpose with (a shared purpose) that is crucial to align with the customers and the market needs.

4.2.3 Entrepreneurial Ability

For an organization to be entrepreneurial, it needs to be able to conduct the following three activities: opportunity identification, opportunity evaluation, and new venture creation (Bayon, Vaillant & Lafuente, 2015). This poses certain challenges to a large, established organization since the demands of an operative versus an innovative organization are completely different (Galbraith, 1982). For example, in an entrepreneurial organization, processes should be allowed to be more autonomous, organic and flexible, while in the operational organization they are more mechanistic, formalized and controlled, etc., and employing an exploitative logic in an explorative organization might hamper its success (Chen, 2017; Galbraith, 1982; O’Reilly & Tushman, 2013; Tushman & Nadler, 1986).

In general, many factors influence an organization’s ability to be entrepreneurial. More formal factors, such as structure, are easier to control, while others, such as the organizational culture, are more difficult to manage, yet can have a great influence on an organization’s entrepreneurial ability (Beer et al., 2009). One can argue that an organization’s purpose, culture, and entrepreneurial ability, are all interconnected and affect each other: The purpose of an organization becomes an important tool for pointing out the direction of the organizational change, aligning activities, and deciding where efforts at innovation should be directed (Beer et al., 2011; Pregmark, 2016), and, as described above (Shani et al., 2012), certain aspects of an organization’s culture affect its ability to be innovative. Moreover, several studies have pointed out that cultural aspects play a role in a corporation’s ability to carry out entrepreneurial initiatives (Fredberg & Pregmark, 2018).

4.3 Method

The methodology of this research has mainly consisted of collecting data through action research as well as conducting shorter interviews with people within the researched companies (see Appendix 1). The following section describes the methodology in more detail.

4.3.1 Research Design and Data Collection

Based on the theoretical framework established through the literature review above, data has been collected through action research, which means that “insiders” that are working within the studied environments have collected observational data directly from the environments where they work (Teusner, 2016). The action researchers have temporarily been posted at six different companies for nine months to collect data while attempting to perform entrepreneurial efforts
within the companies. The methodology of action research has been chosen since it enables unique insights into real-life situations and systems (Coghlan, 2007). The action researchers have also conducted brief interviews with three employees at the studied companies who have been asked to describe their interpretation of the company’s purpose and culture in relation to entrepreneurial ability.

4.3.2 Data Analysis

When the data collection was finalized, the data were compared to the literature within our literature review to evaluate if there were any alignments between the two. An analysis was performed in regards to how the culture and the stated core purposes enabled or prohibited the entrepreneurial ability within the companies. Lastly, it was analyzed if the companies stated purpose and culture were aligned with the, by the employees, believed purpose and actual culture within the companies, as well as which one of them enabled or prohibited the entrepreneurial ability.

4.4 Results

In this section, the cross-functional findings regarding culture and the core purpose are presented.

4.4.1 Introduction to cross-analysis

This paper aims to present the findings from the cross-analysis performed by the 12 students who have been engaged in teams of two, as entrepreneurial leaders, among the six different companies who participated in this research project. All the students have utilized the same methodology and collected data in accordance with the research question and the theoretical framework of this study. At the end of the project year, a full-day workshop was utilized to collectively perform a cross-analysis to find both differences and similarities across the six different studied organizations, and further, provide a broad conclusion to the stated research question.

Cross-analysis

The cross-analysis is divided based on the research questions of the study, with a focus on the culture and purpose. Entrepreneurial ability is included in both stated sections. Some examples from specific companies are brought up to highlight certain subjects.

Official culture

The official cultural values of the companies were communicated, for example, through the intranet, on flyers, in meeting rooms, in messages from management, and training contexts, for instance, at the companies’ trainee programs. A majority of the studied companies had official cultures, which included values related to cooperation, openness, employee empowerment, and engagement. Other prevalent themes were ethics and sustainability, performance, and customer focus.

How is the culture manifested in the organization?

When it came to the informal cultures of the organizations, they corresponded to the official cultures in certain ways. For example, several companies were observed to have a culture where employees were helpful and supportive of each other, which resonates well with the value of
cooperation stated by several of the companies in their official cultures. However, in many other regards, the official cultures of the companies did not correspond well with reality. Several of the companies were very siloed and had difficulties with openness, communication, and knowledge sharing, which was manifested in different ways, for example in one case as seemingly exaggerated fear of sharing sensitive information and a lack of close, personal interactions between employees. In another case, there was a lack of discussion on innovation, and leaders did not listen to or take action on employees’ ideas.

In many of the companies, tradition, legacy and a short term operative focus were in reality affecting the culture much more than the stated official cultural values. Despite having a mostly friendly atmosphere, many companies were perceived as being averse to risk-taking, sometimes using complexity as an excuse for not taking action. Furthermore, findings from several of the companies also show that the culture was perceived as being different in different parts of the organization. Interestingly, two companies were perceived as having achieved a stronger alignment between formal and informal cultures during the Covid-19 epidemic in the sense that the culture had become more cooperative.

How the informal culture of the organization encourages or impairs its entrepreneurial ability

The majority of the investigated companies were interpreted as having informal cultures that to a large extent did not encourage entrepreneurial ability. This was manifested in different ways at the observed companies, for example as fear of losing the core business, risk aversion, a focus on profit, a focus on short-term success, formality, a lack of flexibility, a lack of engagement, and an unwillingness to take on and implement new ideas. The most prevalent trait impairing entrepreneurial ability was a lack of openness that was present in a majority of the investigated companies, which was manifested for example in a reluctance to share potentially sensitive information inside the company.

However, there were also companies whose informal cultures had some aspects that one could argue to be supportive of entrepreneurial ability, such as support for new initiatives, employees being helpful towards each other, and appreciation for expressed opinions. Also, the informal cultures of the investigated companies were perceived to be different between more explorative and more exploitative departments.

One of the companies that had a purpose focused mainly on technical performance was also perceived as having a culture that to a large extent focused on this. The company had a strong focus on product innovation and innovation around services that could improve product performance. At the same time, the company was perceived as less inclined to work with improving, for example, customer experience.

Official purpose

The investigated companies’ official purposes were mainly focused on performance, the fulfillment of customer needs, and sustainability. A majority of them were also relatively abstract, visionary, and future-oriented. None of the companies had a purpose that explicitly centered around the product or service that constituted the company’s present core business.

The use of the purpose in the organization

The official company purposes were used to a variable extent in the companies. A common observation was that the purpose was used more in external communication than in internal communication. One company, which was stated to be quite successful in its current business,
had formulated an evocative purpose centered on fulfilling customer needs, but was however perceived as not “walking the talk”. The company was anticipated to have big business potential in working towards realizing its purpose and thus becoming more customer and future-oriented, but the fact that it was quite satisfied with its position and current success had made it a bit lazy.

The purpose among all the observed companies was furthermore also interpreted in different ways by employees throughout the organizations. For example, one of the companies had a purpose that was quite future-oriented and focused on sustainability. When employees in this particular organization were asked how they interpreted the purpose, they stated that for them it meant developing safe and high-quality products, and making a profit. The researchers further concluded that the company, in reality, was utilizing two purposes - one official which communicated a long-term vision, and one informal which was more focused on the short-term by foremost emphasizing profitability. Another thing that was found in this organization was that the employees interpreted the purpose in different ways, depending on what department they belonged to and what role they had. In the different departments and projects, the purpose was adapted to better fit with that particular department’s or project’s activities. In the more exploitative parts of the company, the company’s purpose was interpreted more incrementally, while in the more explorative parts of the organization, it was naturally interpreted in more radical ways.

Another of the observed companies did not have a purpose, though it had a vision and a mission. At this particular company, employees were to a large extent observed to just be doing their jobs, without a deeper connection to the company or awareness of why it operated. Furthermore, in one of the other observed companies, the company’s purpose was not referred to very often in a direct way. However, at internal presentations, one referred very often to a certain part of the company strategy which was very performance-oriented, and this strategy was in turn indirectly very closely related to the purpose which was also very focused on performance.

How the core purpose of the organization encourages or impairs its entrepreneurial ability

The fact that many of the companies had broad and visionary purposes was perceived as both encouraging and impairing the entrepreneurial ability. The fact that the purposes were so far-reaching could make it difficult to implement them since employees could have very different impressions of what the purpose actually meant, which made it harder to align activities. Though, at the same time, the broadness of the purposes created more space for innovative activities. The fact that none of the companies had a purpose that explicitly centered around the product or service that constituted their present core business was perceived as encouraging entrepreneurial ability.

In the case of one of the companies that had a performance-oriented purpose, it was interpreted as, even though it was not limited in the sense that it was focused on the company’s present products, it was still more limiting than some of the other companies’ broader and more visionary purposes in the sense that it oriented around technical performance, and did not have a customer focus. Additionally, in another company, which had a purpose that focused strongly on employee empowerment and engagement, the researchers did not interpret the purpose as having any positive impact on the entrepreneurial ability. This was concluded as depending on the fact that the company had a strong informal culture that in itself did not encourage innovation. The same dilemma existed in the other investigated companies which had purposes with strong visionary elements.
How the organization's core purpose and culture relate to its entrepreneurial ability

In the investigated companies, the organization’s purpose and culture were observed to relate to its entrepreneurial abilities but in various degrees. For two companies, the impression was that the purpose was there mainly to paint a pretty picture, but that it is still, to some degree, related to its entrepreneurial ability. In another company, the purpose was perceived to guide entrepreneurial activities, but rather in an indirect way in the sense that it was a reference point for the company’s strategy, i.e. the purpose did direct different entrepreneurial activities. The company purpose was perceived as playing a smaller role than the company culture in several companies and that the main function of the purpose was to be used as a marketing tool in external communication. Several companies were perceived as having aspects of their company cultures that made them less entrepreneurial or to be lacking in other aspects, which would have improved their entrepreneurial abilities.

4.5 Analysis

In this section, a discussion around the culture, core purpose, entrepreneurial ability and the common denominators is made.

4.5.1 Common cultural denominators

All the investigated companies were presently successful and profitable in their core business. The majority of the companies were also relatively old, established industrial companies, with pride in their brands and existing product assortment. This is something that might make the corporations less inclined to engage in innovation, especially of the more radical sort, since it would involve a substantial amount of risk-taking. All investigated companies were perceived as being more or less risk avoidant due to the risk of harming the financial performance of the company. Another recurring theme was that the company culture was manifested in a heterogeneous way. Some parts of the organization were perceived as possessing a more entrepreneurial culture than others. However, it might be so that all parts of the organization do not have to be entrepreneurial. Hence, it might in some cases instead be beneficial that the culture differs in the organization. As some of the studied organizations have 10 000+ employees who are spread out in the entire world, it is arguably only natural that the culture differs across the organization. Even though this might only be natural, the theory utilized for this study still seems to advocate that there should be one single culture in the organization, which should also encourage entrepreneurship throughout the whole organization.

All the observed organizations had problems with entrepreneurship and being entrepreneurial. Some companies were more successful in conducting entrepreneurial activities and enabling innovation, for instance, by working cross-functionally to a relatively large extent. However, all the observed companies had issues with openness and having siloed organizations. Furthermore, Shani et al. (2012) argue that openness is a critical quality of an entrepreneurial organization. However, one could speculate that a factor such as openness might be more important when engaging in more radical innovation than it is when doing more incremental innovation. Furthermore, all the companies had official cultures which to a relatively large extent were encouraging towards innovation. However, in many of the cases, the informal cultures of the companies were different from the official culture as stated, for instance, in official documents. The informal culture was often not as encouraging of innovative activities.

One could observe that most of the investigated companies had an outspoken culture that focused on values that could support innovation and entrepreneurial ability, such as
empowerment and cooperation. In reality, however, many of the companies had an actual culture that was not as supportive in this regard. This could be related to the argumentation by French & Bell (1990) with the comparison of the organizational culture with an iceberg. The officially stated culture can be seen as the easily visible tip of the iceberg, but under the surface lie a lot of other factors that affect the organization and its activities profoundly. This could also be connected to the external/conscious and internal/subconscious part of the cultural iceberg model (Hall, 1976) - throughout the time of observation, certain more deeper-laying aspects of the companies’ cultures, such as their patterns and values, became more visible to the researchers. The observations also clearly showed that to change behaviours, but also more deeply laying values and beliefs in an organization (French & Bell, 1990; Hall, 1976), it is not enough to put some cultural values on paper. The deeply entrenched informal culture will always play a large role in determining to what extent an organization is encouraging innovation or not.

Shani et al. (2012) talk about what characteristics an organizational culture needs to have to support innovation - employees need to feel pride and ownership of their projects and have freedom in their work, their ideas should be listened to and encouraged, and employees should feel comfortable to share ideas. Furthermore, there should be an open climate for debate, the working climate should be exciting, and there should be space for playfulness. Lastly, conflicts should be resolved promptly and openly, acceptance for failures should be high, and there needs to be room for discussing ideas. The cultures of the investigated companies fulfilled these criteria to different extents. However, the majority of them especially had issues with openness and knowledge sharing, which was found to have a large negative impact on the companies entrepreneurial abilities. It seems then that if only a few of the characteristics stated by Shani et al. (2012) are not fulfilled, it can still impact the company's entrepreneurial ability quite drastically even though the rest of the characteristics are fulfilled, which makes it a major challenge for any company to create a culture which is fully supportive towards innovation efforts.

4.5.2 Purpose-related denominators

A recurring theme regarding the different companies’ core purpose was a misalignment between the purpose, which was often visionary and future-oriented, and the companies’ actual business activities, which were often quite oriented towards exploitative activities in the present. Some companies had more visionary and future-oriented purposes, while others had purposes that related more closely to the products and solutions that the companies were presently providing. One could argue that the latter form of purpose might limit the company to innovate more incrementally around their existing products and solutions, rather than venturing out in more radical territory, which can make them more vulnerable to disruption. Another observation that was made was that even if the majority of the companies’ had purposes that were encouraging innovation, they were not used as much as they could have been inside the organization to encourage and direct entrepreneurial ability. On paper, the purposes have all the possibilities to encourage, but it is rather a question of interpretation and how the purpose is used that comes into play. If it is only used as a way for communication outwards, or by top management at formal meetings and not used by the employees, the potential of the purpose remains unexplored.

As argued by Sinek (2011), Beer et al. (2011), and Pregmark (2016), an organization’s purpose can be an important tool for pointing out the direction of organizational change, aligning activities, and deciding where efforts at innovation should be directed. Even if the purpose communicates what a company wants to achieve, it still needs to be relevant for the employees
(Baldoni, 2012). Furthermore, as argued by Beer et al. (2011), to create a commitment to the organizational purpose, one needs to engage the members of the organization in honest, collective dialogues. This might be difficult when an organization has challenges when it comes to openness and communication, something that was observed in all the investigated companies. Potentially, to ensure that the purpose is something that encourages and engages people in entrepreneurial activities, creating measurements for how much one has lived up to the stated purpose can be one way to incorporate it more in day-to-day businesses.

Interestingly, one of the companies that had a purpose that was focused on performance rather than customers has also been successful when it comes to innovation around the performance of its products. Though, now, when circumstances are changing and the company needs to innovate more around how to improve customer experience, it has bigger difficulties. One can speculate on whether this is related to both the company’s purpose and its culture being attuned towards performance rather than having a more customer-centric focus. Additionally, one can argue that the company’s prevalent purpose might affect the company’s ability for opportunity identification (Bayon, Vaillant & Lafuente, 2015) negatively, which negatively affects its entrepreneurial ability. This could be seen as an example of how a purpose can work as a directive of a company’s activities (Sinek, 2011), for good and for bad.

The investigated companies had purposes that were more or less abstract and open. An important question to ask is how abstract and open a company’s purpose should be to encourage innovation. One could argue that a too undefined purpose might be less efficient in fostering innovation - one could make an analogy between this and that it is harder to be creative when you have a white paper and can paint what you want, rather than when you get some predefined prerequisites. Again, it seems to be important, as Sinek (2011) argues, to utilize the company’s purpose as such a prerequisite and directive. However, it is further also up to the individual how they interpret the company’s purpose, whereas what kind of purpose is the most efficient in encouraging entrepreneurial behaviour can be quite individual. In other words, the interpretation might be more important than the width or narrowness of the purpose. It might also be that, to encourage and guide entrepreneurial behaviour, it might not be the purpose that matters most, but rather how it is translated into a strategy efficiently, and in this process, one could argue that the top management of an organization plays a crucial role. A company’s purpose could also play the role of verifying the strategy so that when conducting your activities. For instance, one can take a step back and orient oneself with the help of the purpose, to make sure that one is moving in the right direction. If the purpose is to be utilized in such a way, to verify a strategy, it becomes even more crucial that the purpose is what Bonchek (2013) refers to as a shared purpose, which is a purpose that is aligned with the customers and the market needs. However, from the observations, one can deduce that a company’s culture and tradition play a larger role than the purpose of dictating and directing behaviour. This relates to that it, in the end, is up to the individual to take initiative and utilize the different tools at hand, such as the company’s purpose, to enforce the company’s entrepreneurial ability.

4.5.3 Other denominators related to innovation, culture, and purpose

It was sometimes hard to discern whether the companies’ purposes and official cultural values were just buzzwords or reflected an actual intention of a desired state or direction, and to what extent the companies had an actual, real intention of being entrepreneurial. Another thing that was concluded was that several of the companies were satisfied with their current success and hence seemed to lack a real sense of urgency to change. Not everyone in the companies seemed to be convinced of the need to change. This can be seen as a result of the fact that many of the companies have been successful in their present core business for many years.
The majority of the companies had official cultures and purposes that were supportive of innovation. However, innovation meant very different things to the researched companies. For some of them, it was more incremental activities, for others more radical. Another observation that was made was that even though the majority of the companies had purposes and official cultures that promoted innovation, they primarily advocated financial performance in their day-to-day operations, which had a negative impact on different entrepreneurial activities due to the risk of impacting the financial performance of today's business.

Throughout the analysis, it became clear that there, to a bigger or lesser extent, existed a misalignment between all the companies’ official purpose and culture, and their informal culture, as well as between what was stated formally, and through actual activities in the companies. As argued by Beer et al. (2011), a company’s purpose, culture, and entrepreneurial ability are all interconnected. Beer et al.’s arguments might then only be applicable in some cases, but that the informal or observed culture and purpose make the factors less interconnected. This is something that one can argue probably affects the entrepreneurial abilities of the companies negatively.

Some of the observed companies seem to be dealing with an ambidexterity problem, which might further explain why it is even harder to be entrepreneurial in the companies. Even though the outspoken culture and purpose could be encouraging, it might only be able to encourage innovation initiatives to a certain level, since a company might have a larger issue in trying to balance the two worlds of current and innovative business. It was evident through this study that the purpose can be used, as Beer et al. (2011) and Pregmark (2016) both argue, to point out the direction of organizational change, aligning activities, and deciding where efforts at innovation should be directed. However, the researchers further argue that the level of how effective the purpose as such a tool would be would heavily depend on how perceptive the culture is of embracing and encouraging entrepreneurship and the change that comes with being innovative.

4.6 Conclusion

This research study aimed to evaluate if and, in that case, how the organizational culture and core purpose relates to an organization’s entrepreneurial ability. The findings of the study indicate that the informal culture of an organization, i.e., its entrenched behaviours, values, and beliefs, plays a larger role in an organization’s entrepreneurial ability than its official purpose and culture. A purpose is a tool that could be used to show strategic direction and to communicate externally, but the informal culture is what will make innovation and entrepreneurship happen or not happen. What was also noticed was that even if the studied companies had purposes and official cultures that were supportive of innovation to quite a large extent, in reality, there was often a strong focus on financials and the present core business. What was also identified was that even though many of the investigated companies managed to implement some values that were conducive to innovation in their informal cultures, the majority of the companies still had issues with openness and knowledge sharing, which one could argue is a crucial aspect of a culture that is supportive of innovation. In the end, it comes down to the people. It is the employees that create the culture, can take initiatives, and be more entrepreneurial. If people do not have the capabilities needed, or if the organizational structure or anything else hinders a more innovative culture, it will be difficult to be innovative to a great extent. One of the conclusions is therefore that it is not only enough to communicate a culture that encourages entrepreneurship, it must also be a natural part of the organization’s operations.
Additionally, the more radical and further away from the core business and innovation initiative was, the more resistance was manifested in the organizational culture. Even if the organization’s core business is successful in the present, what was also noticed through the study was that even if an organization might have an official culture and purpose that is supportive of innovation, the organization might have difficulties in motivating itself to be innovative. All these factors might impair the studied companies’ entrepreneurial abilities and thus make them more vulnerable to future disruption. One might argue that not all companies have the same need to engage in radical innovation, that it depends on the circumstances they are active in. Furthermore, it might be that all companies do not need to be entrepreneurial in the same way. For some, radical innovation might be significant, but for others, incremental innovation might be sufficient, at least during the prevailing circumstances. However, all companies need to consider the future and what disruption could look like for them. To some extent, all companies need to think about what it means for them to both be successful in their core business in the present and at the same time, explore the future.
4.7 References


Bonchek, M. (2013), *Purpose is good. Shared purpose is better* [online], Available at: https://hbr.org/2013/03/purpose-is-good-shared-purpose (Accessed: 12 October 2019)


4.8 Appendices

4.8.1 Appendix 1

Interview instructions
The interview is to be carried out as a brief conversation about the interviewees interpretation of the company’s purpose and culture, how they connect to each other and if they encourage new initiatives within the firm or not.

- How do you interpret the company's purpose?
- How do you interpret the company’s culture?
- What do you feel about the company's purpose and culture?
- Do you believe they connect and affect each other in any way?
- Do you believe the company’s purpose and culture encourage new initiatives within the firm? If so, how? If not, why?
- Do you experience that there is any “informal” purpose within the company that is different from the formal one?

Questions for Loopme reflections
Answer once:
- What is the formal purpose of your company? And how is it communicated? (Deadline 15 Nov)
- Do you experience any “informal” purpose within the company? (Deadline 28 Feb)
  - Is there a gap between the formal and informal purpose? And if so, what is the gap and is there anything done to close that gap?
Does the company have any outspoken formal company culture? If so, describe the stated culture? (Deadline 15 Nov)
Describe at least one situation where the organizational culture has supported entrepreneurial efforts? (Deadline 6 Dec and 6 March)
Describe at least one situation where the organizational culture has hindered entrepreneurial efforts? (Deadline 6 Dec and 6 March)

“Answer with a total of 6-10 divided one per every month. Deadline 27th of March 2020”: (Deadline 22 Nov (5 Dec), 13 Dec, 7 Feb, 28 Feb, 20 March and 10 April)
- How would you describe how you have experienced the culture of the company the past few weeks?
  - Is this any different from the outspoken culture of the company? If so, how?
Have you been connecting any of your own work to the company’s purpose lately? If so, how and why?
How is the core purpose in the company used by others?
  - Have you been experiencing anyone in your surroundings using the company’s core purpose to facilitate entrepreneurial efforts? Or to stop entrepreneurial efforts?

Tags to use in LoopMe:
Supportive
Non-Supportive
Transparent
Not Transparent
Engaged Employees
Disengaged Employees
Collaborative
Non-Collaborative
Risk taking
No Risk taking
Explorative
Non-Explorative
Access to Resources
Lack of Resources
Conflicts
Open Climate
Closed Climate
Acceptance for Failure and/or Ideas
No Acceptance for Failure and/or Ideas
Relationships
Alignment
Disalignment
Freedom
Controlled
Creative
Innovating
Not Innovating
5 Entrepreneurial Sales

Thato Brander and Cecilia Hermansen

List of abbreviations:

ST  Sales Technology
CRM  Customer Relationship Management
SFA  Sales Force Automation

5.1 Introduction

Most sales people today use some kind of technology for communication in the daily interactions with customers. This is an effect of globalisation which has increased the ability to interact and trade with organisations all over the world and the increased technological advancements. Together with the desire for employees to become more effective (Scott, Dare and Desautel, 2012), sales people are today finding other ways of communicating than the traditional face-to-face sales. Technology is now an integral part in how we communicate within and outside organisations (Miller, 2009).

Relationships are one of the most vital parts of a business (stakeholder), relationships are therefore also crucial in the process of sales. And the method in which these relationships are developed and maintained is equally important (Cannon & Perreault, 1999). It is therefore very important for managers and salespeople to understand the potential in computer-mediated communication tools and how to use them in a strategic way (Scott, Dare and Desautel, 2012).

Nowadays, sales technology plays an important role in the way communications are carried out internally and externally by organisations. Large Organisations usually have a number of projects running in several departments that internal and external stakeholders that could help with. Sales Technologies presents an opportunity for intrapreneurs running projects within organisations to communicate with many stakeholders. Sales technologies presents the ability to communicate rapidly with many stakeholders this improves effectiveness.

5.1.1 Purpose

The purpose of this study is to gain an understanding of how intrapreneurs can use sales technologies in order to communicate their intrapreneurial initiatives with Internal and External stakeholders. The study will also highlight the opportunities and barriers they face in communicating these initiatives.

5.1.2 Research question

What are the main opportunities and challenges when using sales technologies to communicate with internal and external stakeholders?

5.1.3 Keywords

Sales technology
Stakeholders
Communication
5.2 Literature

5.2.1 Sales Technology

Both in academic literature as well as in business practice, there are differences in opinion between researchers on how to define and reference the domain of sales technology (ST). The area of ST is therefore, until further research has determined its definite meaning, open for interpretation and challenge by researchers (Kuruzovich, 2013). Without a clear definition, it is highly important for the authors of this paper to clearly state what definition of ST it refers to.

The authors definition of sales technology emanates from the definition of Hunter and Perreault (2006) who states that ST is an umbrella term that refers to information technologies that can facilitate or enable the performance of sales tasks (p. 96). They argue that salespeople use technologies that stretch beyond obvious sales tools as CRM and SFA-systems and that cell phones and spreadsheets are used as well, and therefore should be included in the definition. ST refers to the broad range of tools used by salespeople (ibid.).

Furthermore, information technologies could be communication systems for handling information. It involves tools that transmit, store, represent or in other ways use information in order to enhance the effectiveness of information in strategic ways.

This paper will refer to sales technology as communication tools used in organisational settings in order to create and maintain relationships to further enable sales.

Table 1. Types of Sales Technology

<table>
<thead>
<tr>
<th>Type of Sales Technology</th>
<th>Description</th>
<th>Sales Technology example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social/Professional Networking</td>
<td>Online environment where users can communicate with others.is a professional networking site, where users can communicate with each other designed to help people make connections</td>
<td>Linkedin, Facebook, Internations</td>
</tr>
<tr>
<td>Blog</td>
<td>An interactive virtual Journal that allows its users to express opinions, share thoughts, and also promote ideas</td>
<td>Wordpress</td>
</tr>
<tr>
<td>VOIP (Voice over internet protocol)</td>
<td>Multimedia platforms that allow uses to have dialogue using text or video</td>
<td>Skype</td>
</tr>
<tr>
<td>Intranet</td>
<td>An intranet is an in-house, proprietary electronic network that is similar to the</td>
<td>Own Company Intranet</td>
</tr>
<tr>
<td></td>
<td>Internet</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td>Electronic mail is a process by which digital transformation can be sent,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>received, forwarded and stored using telecommunications networks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gmail</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Microsoft Outlook</td>
<td></td>
</tr>
<tr>
<td>Phone</td>
<td>A device that uses cellular network technology to make and receive calls</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and send text messages.</td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td>Customer Relationship Management</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>Customer Relationship Management is a strategic approach to marketing that</td>
<td></td>
</tr>
<tr>
<td></td>
<td>focuses on developing and maintaining appropriate relationships with</td>
<td></td>
</tr>
<tr>
<td></td>
<td>customers often with the aid of information technology (IT)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Salesforce</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hubspot</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inhouse developed CRM solution</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from Faustino, Liu and Jin (2018) web applications.

5.2.2 Stakeholder theory

Stakeholder theory is primarily about creating value for stakeholders, and how to align the interests of the different stakeholders in order to create as much value as possible. In order to do this, the idea is not to diminish the indifferences in stakeholders’ interests but rather to identify the different needs and cater to them in strategic ways (Freeman, 2010).

Narrowly defined, stakeholders are “the groups without whose support, the business would cease to be viable (Freeman, 2010. p.26). They are often defined in groups of two; internal and external. Internal stakeholders are mainly employees and management. External stakeholders are broadly defined as financiers, customers, suppliers and communities (society). The fact that these groups are external or internal will greatly affect their interest in the activities conducted by the company and these differences are vital to understand (Freeman, 2010).

In stakeholder theory, business is understood as a set of relationships between groups (i.e. stakeholders) which all are affected by the activities that shape the business. Not until you fully understand these relationships, you understand the business. People who are working with change or innovation, or in other ways are creating value, have to be aware of the effects their actions will have on different stakeholders (Freeman, 2010).

In an early stage entrepreneurial project, it is important to gain support and acceptance from several stakeholders both internally and externally. In order to gain this support, the project leaders have to communicate its potential value for each key stakeholder in an efficient and
transparent way (Freeman, 2010). This is why understanding stakeholder theory can, for an intrapreneur, be essential for the success of the project.

5.2.3 Communication

Communication is the process of transferring information or a message from a sender to a receiver through a selected channel. In an organisation communication refers to the exchange of information, ideas, and views within and outside of the organization (Candlin and Sarangi, 2011). A vast amount of information flows between people inside and outside an organisation on a daily basis and this makes communication necessary for the operation of an organization (Viswanathan, 2010).

In organisations communication can be carried out through face to face communication and also virtual channels (Flanagin & Waldeck, 2004). Moreover, technology has over the decades become a part of how people communicate with each other in organisations. Electronic mail, instant messaging, audio and video conferencing and other mediums have become a foundation in how people in the organisation collaborate and also make decisions (Peterson, 2009).

Good Communication in organisations has been found to influence innovation positively, this refers to the amount and quality of information in the communication (Antonic, 2001). Additionally, it has also been found that it is a success factor during implementation of intrapreneurial initiatives (Antonicic, 2007).

5.3 Method

5.3.1 Methodology

The choice of methodology for this paper is contingent on the fact that the way of collecting data is predetermined and will involve participants. Therefore, action research method will be adopted for this study, Berg & Lune (2017) assert that as the type of research is appropriate when research includes activities and reflection by participants. Furthermore, action research targets two primary tasks, it is used to uncover or produce some information that can be of use to a group of people. Berg & Lune, (2017) explain that action research involves a four stage procedure which includes the following:

(1) Identifying the research question
(2) Gathering the information to answer the question
(3) Analysing and interpreting the information and
(4) Sharing the results with participants.

An empirical study will be performed at six different companies. In teams of two, twelve students at the Chalmers School of Entrepreneurship will run innovation projects at the companies. During the projects, the students will simultaneously perform action tasks in order to investigate the research question. The findings will later be analyzed in a cross-analysis, drawing on differences and similarities between the companies. The results of the study will then be shared with participants, with the intention that the results could add some value to the companies.
5.3.2 Data sample

The sample includes six different companies that have a range of 400 to 44000 employees. They are all acting in six different industries. All are working with a global presence.

5.3.3 Data collection tool: LoopMe

Data will be collected through a tool called LoopMe. LoopMe is a scientific social media platform used for data collection and analysis. Its main purpose is to facilitate action learning in which leaders design tasks intended to influence action by the user. In addition to this, the leader predesign certain ‘tags’ applicable to desired outcomes which helps in later stages when the data is analyzed. This input is later processed by the user. When a task is completed and action has been taken, he or she will reflect upon the experience and add further dimensions to the data by choosing applicable tags. The data output that comes from this tool is documented learnings and development from the users reflections (Lackéus, no date).

5.3.4 Data collection

Information will be collected over a time period of approximately 6 months. Data will come in the form of reflections made by the students.

Through the LoopMe tool, tasks will be constructed which the pairs later will perform and reflect upon. During the reflections, data will be marked with different tags (applicable to the subject) in order to structurally analyze the findings.

The tasks are structured so that users will communicate their project through different sales technologies in order to sell their idea internally or externally. Afterwards, they will reflect upon the impact their actions had on their project as well as the issues they faced in using the specific technology.

The chosen tags are:
- No impact on project
- Small impact on project
- Medium impact on project
- Large impact on project
- Very large impact on project

Internal stakeholder

- No issues
- Small issues
- Medium issues
- Large issues
- Very large issues

External stakeholder

An open task is created if other sales technologies are identified by the users. Users are encouraged to, in this case, use this tool and submit a reflection in LoopMe, whereafter the authors determine if the data is applicable to the study.
5.4 Results

5.4.1 Overall usage of sales technologies

Looking at the overall usage of STs across all projects (see figure 1) there is a much larger use of VOIP, email and phone. Meanwhile, the usage of intranet, professional networking sites and blogs are scarce. No project used a CRM system for their sales activities.

As shown in figure 2, almost all projects used the three most used STs. On the other side, only one project used a blog. When it comes to professional networking sites and intranet, three and four out of six projects used these STs but only a limited amount of times.

There was no large difference in the usage of STs between externally focused and internally focused projects. Internally focused projects used slightly more STs.

*Figure 1. Total amount of reflections*

![Figure 1. Total amount of reflections](image)

*Figure 2. Used ST per company*

![Figure 2. Used ST per company](image)
5.4.2 Communicating through company intranet

Sales activities on the company intranet stood for 7% out of all sales activities. 100% of these were directed towards internal stakeholders. 50% experienced small impact while the other 50% experienced large or very large impact on the project. 100% experienced small or no issues.

The Intranet as a ST was not widely used during the project year. The common finding of the limited usage of this tool was that it was because it was difficult for project teams to gain direct access. The common use of the Intranet among the intrapreneurs was to introduce the purpose of the entrepreneurial project to internal stakeholders.

Opportunities

A common theme that appeared was that those communicating using the intranet did receive awareness from internal stakeholders who knew the project teams and their purposes of their projects. The further impact the intranet had was that internal stakeholder reaching out to project teams after a call out.

“We intended to send the first information of our project as an introduction. We wanted to communicate in brief the purpose of our project and introduce ourself to internal stakeholders”

“We presented our idea on a post on the company intranet where we shortly described the idea and asked for people to reach out to us for more info or if the wanted to provide.’

Challenges

The intranet also did not offer capabilities to communicate messages in the way that project teams wanted and in most cases there were gatekeepers who were in charge of communicating on behalf of the project team. Secrecy around disclosing projects to the entire company was also a barrier which meant that project information could not be shared.

“The intranet has had limited features to how we can communicate our messages in the beginning we had ideas about how we could use the intranet to communicate about our project “

The article was put together by our communication department, and published on our global intranet, reaching out to all units over the world. The article caught a lot of attention, reaching 77 likes, which in comparison to other articles, is a large hit rate.

5.4.3 Communicate through Social/Professional Networking

7% out of all sales activities were made through social/professional networking tools. 100% of these were directed towards external stakeholders. 75% experienced medium impact on the project. 50% experienced medium issues and 50% small issues.

Social professional networks ST was used to contact external stakeholders including customers and stakeholders that could provide insights for entrepreneurial projects. It was used both at an early stage of the project and during a later part of a project.

“we wanted to come in contact with customers or potential customers” “By using LinkedIn it
have been easier to reach the right person directly instead of calling or emailing the gatekeepers at a company.”

“We communicated using LinkedIn during our project in order to contact external stakeholders to try explore opportunities that are available during the implementation phase of our project.”

**Opportunities**

The impact of using social professional networks was that some managed to secure meetings with stakeholders and leverage also associations like a common university. The network also allowed a team to recruit a steering committee member overall the impact was mostly medium.

“Another impact on the project was the insights we got from all the people we communicated with on linkedin, which got us to have an understanding of how we should implement our project.”

“The use of LinkedIn as a sales tool impacted our project by enabling us to get in touch with a new stakeholder (our external steering committee member), which could provide us with valuable insights and tips for our project.”

**Challenges**

The issue that appeared when contacting external stakeholders is communicating the entrepreneurial project effectively as texts on social professional networks have limitations in how you can communicate your message.

“We sent a lot of messages and some stakeholders did not reply. The constant challenge that appeared was clearly communicating what our project was about effectively to the external stakeholder that we sent messages to.”

“The biggest issue using Linkedin is that one is limited to 300 words (for sending messages to persons not present in the contact list.”

5.4.4 Communicating through a blog

A blog was the least common ST among the projects, only 2% of all sales activities were made through a blog. 100% encountered medium issues and 100% experienced a large impact on the project. 100% of activities were internally directed.

The blog was not utilised a lot by the intrapreneurs in most companies. It was only used in one entrepreneurial project and was used throughout the entire project. This ST was used to continuously communicate the entrepreneurial project and also developments throughout the project. It was mainly not used as a result of there not being a capability to do so on company platforms, and the nature of sharing project information.

**Opportunities**

The main opportunity of using this ST seems to be the engagement and awareness that the blog helped to facilitate with internal stakeholders in the project where it was used. The engagement seems to further have increased the speed in which stakeholders knew about the project.
“When we started with it, the first direct impact was engagement from the majority of the people in the office, the blog became an ice-breaker for conversations which increased the speed in which we got to know everyone in the company”

“People in the company have also suggested people that we should speak to based on our blog posts, this has presented very good opportunities.”

**Challenges**

The challenges that are referred to are that the following firstly the format, the messages had to be communicated in a predetermined layout, and also the investment of time in creating blog posts throughout the project

“We realised it was time consuming” “it was not possible to make a lot of choices for the format and layout of the blog”

5.4.5 Communicating through VOIP

The dominant ST during the projects were VOIP. 28% of all sales activities reported were done with this ST. 44% were directed towards external stakeholders and 63% towards internal stakeholders. In a majority of the cases (56%) there was a perceived large impact on the project. 44% experiences medium issues and 31% experienced medium impact. 44% encountered small or no issues.

VOIP has been the most used ST during the project year. It has mainly been used as a complement to face to face meetings and been effective in the cases where physical meetings were not possible. A lot of testimonies bring up long geographical distances between parties as the main reasons for choosing VOIP as ST. The majority of the sales activities have been directed internally as several project teams noted it as an important tool for sales activities within organizations. However, the loops involving external parties are overly positive with less issues than those involving internal stakeholders.

There seems to be differences in how established this tool was in the organizations and in the projects themselves. In some projects, VOIP was used regularly for large internal conferences while others have had issues with accomplishing a meeting through VOIP at all.

**Opportunities**

One appreciated feature of this ST was the visual communication which adds dimensions to a meeting. The visual dimension enables you to read the receiver’s response in body language and mimic to a certain degree. Something that impacted the projects a lot were the ability to share material, screen and video and even to give access to the computer which alleviated the issue of fully communicating an idea.

“Skype has a feature to give a participant access to your computer which makes it easy to collaborate, and we used this feature very effectively to show our prototype to other people.”

The visual communication also created opportunities for more open discussions whereas questions and feedback were solved more easily due to interactive presentations. Many pointed out that the combination of visual and audio communication makes the sales activity more trustworthy and serious.
“Skype also made it easier to get the true project-specific sales message out, since the medium opens up for a more open discussion where questions can be asked and/or unclear aspects could be further explained (for both parties) and with the possibility to share material, screen or video.”

One of the biggest impacts has been getting access to and support from people located in areas ‘out of physical reach’ and getting them involved in their projects. The tools enabled relationship building even though the key person was in another location.

“As we have had moments in the project where insights from our mentor has helped us progress even though geographically he was in another location.”

“The use of Skype as a sales tool made us able to get in contact with employees worldwide, without having to leave the office. Thanks to the possibility to stretch geographically, more insights e.g. around regional trends, could be taken into consideration.’

“On the other hand, there’s no more effective way of spreading the word of your ideas on a global scale, as in our case, than a Skype meeting.”

**Challenges**

Technical issues have been the most typical but also smallest issues and have had a negative impact on the flow of communication, and in many cases a lot of time has been spent on double checking if everyone is connected.

Another encountered challenge was the difficulties with getting people involved during meetings. Open questions were often doomed and the difficulties increased with the amount of people present during the call.

“In the end of our session we also mentioned that we would appreciate [it] if anyone would want to join some workshop on our project that we would set up. We further asked anyone who would be interested to reach out to us via email. To sum up the result of our endeavor, we got one response...”.

Other teams touched upon the same issue where immaturity in using the tools within the organization caused issues.

“It was also hard to have a good discussion as talking freely is an issue. Muting the microphone and unmuting, people talking over each other etc. We had to point out specific people who were allowed to talk one at a time -- It was also obvious that they had a harder time focusing on the matter than other meetings we have had face to face. It's hard to “control” that everybody is looking at your screen.”

Several teams experienced a difficulty in building relationships and further establishing trust through solely VOIP and no face to face interactions. It's mentioned as a great tool for first contact but that it necessarily does not ease the building of relationships.

“The primary issue with Skype as a communication channel have been to build a relation to the people we have been talking to. Even though it has been crucial for us in the project to get a first contact with people around the organisation, it has been difficult to build further trust, as we rarely get the opportunity to meet these persons face-to-face.”
As you can’t see the people’s live reactions to what you say, and you haven’t ever met the people you are communicating with either, it’s always difficult to fully tell how people perceive your ideas.”

This was especially true as one project team described a challenge of building relationships due to employees not using video during Skype calls. It was just not something they did at the company. This resulted in a major lack of impact from this ST as it lacked the visual dimension.

5.4.6 Communicating through Email

Email was the third most used ST with 21% of all loops. 50% were directed towards external stakeholders and 58% were directed towards internal stakeholders. 42% of the cases encountered small issues and had small impacts on the projects. 33% had medium issues and 25% noticed a large impact on the projects.

Email is a ST that has been used frequently throughout the projects. Its most important role has been in the beginning of the projects where it has been crucial to get in contact with as many stakeholders as possible and to do that in a quick and efficient way. Emails were used to create broad awareness among a large group of people and to send out communications in order to get in touch with as many people as possible. They are described as key to booking meetings, and to get in contact with people of interest.

“in order to create more awareness we used email. As a big chunk of the pre-study has involved internal interviews, reaching out to new employees and potential stakeholders has been done via email.”

“we decided to just push out emails to as many people we could during the first week, and we got really good response[s]. We focused on being very descriptive but concise in what we wrote, and at the same time being very appreciative of any help that we could get.”

Opportunities

Emails were pointed out to be good for informative purposes. Recognized as a serious and formal way of reaching out. It was therefore argued that it is necessarily not the primary ST for building relationships. However, that it is a good way of initiating relationships with stakeholders.

“Email is more of a one-way communication and it would not be a conversation when everyone feels like they participate in a good way”.

The main opportunities mentioned with this ST has been that you efficiently can get in touch with a lot of stakeholders and in a quick and efficient way. It has enabled creating broad awareness and has been a clear channel for feedback and insights.

“we received feedback in on desired topics, got in contact with new stakeholders and almost every time gotten new insights, either regarding the project or the company. Emails has also been a way to establish new connections within the company, and a good tool for setting up Skype or face-to-face meetings.”

“only one out of five did not reply on my further email. Especially one of these further contacts became very important for us as our project evolved”.

“sending emails is more effective when it is less important who you get in contact with.”.
Challenges

The main challenges with this ST was mentioned to be lack of or delayed responses from stakeholders. As the main communication tools in organization, it was hard to stand out from the crowd. Many times, project teams had to use other STs (especially phone) to complement this tool.

“The risk, as mentioned is that since some people tend to get a lot of emails, and that some emails sometimes can get lost in the inbox, causing some delay.

“This sales technology tends not to give a sense of urgency for the receiving party, therefore resulting in a slow response.”

However, the delayed responses could also give benefits as answers were often more thought through.

“it could also be seen as a strength in some cases as the receiver could give a proper and well thought through answer in its own desired phase.”

One issue mentioned is the anonymity of emails. Where a lack of knowledge or recognition of names resulted in ignorance of emails. Project teams experienced it challenging to get attention as deemed this as a result of lack of legitimacy, as this problem was not experienced later during the projects.

“One negative thing with this ST could however have been that she didn't recognized our names in the email’.

“This was 2 months ago now, the Assistant replied that she would ask the CEO and get back to us but she hasn't. We believe that since we haven’t met neither of them yet, it’s hard to appear credible via an email.”

Many loops reflected on the difficulties with using such an informative technology as it was hard to get the full message through, be personal and to have a constructive dialogue. Whereas this was the reason why email was mainly used in the beginning when information was less complex and that the later use revolved around booking meetings.

“is very one dimensional and it is hard to set the right tone in the message from the beginning a lot easier to not prioritize the message and not be considered "enough important."

“Sending instructions over email was impersonal and some of the respondents did not maybe understand or have an opportunity to address us and ask questions. There was mostly one-way communication.”

5.4.7 Communicating through Phone

Using phone as a sales technology was the second most reported during the projects. 22% of all loops described usage of phone for sales. Out of these were 77% directed towards external stakeholders and 23% towards internal. In 77% of the cases, the project teams experiences a medium impact on the project. 69% had no or small issues with using this ST.
Opportunities

The phone was a good tool to use in order to get insights or feedback on urgent matters. Or for smaller talks or questions. Many mentioned its complementing role as a follow up after a meeting or email.

“We first sent email but did not get a response. So we called. The call in combination with the email was the key here”.

“After struggling to get response through other channels like email we decided to call and we managed to get a meeting with the stakeholder and he shared with us insights about how to proceed with our project”.

It was also expressed to be important with internal, and especially external stakeholders when trying to sell an idea, as information in written form can be overlooked or too non-informative or VOIP calls could be too hard to establish in the first stages of contact.

“This call had a good impact on the project since we now have rather personal contact with an important external stakeholder. I think that the person I called appreciated the fast and personal contact and that it would have taken a longer time to get the contact info by email.”

It was also stressed that it increases trustworthiness and the message was often taken more seriously. The phone as a ST is a less formal way of communication (compared to VOIP and email) and it helps the discussions move more freely. Communication runs smoother and faster with the phone because people appreciate fast and personal contact.

“getting in contact with people through phone might increase the trustworthiness of our message, and increase the chance of being taken seriously, compared to when you send email.

-- If it is of importance that I reach one certain person or a person with a certain position within a company, we found that a call via telephone works more efficiently than an email.”

“I think that one of the key aspects of why it was successful is because I called instead of emailing. A lot of people only sends email and it is easier to get a connection when you talk over phone”.

“A call seemed less formal than a skype meeting or email and allowed us to discuss the topic much more freely.”

Challenges

On a general level, technological aspects have been challenging for the teams when lines were shaky, and it was hard to get through. Also, in many cases, due to politeness and fear of exhausting the other part, asking them to repeat their statements was ruled out.

“The only minor issues have been the chances of disconnection or the fact that a person does not answer when calling. The latter can be frustrating if it is something more urgent that needs to be communicated. Sometimes, the “non-answer” can leave the project in a delay.”

The more complex the information communicated was, the more they experienced difficulties in getting their message through completely to stakeholders.

“It was difficult to communicate our project in a good way for the stakeholder to gain an understanding.”
“It was sometimes hard to communicate our purpose of why we were calling them in an interesting and serious way but at the same time make it short and concise. The customers that we called were most often people working in different service shops that often did not have very much time spending walking with people over phone.”

“You sometimes did not manage to schedule an interview because you did not really manage to convince the people over phone why they should participate in the interview”

This ST was therefore used more in urgent matters or when the message was less complex. Phone was also restricted to whom you were going to call internally. A few projects mentioned that you did not call everyone, for example, employees in sales were a lot more ok when calling than administrative employees.

5.4.8 Communicating through CRM

No data was received regarding this ST. The main reason for this was lack of access. Several companies did not have any CRM-systems at all while other companies did, but did not use it to a bigger extent. There were also projects that were not allowed to use the system. It therefore served no purpose for sales activities among the projects.

5.5 Analysis

5.5.1 Main challenges of using sales technologies in intrapreneurial initiatives

The findings indicate that some tools were utilized a lot more than others across the six entrepreneurial projects, and that the usage or lack thereof was due to different challenges among the entrepreneurial initiative given company. STs that were underutilised in the companies internally include Intranet, Blog, and CRM. The common theme of challenges with these internal STs was that there was that teams lacked access to them for different reasons.

According to Miller (2009), technology is now an integral part in how we communicate within and outside organisations. However, the findings suggest that even though technology is an integral part of how we communicate, some tools are more established than others. While email, phone and VOIP are more or less firmly established and used frequently during the year, more open channels as intranet, blog and professional networking sites were less established and usage was restricted.

The underutilized technologies highlighted challenges that mostly are beyond the ST itself and which are due to different procedures in companies. The underutilized STs were used in different ways in the organisations to inform on a general level but there were no findings that suggested that these STs were used strategically for other projects in the organisations. This might suggest that the use of ST like intranet and other internally focused STs or professional networking sites are underutilized for sales activities. The one company that did utilize internal STs as blog and intranet more prominently also highlighted that this was a new way to communicate projects in the company. That this internal channel was only used to inform people in the organisation, but not for continuous communication of entrepreneurial projects or similar. The amount and quality of information in communication depends how good the communication is. And as good communication has been found to positively affect innovation in organisations as well as the implementation of intrapreneurial initiatives (Antonic, 2007) it
should be more important for companies to extend the amount of information that runs through all stages of a project.

As Freeman (2010) argues, the relationships between different groups are affected by the activities that shape the business. People working with innovation have to be aware of the effects different activities have on the relationships. For example, in order to gain support for entrepreneurial projects, project leaders have to communicate in an efficient and transparent manner. However, findings suggest that transparency and efficiency of communication through STs were constrained as organisations regulated how project teams communicated using STs. An interesting finding was that all the entrepreneurial project teams lacked direct access to internal communication STs. Any communication about their projects would have to be approved by a representative that is in charge of the ST, and messages could then be shaped accordingly. One project team also mentioned that secrecy played a key role in general on how communications are carried out about initiatives in the organisation. It could create further challenges for the success of projects if teams that are implementing entrepreneurial projects are not allowed to communicate about their projects strategically.

The more established STs including VOIP, phone and email were used a lot more across the companies during the entrepreneurial projects and experienced mostly minor challenges. On the contrary to the above challenges of the less used sales technologies, the common theme was the challenges of communicating messages effectively rather than having challenges with access. This suggests that at this stage, the project teams now had to take into consideration how they use these tools and their functionality to communicate their value to stakeholders. Even though Peterson (2009) argues that electronic mail, instant messaging, audio and video conferencing and other mediums have become a foundation in how people in the organisation collaborate and also make decisions, it seems to be evident from the findings that using these mediums to communicate entrepreneurial projects is a challenge. Most of the challenges mentioned while communicating with these STs were technical in nature or had to do with maturity level among people in using the STs. Another widely mentioned challenge was late or lack of responses. As Viswanathan (2010) mentions, a vast amount of information flows between people inside and outside an organisation on a daily basis, and as entrepreneurial projects need awareness in order to be successful (Freeman, 2010), getting lost in the flow of information can be detrimental. Using STs that is also widely used in the organization could therefore result in a lack of efficiency and decreased impact on projects.

5.5.2 Main opportunities of using sales technologies in entrepreneurial projects

As the findings indicate, intranet, blog and professional networking sites were underutilized mainly because of challenges with access. However a common theme across the projects that did use it was that these STs provided an opportunity to introduce an entrepreneurial project, a team or an idea. According to Freeman (2010), people who are working with change or innovation, or in other ways are creating value, have to be aware of the effects their actions will have on different stakeholders. The effects of communicating internally meant that some of the project teams did establish some sort of legitimacy and recognizability and received some sort of backward communication. The one project that used internal channels to communicate continuously throughout the entrepreneurial initiative did find that not only did awareness increase, after continuous use the awareness became engagement in the project within the company. This seems to suggest that it is beneficial to reach out openly to stakeholders as it could end up contributing to projects as well as raising awareness within the entire organisation. Continuously communicating around an initiative also increases transparency which is crucial in order to gain support and acceptance from stakeholders (Freeman, 2010).
The findings also highlighted that the most used STs across the projects were VOIP, phone and email. This could suggest that these STs are more preferred mediums for communicating in entrepreneurial projects. These STs main opportunities were mainly based on a scale of communicative value and efficiency. While email did not serve a very good communicative value, it proved to be very efficient for reaching out to many stakeholders. On the contrary, while phone was not as efficient it proved a good communicative value resulting in a greater connection to the recipient. The largest impact on the projects, and therefore biggest opportunities, was experienced by using VOIP. The findings suggest that VOIP works as a good substitute for face to face communication, the communicative value increased when adding a visual dimension. This argument is also represented by the lack of impact one project experienced as people within the organisation did not use video when using VOIP. The opportunities of these STs are largely focused on getting feedback and getting in touch with stakeholders. However, their impact must be compared to the potential impact you can have with a greater awareness. The one company that used open channels continuously throughout the project experienced access to stakeholders that they eventually would not have been in contact with otherwise. The access to these ‘under the radar’ stakeholders could result in an even higher impact and more opportunities coming from the use of VOIP, phone or email. Understanding stakeholder theory and how to cater different stakeholders is therefore crucial for project success (Freeman, 2010).

5.6 Discussion

While the findings highlight the differences in usage and highlight the main challenges and opportunities of sales technologies that were used in entrepreneurial projects, the experiences of using the technologies were different. It seems that the context of the organisation influences how these STs can be used to communicate entrepreneurial but also what STs that are used and how project teams chose to use them. This contingency directly impacts how successful intrapreneurs are in using sales technologies. As touched upon before, if organisational barriers exist in using more open channels, transparency and awareness will decrease and therefore also the success rates of projects.

This contingency is also evident by the fact that no difference is seen in usage of STs between externally focused and internally focused projects. The fact that externally focused projects did not use externally directed STs more, indicates that contextual factors forces or influences intrapreneurs to confine with social and communicative norms, therefore using mostly email, phone and VOIP. We argue this because it is clear that the amount of external stakeholders you get in contact with is restricted to the ones you get directed to, rather than using open channels which would allow you to access a lot more.

As sales activities are crucial in order for intrapreneurial project success, and transparency and communication is crucial for sales (Freeman, 2010) the fact that open channels as blog, intranet and professional networking sites were not used to a wider extent is worrying. Whether this is due to the independent choices of intrapreneurs or restricted by organisations or a combination is unclear. We argue that the communicative value of information and efficiency is therefore directly affected by internal communicative cultures and norms. The fact that one project team did use unconventional STs within their organisation indicates that intrapreneurs do have a responsibility of pushing out their communication in ways that serves them best, even though many organisations are not used to this type of open communication. As transparency and
communication is important for success, it must lie in the intrapreneur’s best interest to push for this type of communication.

With that said, organisations must get better at communicating more openly. It is not a coincidence that the most established STs are limited to the selection of recipients, therefore being more closed types of communication channels. We link this to the finding that email was argued to be very good for reaching a lot of stakeholders in an efficient way. Email is by nature also restricted to the stakeholders you know so the question lies in how efficient an open communication channel would have been in reaching even further. In order for success in all types of projects, especially intrapreneurial projects, organisations need to be more open to new ways of communication.

5.7 Conclusion

This research aimed to identify the main opportunities and challenges of using sales technology to communicate an intrapreneurial project to internal and external stakeholders. It can be concluded that challenges and opportunities are related to context, complexity and access. The main challenges of the underutilized technologies Intranet, blog and CRM seem to be lack of access. The main opportunities are more related to communicative value and efficiency.

The most used STs, VOIP, phone and email, opportunities and challenges differ on a scale of communicative value and efficiency. These two factors impact when, during a project, intrapreneurs face either challenges or opportunities with a specific ST. Also, when complexity rises, so do the challenges of the most efficient STs such as email, and also the opportunities of STs with high communicative value such as VOIP.

Among the more established tools, VOIP seems to be the one offering the most opportunities for intrapreneurial sales activities. Among the less established, access challenges seem to be the most evident whereas CRM is the ST that has been the most challenging in this aspect.

The potential opportunities of open channel STs seem big as they all are STs that create awareness on a broader level, as well as transparency and inclusion. However, they are all hindered by contextual factors and the communicative norms within the company and therefore their impact on intrapreneurial projects can not be fully confirmed.

Overall, contingency on organisational norms and structures does create big challenges for intrapreneurs who need to sell their project. Creating awareness and transparency around projects is crucial for support and therefore success. However, intrapreneurs do not seem to be able to break through these barriers, or do not realise that they conform to communicative norms that maybe are not as impactful as other choices.

5.7.1 Implications for the School of Entrepreneurship

The results of the research display that while there are challenges with using ST technologies, there are opportunities for intrapreneurial projects. Overall the research also highlights that ST in general may be underutilized to strategically communicate about entrepreneurial projects. Therefore, corporate entrepreneurs should explore using these STs to communicate with internal and external stakeholders about their projects. Moreover, they should consider what value strategic communications could bring to their projects at the several phases from initiation to closing.
5.7.2 Research implications

The finding highlights that even though the usage of ST seems to be dependent on the organisational context. Research on using sales technologies for entrepreneurial projects seems to be understudied. STs the findings show the potential opportunities of using these STs and the value they can bring. Furthermore, the challenges shine a light on the issues that need to be overcome in organisations in order to use sales technologies for entrepreneurial projects. This research contributes to the body of knowledge of research and also contributes to practice for future corporate entrepreneurs.

5.7.3 Future research

Additional research on this topic is important for theory building and for more conclusive practical implications for intrapreneurs and organisations. For future research, we encourage to look closer at the impact and opportunities of ‘open STs’ as intranet, blog and professional networking sites. Research in future should also investigate how to create a communication strategy for the different phases of an entrepreneurial project.
5.8 References


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