Addressing and Assessing the Entrepreneurial Orientation of an Organisation:

A theoretical framework and operational protocol consisting of a contextual process model of corporate entrepreneurship and a cognitive mapping approach

By

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ABSTRACT

This research takes its stance from the corporate discipline of entrepreneurship, which is synonymously defined as the academic domain of “corporate entrepreneurship”. This discipline views management and employees as interacting and intellective entities of an organisational (social and interpretative) system from which entrepreneurial actions are pursued, initiated and executed for the benefit of organisational performance and individual development. The purpose of this interpretive research is to explore, identify, analyse and visualise the strategic entrepreneurial processes within organisations. The research objectives include the development of an appropriate language to discuss the strategic organisational processes that exist in entrepreneurial firms that support and develop their entrepreneurial orientation. To achieve this objective, a theoretical framework is developed in the form of a contextual process model of corporate entrepreneurship together with the development of a methodological framework, i.e. operational protocol, for exploring the socially constructed phenomena of corporate entrepreneurship and for applying the contextual process model to real life organisational contexts. The other main research objective focuses on establishing to what extent this theoretical and methodological framework is effective as a tool to understand, assess and improve the entrepreneurial orientation of an organisation. The methodological framework proposed and applied in this research consists of a case research approach for relevant and meaningful information gathering, a cognitive mapping approach for the structuring of complex qualitative data and an operational comparison method called the EDI-framework (expectation, desirability and importance) as an interpretative data analysis method.

In practical terms, this study focuses on how to better understand, communicate and develop the entrepreneurial orientation of medium-sized to large organisations in order to increase their corporate performance. In particular, it addresses the question of practical interest of how to build an organisation and an organisational culture that proactively seek and create business opportunities with leaders who understand how to foster and manage such an organisation for the benefit of corporate performance and individual
development. The theoretical and methodological frameworks were serially applied to real life situations in the form of qualitative in-depth case studies conducted in three organisations, two in Australia and one in Sweden, in order to evaluate the contextual process model and operational protocol, demonstrate their usefulness, establish their relevance and to ascertain to what extent they could be used to identify issues that affect the entrepreneurial orientation, such as strengths and weaknesses, as a basis for focussing debate about organised change within an organisational context. This research suggests that the theoretical and methodological framework can successfully be engaged for determining the strong and weak areas that directly affect the entrepreneurial orientation. It further suggests that the contextual process model in combination with a cognitive-mapping approach offers in depth contextual understanding and can therefore act as an effective tool for making sense of organisational circumstances that are directly linked to the entrepreneurial orientation. The combination constitutes a very useful assessment framework that can be used as a meaningful and effective approach and technique for organisational stakeholders who are challenged with the task of trying to address, assess and improve the entrepreneurial orientation of an organisation, using the contextual process model of corporate entrepreneurship as a map, guiding the inquirer and providing explicit insight and confidence in which strategic direction to choose. The proposed methodology then provides the bearing for which strategic direction to choose to improve the entrepreneurial orientation. Such a “map” and “compass” has not been available to the academic field of corporate entrepreneurship prior to this research.

A detailed research design is developed that integrates an evolutionary context (environment) and process (strategy) approach. This design offers a multidisciplinary approach by integrating three strategic dimensions (The individual dimension representing personal characteristics, the organisational dimension representing the strategic management behaviour and the environmental dimension representing the corporate culture) in the contextual process model. Key concept variables (favourable preconditions), 23 in total, are developed for each dimension. This research involves the study of sources of opportunities, the process of discovery, the exploitation of opportunities and the characteristics of individuals in organisational settings who
discover, evaluate, and exploit these opportunities. The integration of the “Process of innovation” in the contextual process model addresses these issues in a meaningful way. This facilitative process offers a structured way of describing how an organisation acts entrepreneurially by visualising the process of capturing business opportunities and how that capturing can be managed in order to create entrepreneurial activities. Ten different kinds of precipitating events are suggested, i.e. the catalyst event for a specific business opportunity.

The study suggests that actively seeking and capturing business opportunities will impact positively on the awareness of the strategic importance of the entrepreneurial orientation as a source of competitive advantages. It further suggests that entrepreneurial activities are a valuable source that provides tactical opportunities to address strategic changes to the organisational context. This research also suggests that entrepreneurial orientation directly affects corporate performance and is therefore purposeful for an organisation to pursue and that it should therefore be endorsed as a strategic objective. At the same this research suggests that the entrepreneurial orientation is expressed differently depending on the organisational context.

This research offers insight into how entrepreneurial processes can be understood, explained and communicated in different organisational contexts. It presents explicit and implicit avenues and opportunities for organisational stakeholders seeking to improve the entrepreneurial orientation of an organisation. The findings support the assumption that entrepreneurial processes are manageable and therefore something that can be learnt, taught and implemented, hence putting the management in control of the entrepreneurial orientation and creation of entrepreneurial activities within the firm. Consequently, this research makes several contributions and advancements to meaningful theory development. The holistic, yet structured, framework proposed in this research presents an incentive for future researchers within corporate entrepreneurship to adopt a range of different research designs, such as a continued contextual process approach, including action research designs for implementing key variables that are not present within a specific organisational setting.
CERTIFICATION OF DISSERTATION

To the best of my knowledge, the work in this dissertation is entirely original except where otherwise acknowledged and referenced. This dissertation has not been submitted either in whole or in part for a degree at this or any other university.

H.G. Patrick Hillenbrand
Candidate

I certify that the candidate Patrick Hillenbrand has completed this DBA thesis under my supervision. I confirm that this thesis is of sufficient merit to warrant examination.

Dr. Paul Ledington
Chief Supervisor
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CHAPTER 1  INTRODUCTION

This thesis will focus on how to better understand, communicate, assess and improve the entrepreneurial orientation of medium-sized to large organisations. To accomplish this an interpretative theoretical framework and operational protocol will be conceptualised in the form of the development of a contextual process model of corporate entrepreneurship in combination with a cognitive-mapping approach. This framework and operational protocol will be applied to real life organisational contexts in the form of qualitative in-depth case studies in three medium-sized to large organisations, one in Sweden and two in Australia, in order to establish its relevance and usefulness.

The first Chapter of this thesis introduces this research. The background Section below is provided to set the academic stage and present the relevance of this area of research. The “Research Objectives” Section that follows formulates two research themes. Next, justifications for the academic community as well as the benefits for practitioners in the business community are presented in the Section “Justification for this research”. An introductory discussion about the research design is presented in the Section “Methodology”. A Section of definitions and a Section describing the structure and content of this thesis follow this. A summary concludes this Chapter.

1.1 Background to the Research

Entrepreneurial activity represents one of the major engines of economic growth, and today accounts for the majority of new business development and job creation in the United States (Lumpkin & Dess, 1996). It is relevant to assume that this is the case within most other nations as well. Therefore entrepreneurial activities within small firms, medium-sized organisations and large corporations are becoming a leading issue on economic and political agendas worldwide, helping to make this field of research accepted into the academic curriculum as a discipline unto itself. As we understand the importance of this phenomenon, we also advance in understanding the core of economic development, i.e. entrepreneurial activities.
No company, region or nation can maintain steady growth without innovations in products, services, systems and society. A continued high living standard and welfare for our children and ourselves finally depends on how clever we are in managing good ideas, entrepreneurial spirit and knowledge. However, today’s corporate managers and directors seem more than ever obsessed with and/or forced by stakeholders into producing short-term results. As the industrial giants of our time struggle to reinvigorate themselves through downsizing, re-engineering, non-organic growth, going into joint ventures and other prescriptions, the importance of well-communicated innovation processes and the development of entrepreneurial management have not been adequately addressed (Utterback, 1999).

Large firms impress us as durable and persistent features of the economic landscape for obvious reasons, they have greater resources and the forward momentum of established products and customers to carry them through times of distress and mismanagement. Nevertheless, in the longer term survival concerns even the largest companies. Examine a list of the largest firms in the world over any appreciable time span, and you will see a surprising degree of movement: many that were once the biggest, best-financed, and most professionally managed companies have slid from the top ranks. Others have dropped off the list entirely. Still others, previously small firms or non-existent, have risen to replace the former leaders. Many of the newcomers were formed through the IT-revolution and in the biotechnological field – technologies that few would have imagined a generation ago.

When companies experience “hypercompetition” in their marketplace (D’aveni, 1994), competitiveness hinges on the ability to continuously develop or adapt new technologies in products, services, and processes. In order to do this one needs to understand the nature, dynamics and processes of entrepreneurial activities in organisations, hence this understanding is essential for sustainable global economic development and is a life and death issue critically addressing survival and success for the individual firm.

Today, firms have found that most of what can be outsourced, insourced, re-engineered or acquired, has already have been done so by their competitors. The only sustainable solution for firms is to also accept and focus on the development of their own
organisations, so that they are able to increase their entrepreneurial orientation and express it through entrepreneurial activities.

Today, the major challengers of, for example, American business tend to be the innovators such as Dell, Napster and Amazon, which have produced ideas or products that have changed their industries. Some giants, including General Electric and Cisco, have at the same time been remarkably successful at snapping up and integrating scores of small companies. Many others worry about the prices they have to pay to run their business, the difficulty in merging organisations, and hanging on to the talent that dreamt up the business idea. Much of today’s merger boom is in fact driven by a desperate search for new ideas, therefore a fortune is spent on licensing and buying others’ intellectual property (The Economist, 12 April 1999). After the significant fall of the value of shares during the years 2000 and 2002, most public businesses have seen their monetary power significantly weakened, thus drastically limiting their option of acquiring others intellectual property, market shares, customer base etc., i.e. acquiring competitiveness and corporate performance. This situation adds further relevance to the issue of exploring the phenomenon of corporate entrepreneurship. Corporate entrepreneurship has long been recognised as a potentially viable means for promoting and sustaining corporate competitiveness. However, only in recent years has much empirical evidence been provided which justifies the conventional wisdom that corporate entrepreneurship leads to superior firm performance (Covin & Miles, 1999).

All organisations would certainly like to develop more ideas in-house, however, there is insecurity about managing entrepreneurial activities, including innovation, yet the available truths are hardly comforting. Even though most firms are aware of what results they need to achieve, they do not know how to achieve them. Unlike cutting the number of jobs, or making an acquisition, innovation and entrepreneurial activity do not happen just because the chief executive wants it. Indeed, it is difficult to come up with new ideas year in, year out, especially brilliant ones.
Underneath all the traditional, classical, economic theories, most of the available answers seem to focus on the strengths that are difficult but necessary for business to create. These include an organisational culture that continuously looks for and creates new ideas, and leaders and managers who know and understand how to foster and manage such a culture. Their purpose is to develop an entrepreneurial orientation within the firm by generating entrepreneurial activities leading to the creation of competitive advantages for the firm within its marketplace.

“Entrepreneurial orientation” (EO) emerges from a strategic-choice perspective (Child, 1972), which asserts that new-entry opportunities can be successfully undertaken by “purposeful enactment” (Van de Ven & Poole, 1995). Thus, EO involves the intentions and actions of key players functioning in a dynamic generative process aimed at new-venture creation. The five key dimensions that characterise an entrepreneurial orientation include a propensity to act autonomously, a willingness to innovate and take risks, and a tendency to be aggressive toward competitors and proactive relative to marketplace opportunities. All of these factors – autonomy, innovativeness, risk taking, competitive aggressiveness and proactiveness – are used to characterise and distinguish the key entrepreneurial processes of a firm’s entrepreneurial orientation (Lumpkin & Dess, 1996). These key factors will be addressed further in Chapter 2. In brief, the entrepreneurial orientation of an organisation refers to the processes, practices and decision-making activities that lead to “new entry” (Lumpkin & Dess, 1996), which is the essential act of entrepreneurship. “New entry” will be referred to as “entrepreneurial activities”. New entry can be accomplished by entering new or established markets with new or existing goods or services in order to generate competitive advantages. New entry is the act of launching an entrepreneurial venture (see definitions, Section 1.6), either by a start-up firm, through an existing firm or via “internal corporate venturing” (Burgelman, 1983).

The phenomenon of corporate entrepreneurship, which generates successful business and creates entrepreneurial ventures, is of course the core of the phenomenon that this research seeks to address. Assuming that the entrepreneurial orientation concept
introduced above is a pre-existing condition for successful entrepreneurship in corporate settings, it is highly relevant to apply the entrepreneurial orientation construct to research themes. This move helps to address identification and enhances understanding of, and improves, the strategic processes and factors within organisations that affect the entrepreneurial orientation. Therefore, the next Section proposes a construct for such an application.

1.2 Research Objectives

To formulate relevant research themes around the importance of the nature of entrepreneurial orientation, as raised above, this Section introduces two key issues that will be further addressed in Chapter 2, “Setting the Theoretical Stage”. These issues are the development of a “contextual process model of corporate entrepreneurship” and a “cognitive mapping approach”.

In brief, this discussion will capture and narrow down the context of the previously addressed background Section into addressable research issues, leading to a statement two research themes.

1.2.1 A Contextual Process Model of Corporate Entrepreneurship

As will be established in Chapter 2 “Setting the Theoretical Stage”, modern research views entrepreneurship in corporate settings as a process that can be managed and that corporate entrepreneurship positively affects corporate competitiveness and hence facilitates higher corporate performance, both financial and non-financial, of the organisation.

The area of interest in this research is therefore how to better understand relations between the different components supporting the processes of corporate entrepreneurship in an organisation, how they interact and affect each other. If those components can be visualised into a contextual process model it would provide stakeholders with a valuable
tool to better understand and communicate the corporate entrepreneurial processes and entrepreneurial potential in an organisation at any given time.

Gartner (1988) suggests that in entrepreneurship research, the research theme should focus on the process of entrepreneurship instead of who is the entrepreneur. His implication is that entrepreneurship is a multi-dimensional process and that entrepreneurial traits constitute just one component of that process. Gartner (1989) called for studies that build on the previous literature and develop theories for the study of entrepreneurship processes. It is at the same time critical to understand that corporate entrepreneurship is a multi-dimensional process with many forces acting in concert that lead to the implementation of an innovative idea (Hornsby, Naffziger, Kuratko & Montagno, 1993).

Many researchers have tried to develop generic models around the concept of corporate entrepreneurship for example Covin and Slevin, (1991), Hornsby et al. (1993), and Chrisman, Bauerschmidt and Hofer (1998). Covin and Slevin (1991) state that for a model of corporate entrepreneurship to be “reasonably adequate in scope” it should consider "three levels of variables – environmental, organisational and individual” (1991, p. 9). Russell (1999) states that examining several models of Covin and Slevin, (1991), Hornsby et al. (1993), Russell and Russell, (1992), and Zahra (1991) indicates that they converge on the same three general domains/dimensions. The three strategic dimensions that this research project will use are therefore the organisational, the environmental and the individual dimension. They will form interdependent strategic components in the construction of the conceptual contextual process model of corporate entrepreneurship presented in Chapter 3 “Developing the Theoretical Framework”.

In this thesis the term “strategic processes” will be used to describe the processes that exist and interact in the contextual process model of corporate entrepreneurship mentioned above.
1.2.2 A Cognitive-Mapping Approach

Heavily influenced by the Carnegie School of cognitivist organisational theory (e.g., Simon, 1946, March & Simon, 1958), and by cognitive science in general, research on managerial thinking has expanded considerably during the past 15 years (e.g., Meindl, Porac & Stubbart, 1994, Weick, 1995). According to Porac and Raghu (1999), the apposite research has focused on three different topics:

The first is making managerial sense of organisations. Here the clear focus has been on how managers come to understand the external context of their organisations.

Second, this externally focused way of making sense of organisations is assumed to result in retained knowledge structures that represent important aspects of the business environment – for example, key business issues and threats, market structures, customer needs, technological trajectories, and so on.

Third, this knowledge has been conceptualised as a “cognitive map” that represents what actors expresses about the environment that is their beliefs, assumptions, and frames-of-reference for interpreting environmental cues.

Cognitive maps have generally been assumed to be articulate and explicit knowledge structures that are amenable to description and measurement. Indeed, a large proportion of research on managerial cognition has been directed toward mapping these cognitive structures. The unit of analysis for cognitive research has been individual top managers or top management teams. The assumption has been that responsibility for environmental scanning typically rests with top management, and thus a focus on top management cognition is a necessary methodological choice when investigating how organisations enact and make sense of their environments (Porac & Raghu, 1999). However, Porac and Raghu continue, the cognitive dynamics of organisations cut much deeper and more broadly than the processes that shape how top managers view their world. It is thus not sufficient to restrict a cognitive analysis of organisations to management teams. It is
necessary to view organisations as large-scale interpretative systems that encode cues from the environment, and incorporate the resulting interpretations into organisational practices and routines. Conceptualised in this systematic way, organisational cognition involves all of an organisation’s system and structures, and thus theorising about the way organisations think must be correspondingly general and robust.

The cognitive-mapping approach appears to have substantial promise for the study of corporate entrepreneurship. Cognitive mapping may provide a technique for modelling the relationships that create the organisational systems that drive intrapreneurial processes. Critical entrepreneurial outcomes and behaviours can be defined and organisational characteristics that influence these outcomes and behaviours can be identified and incorporated within a systems map of entrepreneurial processes (Russell, 1999).

A cognitive-mapping approach to modelling corporate entrepreneurship offers three advantages:

(1) It provides a holistic model of the intrapreneurial process that incorporates several organisational concepts found to be correlated with corporate entrepreneurship in previous studies and describes how they may operate together to foster new ventures. This approach provides a holistic perspective of the corporate entrepreneurship processes in a dynamic social system and expands our understanding beyond correlational models.

(2) It describes and clarifies links between derived concepts by expressing them in terms of presumed influences, thereby providing a description of how corporate entrepreneurship concepts may influence specific behaviours and outcomes related to corporate entrepreneurship.
(3) It can be used to identify possible feedback loops in the system that may contribute to our understanding of how the process of corporate entrepreneurship is sustained (or extinguished).

In brief, the main benefit of this approach that this research endorses is that the approach captures and displays peoples’ states of mind, hence it illustrates “cognitive” mapping in relation to the context of a situation in a clear, holistic and explicit way that is valuable for addressing the multi-dimensional phenomenon of corporate entrepreneurship.

Further establishment of the relevance a cognitive mapping approach, a discussion of the practical principles of the construction of cognitive maps, and the use of cognitive maps as an analysis and analysis presentation method in this thesis, are discussed in Chapter 4 “Research Methodology”, Section 4.5.1 “Cognitive Mapping: A Non-quantifying method of qualitative analysis”.

1.2.3 Statement of Research Themes

The above discussion has raised a core of issues that will be incorporated in a statement of two research themes for this research project. By addressing the two research themes stated below, this research project will contribute to answering the underpinning question of practical interest that this research addresses and that motivates this researcher in conducting the research study in hand here:

“How do you build an organisation and an organisational culture that proactively seeks out and creates business opportunities with leaders who understand how to foster and manage such an organisation, and who engage with and lead and develop individuals who promote an entrepreneurial orientation that can generate competitive advantages?

The two research themes stated for this research project following the issues discussed above are:
Research Theme 1

*What is an appropriate language for discussing strategic organisational processes that exist in entrepreneurial firms that support and develop a firms’ entrepreneurial orientation?*

Research Theme 2

*Is a cognitive-mapping approach and a contextual process model of corporate entrepreneurship effective as a tool to understand, assess and improve the entrepreneurial orientation of an organisation?*

To address these research themes, a contextual process model of corporate entrepreneurship will be conceptualised in Chapter 3, “Developing the Theoretical Framework”. It will then be serially engaged with real life situations using the operational protocol developed in Chapter 4 “Research Methodology”, with the purpose to evaluate and to establish its usefulness as a language to discuss strategic organisational processes affecting the entrepreneurial orientation and to demonstrate its relevance as a basis for making sense of various contextual issues affecting the entrepreneurial situation within an organisation. After the evaluation of the theoretical framework, the focus will shift to addressing the second research theme by applying the theoretical framework to an organisational situation with the focus to identify issues relating to and indicating the need for specific changes that would improve the entrepreneurial orientation of an organisation, i.e. demonstrating and ascertaining to what extent an inquirer can facilitate the theoretical framework and operational protocol when addressing, assessing and improving the entrepreneurial orientation within an organisational context.

**1.3 Justification for this Research**

This Section addresses the relevance of this research by reflecting on relevant and current research within the academic domain of corporate entrepreneurship, hence justifying the
research. In this Section, the expected contributions to academic knowledge and to the business community are also discussed.

Corporate entrepreneurship has long been recognised as a potentially valuable means for promoting and sustaining corporate competitiveness. Schollhammer (1982), Miller (1983), Khandwalla (1987), Guth and Ginsberg (1990), Naman and Slevin (1993) and Lumpkin and Dess (1996), for example, have all noted that corporate entrepreneurship can be used to improve competitive positioning. It can transform corporations, their markets, and industries as opportunities for value-creating innovation are developed and exploited.


Entrepreneurship is an important and relevant field of study (Shane & Venkataraman p. 7, 2000). As intellectually stimulating as it may be to find out what motivates entrepreneurs and how they differ from ordinary mortals, the more critical question is how these individuals manage to create and sustain successful organisations, despite severe obstacles (Aldrich & Martinez, 2001).

The field of entrepreneurship involves the study of sources of opportunities, the process of discovery, the exploitation of opportunities and the set of individuals who discover, evaluate, and exploit them (Shane & Venkataraman, 2000). There is therefore a recognised need to focus on the discovery and exploitation of opportunities as a key aspect of the entrepreneurial process, which includes consideration of the influence of the individual in this process (Shane & Venkataraman, 2000). Shane and Venkataraman further take the view that consideration of environmental factors is fundamental to an understanding of the generation of and action upon entrepreneurial opportunities. An additional issue raised is the need for further understanding of the entrepreneurial
processes by focusing on performance as an outcome of entrepreneurial behaviour and how it reinforces the entrepreneurial orientation.

The entrepreneurial processes involving all the functions, activities and actions associated with the perception of opportunities and the creation of organisation to pursue them have generated considerable academic interest (Ucbasaran, Westhead, Wright, 2001). Within the academic area of corporate entrepreneurship, they are a relevant and therefore justified area on which to focus. The processes associated with the entrepreneurial phenomenon can be discussed with regard to opportunity recognition and exploitation by entrepreneurs, ability based on skills, competencies, and knowledge, and ability to obtain resources and coordinate scarce resources (Low & MacMillan, 1998, Shane & Venkataraman, 2000). Venkataraman (1997) argues that one of the most neglected questions in entrepreneurship research is where opportunities come from. Ucbasaran et al. (2001) argue that there is a clear need to investigate the nature of entrepreneurial behaviour within different organisational settings. These authors also claim that to understand and separate the contribution of individual entrepreneurs (as well as teams of entrepreneurs) from the entrepreneurial process and entrepreneurial performance, qualitative approaches may be appropriate. They conclude that there is a continued need for studies to explain the contexts and processes associated with entrepreneurial behaviour. Studies that attempt to integrate the multidisciplinary dimensions of entrepreneurship are required. Although admitting that a complete integration may be unrealistic, their position acknowledges that recognition of the multidisciplinary dimensions of entrepreneurship could add to our understanding of the phenomenon.

Low and MacMillan (1988) identified three elements indispensable to an understanding of entrepreneurial success: process, context and outcomes. Although our knowledge of entrepreneurial activities has increased since publication of their study in 1988, we still have much to learn about how processes and context interact to shape the outcome of entrepreneurial efforts. From an evolutionary approach, process and context (strategy and environment) interact in a recursive continuous process, driving the fate of entrepreneurial efforts. Thus, integrating context and process into research designs
remains a major challenge. Such integration constitutes a necessary step to a more complete evolutionary approach and a better understanding of entrepreneurial processes (Aldrich & Martinez, 2001).

The field of corporate entrepreneurship is still in its infancy (Sharma & Chrisman, 1999), and the fragmentation of the field is at least partially due to the growing need for, but lack of, “fit” between (a) the increasing amount of data and insights into the entrepreneurial phenomenon and (b) the central requirement for a fundamental mapping of entrepreneurial concepts (Brazeal & Herbert, 1999).

Entrepreneurship research sorely needs a framework solidly grounded in well-established theory (MacMillan & Katz, 1992). Cognition-based models are very much needed and can provide us with a comprehensive theory-driven conceptual framework that provides a tangible infrastructure to support the pursuit and implementation of opportunities (Kreuger, 2000).

The cognitive-mapping approach as advocated by Russell (1999) appears to have substantial promise for the study of corporate entrepreneurship. Cognitive mapping may provide a technique for modelling the relationships that create the organisational systems that drive intrapreneurial processes. Russell’s cognitive-mapping approach focused mainly on the organisational characteristics. Even though he recognised the environmental and individual characteristics influencing the entrepreneurial processes, Russell (1999) also acknowledged the need for closer integration of these two dimensions in his construct. At the time of publishing his study, Russell had no empirical verification of the cognitive constructs of entrepreneurial processes. The ambit of his study did not include the individual dimension. Although acknowledging that the individual aspects of human beings are of greatest importance to understanding and explaining entrepreneurship in organisational settings, he admitted this was too large an area to cover thoroughly and therefore excluded it from his model.

A number of implications can be drawn from the discussions above,
First, the cognitive-mapping approach used in this research as a way of capturing and addressing the entrepreneurial situation and processes within an organisation satisfies the need for research that can map and visualise entrepreneurial concepts. A cognitive-mapping approach also meets the need for cognition-based models of real-life entrepreneurial situations and helps to satisfy the need for qualitative research designs that can validate entrepreneurial concepts from empirical data.

Second, this research will extend Russell’s valuable research by including all three dimensions believed to be necessary – individual, organisation and environmental – when addressing entrepreneurship at an organisational level. Furthermore, this research will also extend Russell’s research by collecting and analysing empirical data from organisations in order to evaluate and refine the construct.

Third, as an important part of the framework proposed, this research will conceptualise, engage and evaluate a contextual process model of corporate entrepreneurship that will recognise the need to focus on the discovery and exploitation of opportunities as a key aspect of the entrepreneurial process. This model will also include consideration of the influence of the individual in this process. The conceptualisation of “The Process of Innovation” in Chapter 2 will address these issues.

Fourth, this research will address how processes and context interact to shape the outcome of entrepreneurial efforts. Such integration constitutes a necessary step to a more complete evolutionary approach and a better understanding of entrepreneurial processes.

1.3.1 Contribution to Research

As a consequence of the discussion above, this research project is expected to make four important contributions to the academic community and to the entrepreneurship domain in particular:
1. Foundation for further theory building
2. Extension of previous research
3. Expansion of knowledge
4. Approaching the area from an interpretive stance rather than from the predominantly positivist tradition

These four contributions are further addressed in the following discussion,

First, this thesis will address the frontier of knowledge of the multi-dimensional phenomenon of corporate entrepreneurship and therefore contribute to laying the foundation for further theory building within the discipline. As Chapter 2 will conclude, theory building is a major focus within the still relatively new paradigm of corporate entrepreneurship.

Second, this proposed area of research will contribute to knowledge in this field by extending previous studies that relate to corporate entrepreneurship. As Chapter 3 concludes, no research to date has for example has addressed all three strategic dimensions (see definitions below) together at the same time.

Third, since corporate entrepreneurship is a young academic discipline, contribution of extended knowledge and better insight is extremely valuable, especially for understanding and better explaining the underlying relationships that form the multifaceted i.e. multidisciplinary phenomenon of corporate entrepreneurship.

Fourth, existing studies within the area of corporate entrepreneurship have their origin predominantly within the positivistic philosophies of research. The proposed area of research takes a clear interpretivist stance and approaches the research themes with a qualitative case research approach, which therefore will produce research findings with high internal validity. Contemporary research has not facilitated cognitive mapping to analyse qualitative field data when approaching the relationship between the strategic domains and the entrepreneurial orientation construct. It is therefore highly relevant and
interesting to explore to what extent contextual cognitive mapping can be used when recognising and evaluating the interacting strategic organisational processes that develop and support corporate entrepreneurship, as the second research theme addresses.

**1.3.2 Benefits to Practitioners**

While the previous Section outlined four contributions this research will make to research, this Section outlines benefits for practitioners. This research will contribute in three main areas to the business community, i.e. the practitioners and organisational stakeholders:

This study provides increased understanding, insight, knowledge and awareness of corporate entrepreneurship, especially regarding the relationships between the strategic domains and strategic processes discussed earlier, explaining entrepreneurial orientation and entrepreneurial activities in firms.

This study addresses the assumption that entrepreneurial processes are manageable and therefore something that can be learnt, taught and implemented, hence putting the management in control of the entrepreneurial orientation and creation of entrepreneurial activities within the firm.

This study provides stakeholders with a better understanding and insight into how entrepreneurial processes can be understood, explained, communicated and improved within a firm leading to a higher level of entrepreneurial orientation that can improve corporate performance.
1.4 Methodology

This Section provides an introductory overview of the research methodology used in this research project. A more detailed discussion of these issues and the position of the researcher is presented in Chapter 4 “Research Methodology”.

This research has an interpretivist approach, with a holistic orientation to the research area in focus. The purpose of the proposed research is not to draw general conclusions or to empirically test a priori derived propositions or hypotheses. Rather it is to explore, discover and gain deeper understanding within the area of corporate entrepreneurship, i.e. to generate knowledge in order to be equipped to lay the foundation for further theory building in the research field of corporate entrepreneurship. This research will focus on collecting primary field data through qualitative data collection techniques. Considering the stated research themes of this research, it is relevant and necessary to apply an exploratory approach. This research would therefore be best described as an exploratory study that aims to include managerial implications, recommendations and suggestions. The collected information will be treated inductively vis a vis the available literature when performing the analysis. A combination of inductive research, grounded theory and Soft Systems Methodology (SSM) will be used in an iterative process. The researcher here believes that the area of research is best observed and analysed within its natural environment, i.e. from live field organisations. Thus a case research approach will be used, conducting in-depth case studies using non-participative observation techniques and activities to collect relevant field information. The methods chosen for analysis and analysis presentation are “cognitive mapping” and operational comparison, which is an important and relevant analysis technique within Soft Systems Methodology, an analysis method often used in action research. A professional cognitive mapping software, “Decision Explorer”, will be used in order to reduce the need for early data reduction, effective structure, and to present the data. The elements mentioned in this Section collectively constitute the framework of the research design adopted in this research.
1.5 Structure of this Thesis

This thesis has seven major Chapters, a reference list and a number of appendices. The Chapters are titled,

Chapter 1, Introduction
Chapter 2, Setting the theoretical stage
Chapter 3, Developing the theoretical framework
Chapter 4, Research methodology
Chapter 5, Analysis of data
Chapter 6, Findings and outcomes
Chapter 7, Reflections, implications and contributions

The structure and content of these individual Chapters are introduced below.

1.5.1 Chapter 1 - Introduction

This first Chapter introduces the research. A background Section in this Chapter is provided to set the academic stage and present the relevance of the area of research. The “Research Objectives” Section that follows formulates two research themes. Next, justifications for the academic community as well as the benefits for practitioners in the business community are presented in the Section “Justification for this research”. An introductory discussion about the research design is presented in the Section “Methodology”. This is followed by a Section describing the structure and format of this thesis, which is followed by a Section of definitions. A summary concludes this Chapter.

1.5.2 Chapter 2 – Setting the Theoretical Stage

This Chapter reviews relevant research in the area of entrepreneurship, together with literature relevant to the stated research themes. The Chapter discusses and presents relevant definitions and distinguish entrepreneurial organisations from traditional business ventures. To further distinguish entrepreneurship in organisational settings, some perspectives on entrepreneurial management and behaviour are presented. A
necessary and close link between strategic management as a process and corporate entrepreneurship are established. A summary concludes this Chapter.

1.5.3 Chapter 3 – Developing the Theoretical Framework

This Chapter constructs and presents a conceptual contextual process model of corporate entrepreneurship. This Chapter will, by addressing relevant “concept variables”, focus on the actual processes believed to be associated with the entrepreneurial orientation of firms, forming a framework for the construction of the conceptual contextual process model of corporate entrepreneurship. In the same way, three relevant organisational dimensions are presented forming a holistic, yet structured and simple construct of strategic organisational dimensions believed relevant and feasible for addressing issues of corporate entrepreneurship. 23 concept variables (favourable preconditions) are developed within these three strategic dimensions. The logic of the format is based on the context of research themes stated in Chapter 1. A summary concludes this Chapter.

1.5.4 Chapter 4 - Research Methodology

This Chapter develops an appropriate and comprehensive research design. The Chapter has five major Sections: Research paradigm, methodology, methods, analysis and reporting. This Chapter outlines the methods and procedures for collecting and analysing data to answer the research themes. The Chapter takes a wider perspective of the theoretical framework behind the proposed methodology for this area of research. The researcher discusses his role as a researcher and presents his positions in regard to that framework. This Chapter also addresses the ethical considerations involved in this research. A summary concludes this Chapter.

1.5.5 Chapter 5 - Analysis of Data

This Chapter presents the collected data and analyses of the collected data as they are relevant to the stated research themes. The Chapter presents the findings and outcomes from the three in-depth case studies conducted within this research project. A separate summary concludes each case study presentation.
1.5.6 Chapter 6 – Findings and Outcomes

This Chapter summarises the research. It presents and discusses the findings with regard to the stated purpose and presents the outcomes in regard to the stated research themes. A summary concludes this Chapter.

1.5.7 Chapter 7 – Reflections, Implications and Contributions

This final Chapter provides some important reflections on the research achievements. In particular it discusses the implications of the findings and outcomes on the academic theory, business practitioners and research methodology. This Chapter also presents relevant avenues for the selection and design of further research within the academic discipline of corporate entrepreneurship. In particular, this Chapter addresses and presents the core contributions of this research.

1.5.8 Reference List

Under this Section, all the references are presented that are referred to in this thesis. No references are listed if they are not referred to in this thesis. This thesis is following the internationally accepted Harvard system of citation.

1.5.9 Appendices

Several relevant appendices are attached to this thesis. For a detailed list of the appendices, see the Table of Contents.

1.6 Definition of Terms

For clarification purposes, this Section defines the key terms used throughout this thesis. For further discussion of the origin of these definitions, see Chapter 2 - “Setting the Theoretical Stage”.
**Corporate culture** is defined as the sum of the shared values and norms of individuals in a corporate setting, which are expressed through a certain overall way of corporate behaviour.

**Corporate entrepreneurship** holds several meanings. Most importantly in this study, it assumes that entrepreneurship in an organisational setting is a manageable process. Corporate entrepreneurship has the overall objective of creating value for the stakeholders by the creation and renewal of organisations. Finally, corporate entrepreneurship has the same essence as Timmons’s (1999) meaning of entrepreneurship, as defined below. Corporate entrepreneurship is expressed by the entrepreneurial orientation of an organisation (see definition below).

**Entrepreneurs** are individuals or groups of individuals, acting independently or as part of a corporate system, who create new organisations, or instigate renewal or innovation within an existing organisation.

**Entrepreneurship** is a way of thinking that is opportunity obsessed, holistic in approach and leadership balanced (Timmons, 1999, p. 27).

**Entrepreneurial orientation (EO)** refers to the strategic processes, managerial practices and decision-making activities that lead to new entry i.e. generates entrepreneurial activities.

**Entrepreneurial venture**: An entrepreneurial venture is one that engages in at least one of Schumpeter’s (1934, 1942) five categories of behaviour, i.e. the principle goals of an entrepreneurial venture are profitability and growth and the business is characterised by innovative strategic practices.

**New entry**: The essential act of new entry is an entrepreneurial activity. While EO describes how new entry is undertaken, “new entry” explains what entrepreneurship consists of.
**Strategic processes:** In this study the term “strategic processes” will be used to describe the processes existing in the three interacting strategic domains i.e. the organisational, individual and environmental domain.

### 1.7 Delimitations of Scope and Key Assumptions

This research does not claim to intend to develop or change innovation processes in organisations. This research rather seeks to develop a more accurate language to discuss the strategic organisational processes and conditions that exist in organisations that support and develop their entrepreneurial orientation. Thus, this research intends to develop a more appropriate and useful theory including an operational protocol for applying this extended theory that allows for organisational stakeholders to better understand, assess, communicate and develop the ability to express an entrepreneurial orientation in various organisational contexts.

This research is based upon the key assumption that entrepreneurial processes are manageable and therefore something that can be learnt, taught and implemented, hence putting management in control of the entrepreneurial orientation and creation of entrepreneurial activities within the firm.

### 1.8 Summary

This Chapter laid the foundation for this thesis. It introduced the research objectives, and stated two relevant research themes. Then a justification of this research was presented, the methodology was briefly described and justified, the thesis structure was presented, the major definitions were presented, the limitations and key assumptions were given. On these foundations the thesis can proceed with a detailed description of the research.
CHAPTER 2   SETTING THE THEORETICAL STAGE

2.1 Introduction

This Chapter provides a review of prior research on corporate entrepreneurship. Based on this research and literature “review”, this Chapter lays the foundation for the following Chapter (Chapter 3), “Developing the Theoretical Framework”, which constructs a conceptual contextual process model of corporate entrepreneurship.

It is instructive to explain here the title of this Chapter. In Chapter 4, which is concerned with research methodology, the findings and insights from the present Chapter are used inductively to analyse the field data collected in each of the case studies conducted for this project. A combination of inductive research, grounded theory and SSM (Soft Systems Methodology) is used to conduct this analysis in an iterative process. This research approach allows a solid theoretical foundation to be developed at the beginning of the research project, while also allowing for further development as the project evolves, as more understanding, knowledge and experience is accumulated. Thus, this Chapter is entitled “Setting the Theoretical Stage” – a more accurate description of its task than “Literature Review”, a traditional (positivistic) approach seeking to identify gaps and derive testable propositions from the existing literature. Rather than using a positivistic approach, this Chapter takes an interpretive stance, with a research design that uses theory for analysing field data as a sense-making tool in an iterative, evolving process.

This Chapter is focused on exploring relevant research and literature in order to introduce the reader to the area (discipline) and the academic domain (paradigm) of corporate entrepreneurship. This Chapter will discuss relevant definitions and distinguish entrepreneurial organisations from traditional business ventures. To further distinguish entrepreneurship in organisational settings, some perspectives on entrepreneurial management and behaviour are presented. A necessary and important link between
strategic management as a process and corporate entrepreneurship will also be established. A summary concludes this Chapter.

2.2 Development of the Academic Domain of Entrepreneurship

Academic research has long sought to explain the total construct of entrepreneurship in terms of the role it plays in the development of new or productive enterprise in order to further economic or organisational productivity. It has tended to avoid research into causal relationships and the practical implications of entrepreneurial development itself (Low & MacMillan, 1989). This thesis avoids becoming preoccupied with the conceptual development or definition of the entrepreneur beyond what is necessary to explain the entrepreneurial orientation of an organisation. The current trend in academic research on entrepreneurship is toward theory-driven research that is contextual and process oriented, and at least attempts to pursue causality (Low & MacMillan, 1989). This research project attempts to follow this trend. Before discussing existing definitions in the field of corporate entrepreneurship, attention is turned briefly to the term “entrepreneurship” itself. The historical development of this term has been documented by several authors (e.g., Burns & Dewhurst, 1996, Casson 1982, Gartner, 1988, Gratzer, 1998, Livesay, 1982, Soul, 1994, Wickham, 1998) and the earliest reference of the term has been traced to Richard Cantillon’s work (1734). To him, entrepreneurship was self-employment with an uncertain return.

Table 2.1 below presents a summary of the historical development of the meaning and context of entrepreneurship. Development of the notion and context of entrepreneurship can be explained by briefly addressing shifts in focus over time. These different focuses have not had clear boundaries, however three academic disciplines have clearly been prevalent in this evolution of meaning: economics, behaviouralism and management. This discipline-based approach is similar to that used by Kilby (1971) who structured his work using this methodology since he considered that it presented an appropriate theory in a more logical fashion. This theory recognised that since practitioners in each of the social sciences tend to view and define the phenomenon of entrepreneurship differently,
the principal determinants of entrepreneurial performance fall more comfortably within specific disciplines (Soul, 1994).

Table: 2.1

<table>
<thead>
<tr>
<th>Writer</th>
<th>Basis of Entrepreneurial Theory</th>
<th>Publication Year</th>
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<tbody>
<tr>
<td>Cantillon</td>
<td>Bearer of Insurable Risk</td>
<td>1755</td>
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<tr>
<td>Smith</td>
<td>An “Invisible Hand” of Market Intervention</td>
<td>1776</td>
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<tr>
<td>Say</td>
<td>Shifting Economic Resources</td>
<td>1803</td>
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<td>Mill</td>
<td>Individual Utilitarianism</td>
<td>1848</td>
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<tr>
<td>Marshall</td>
<td>Innovation and Risk-bearing</td>
<td>1890</td>
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<td>MacGregor</td>
<td>Alternative Co-operation Competition</td>
<td>1911</td>
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<tr>
<td>Cannan</td>
<td>Management of Factors of Production</td>
<td>1917</td>
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<td>Knight</td>
<td>Risk Bearing Theory</td>
<td>1921–1942</td>
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<td>Schumpeter</td>
<td>Innovative Economic Development</td>
<td>1934–1965</td>
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<tr>
<td>Cole and Denison</td>
<td>Residual Component of Growth Theory</td>
<td>1954–1967</td>
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<td>Penrose</td>
<td>Economic Theory Relating to the Firm</td>
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<td>Kirzner</td>
<td>Market Process / Characteristic Theory</td>
<td>1960–1979</td>
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<td>Reichhardt</td>
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<td>Hagen</td>
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<td>Aitken</td>
<td>Innovator</td>
<td>1965</td>
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<td>Liebenstein</td>
<td>X-efficiency Theory</td>
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<td>Baumol</td>
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<td>Co-operative Individualism / Community</td>
<td>1993</td>
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Many of the early pioneers within the entrepreneurship field such as Cantillon (1755), Marshall (1890) and Knight (1921-1942), focused on the risk vs. innovation component as a determinant of an entrepreneurial action or venture. The neoclassical economist Joseph Schumpeter expanded this perception and considered that anyone who fulfilled the function of enterprise and innovation could be considered as an entrepreneur, including those employed as managers and other staff who carried out new “combinations”. Historically, Schumpeter’s theories (Shumpeter, 1931, Shumpeter, 1942, Schumpeter 1965) were the first within the economists’ school to confer on the entrepreneur a role in economic development as a catalyst of, or a dynamic actor in, economic and social change. However Schumpeter came to be identified more with this later claim than the assertion that there was a correlation between the presence of a culture of entrepreneurship and the level of innovation and growth within an organisation.

This claim forms an important contribution to the full notion of entrepreneurship from which much important research has taken its stance. Schumpeter suggested that entrepreneurship was at the core of “creative destruction”, the very essence of capitalism and a phenomenon that destroyed itself once innovation became obsolete or commonplace (Schumpeter, 1942). Shumpeter blamed intellectual hostility toward entrepreneurs and the increasing concentration of wealth and innovation in large firms as further factors mitigating entrepreneurial activities (Kirchhoff, 1991).

Shumpeter felt that the economic paradigm of perfect competition did not actually exist in the market place and if it did, it would present an inferior economic model that could not be used to validly demonstrate an ideal level of efficiency. A situation of perfect market competition would leave all firms equally without surplus for research and development, innovation or investment and therefore without the opportunity to seek out and exploit new markets and ventures (Soul, 1994). Schumpeter identified entrepreneurship within a mechanism of change, and the entrepreneur as the bearer of this mechanism (Bos et al., 1984). Schumpeter’s theories seem to have retained their
credibility better than most others in this field midst the increasing complexity and development of modern economic, industrial and organisational thought.

The above discussion provides important reflections on entrepreneurship from the economics discipline. Much of the research from roughly 1960 to 1990 focused firmly on the individual and the importance of individual behaviour and characteristics. Casson (1982), Timmons et al. (1977) and many others presented certain qualities or characteristics of behaviour that typified successful entrepreneurs. McLelland (1961) adopted a more psychological, behavioural approach and proposed that any concept of achievement motivation merely existed to describe the entrepreneur phenomenon. He suggested that entrepreneurship could exist only in terms of certain individual behavioural characteristics that arose from childhood and upbringing or ideological leaning that aroused a latent need for achievement, rather than from any specific economic or management rationale (Soul, 1994). Shaver (1991) developed a theory based on identity suggesting that “need” was a motivational force originating in the brain (as the governing organ that superordinates the body) and incrementally organised one’s own perception and intellectual activity, and determined logical action. Despite the focus on the whole individual, this theory explains to some extent the unconscious processes that guide behaviour such as pursuit of achievement, but again, there was controversy and lack of agreement on this philosophical approach to the definitive entrepreneur. Collins et al. (1964) had claimed earlier that from contemporary paradigms of social science research there was in fact no single dimension or aspect to emphasise the essence of entrepreneurship, suggesting instead that it was a mix of characteristics that resulted from various behavioural deficiencies.

From around the mid-1980s the focus of research in this area evolved towards recognising the importance of management as a catalyst for entrepreneurial action in organisational settings, hence moving the focus of research on entrepreneurship from behaviouralism to the discipline of management. Drucker (1985) argued that a definite and profound change was occurring in the make-up of the workforce in a new rationalist economic order. He claimed the need for a fundamental cultural shift from an economy
based on management to one based on entrepreneurship, if lasting economic renewal is to be achieved. Kirzner (1979) argued that from within the organisation, management seemed to be best placed to detect new market opportunities because managers invariably are far closer to the locus of control and have market knowledge.

Drucker argued further that entrepreneurship is doubtlessly a matter of attitude and culture and as such it is a phenomenon that can be encouraged by environmental factors. In most, if not all organisations, management has control over these factors as it seeks to improve productive enterprise. He suggested that organisational activity in the form of “systematic, purposeful innovation” was the true indication of entrepreneurship, rather than any characteristic or traits displayed by individuals in the organisation. Drucker in 1985 was one of the first to recognise that stimulating individuals to engage in entrepreneurial activity is a legitimate way of achieving economic development and enhancing both individual and organisational performance. By 1991, Drucker (1991) had advanced his position on this issue, claiming it is important to recognise that productive enterprise is best achieved with close collaboration between management and employees.

During the 1990s the research focus shifted gradually towards emphasising that the entire organisation is essential for generating and carrying out entrepreneurial activities, and that the whole organisation as a social system is best equipped to continuously seek, create and capture business opportunities. It is from this perception that the present research project originates.

Gartner (1990) identified two distinct clusters of thought on the meaning of entrepreneurship. He found that one group of scholars focused on the characteristics of entrepreneurship (e.g., innovation, growth, uniqueness, and so forth) while another group focused on the outcomes of entrepreneurship (e.g., creation of value). The scholars who subscribed to the notion that entrepreneurship should be defined by its characteristic attributes appeared to be the largest group, accounting for 79 percent of Gartner’s sample. According to Sharma and Chrisman (1999), members of this group seem to rely on variations on either of two definitions of entrepreneurship: Schumpeter’s (1934) or
Gartner’s (1988). Schumpeter (1934) defined the entrepreneur as one who recombined existing factors or carried out new combinations in a business. This includes new products, processes, markets, organisational forms or sources of supply. As to the role of the entrepreneur in the economic system, Schumpeter stated, “the entrepreneurial function is . . . the vehicle of continual reorganisation of the economic system” (pp. 155–156). Here entrepreneurship is the process of carrying out new combinations. In contrast, Gartner claimed “Entrepreneurship is the creation of organisations” (1988, p. 26). Gartner was careful to specify that this was not offered as a definition but rather as “an attempt to change a long held and tenacious viewpoint in the entrepreneurship field toward what the entrepreneur does, not who the entrepreneur is” (p. 26).

It is clear from the literature that a large number of researchers in the field of entrepreneurship have employed this definition, including Gartner himself (e.g., Bygrave, 1993, Gartner, Bird & Starr, 1991, Learned, 1992). If one accepts Gartner’s observation that entrepreneurship is the actual creation of organisations, Wickham’s (1998) major point is relevant, i.e. that since creation is manageable, entrepreneurship is a style of management and something that can be learnt. Wickham says that learning to be entrepreneurial means learning to manage in an entrepreneurial way. This means recognising and pursuing the potential of a situation, the opportunities it presents, how changes may be made for the better and how new value can be created from it. In fact, most modern researchers (e.g., Krueger, Norris Jr & Brazeal, 1994, Burns & Dewhurst, 1996, Kao, 1997, Barrett & Weinstein, 1998, Chrisman, Baeurschmidt & Hofer, 1998, Wickham, 1998, Zahra, Jennings & Kuratko, 1999, Schindelhute & Timmons 1999, Morris & Kuratko, 2000) comply with the idea that entrepreneurship is controllable by management and can lead to increased effectiveness for both the firm and its stakeholders. In concluding this discussion it is important to acknowledge that the present research project positions itself closest to the school of thought proposed by Gartner (1990) that believes that management can control entrepreneurship.

During the 1990s the direction of research on entrepreneurship shifted again from a focus on the management discipline to a holistic corporate perspective focusing on the
organisation. The new focus recognised both management and individuals as essential parts of the organisational entity and therefore as the source of entrepreneurial activities. This recent “discovery” of, or evolution into, a fourth discipline of entrepreneurship has helped to inspire several influential and modern researchers to describe this discipline/domain as an “emerging” (Glancey and McQuaid, 2000) “paradigm” (Bygrave, 1989) called corporate entrepreneurship, which is still in its infancy (Sharma and Chrisman, 1999), has its own area of study (Krackhardt, 1995), and has a young body of literature (Zahra and Shaker, 1993). (Hornsby et al., 1993) noted its embryonic state, while others claim it is emerging quickly as an individual research area (Guth, 1995).

There is still no overall accepted definition or description for “entrepreneur” or “corporate entrepreneurship”, despite decades of research in the field (Garland et al. 1984, Bygrave 1993, Wickham, 1998). Discussion of the different theoretical approaches to studying entrepreneurship and small firms’ performance identifies the fundamentally multi-disciplinary nature of the topic. This argument can be taken further and it has been suggested that the study of entrepreneurship may be an emerging “science” in its own right source. This has important implications for empirical methodologies and for the process of theory construction in the study of entrepreneurship. In this regard, the study of entrepreneurship has been suggested as being a unique academic discipline requiring the adoption of a fresh perspective, which Bygrave (1989) has termed the “entrepreneurship paradigm”.

The above discussion suggests that theory building is a high priority within the young academic domain of corporate entrepreneurship. It is therefore relevant to the field of corporate entrepreneurship, and certainly for the present research project, to contribute to the foundation for relevant and accurate theory building. The research design presented in Chapter 4 is constructed towards this objective.
Table 2-2 DEVELOPMENTS IN THE FOCUS IN ENTREPRENEURSHIP RESEARCH

<table>
<thead>
<tr>
<th>Academic Discipline</th>
<th>Period of Focus</th>
<th>Focus of Entrepreneurship Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk vs. Innovation</td>
<td>1750–1930</td>
<td>The risk- and innovation-bearing propensity of an entrepreneur</td>
</tr>
<tr>
<td>The Economics Discipline</td>
<td>1930–1960</td>
<td>The Entrepreneur as an agent of economic change</td>
</tr>
<tr>
<td>The Behaviouralism Discipline</td>
<td>1960–1985</td>
<td>Individual traits and characteristics of the entrepreneur</td>
</tr>
<tr>
<td>The Management Discipline</td>
<td>1985–1995</td>
<td>Management and the leadership that supports and promotes entrepreneurial efforts</td>
</tr>
<tr>
<td>The Corporate Discipline / The Fourth Discipline of Entrepreneurship</td>
<td>1995–2000</td>
<td>The organisational entity as an interpretative (social) system that continuously seeks, creates and captures opportunities, and launches entrepreneurial activities</td>
</tr>
<tr>
<td>Corporate Entrepreneurship</td>
<td>2000–</td>
<td>Contextual and process issues of entrepreneurship in organisational settings</td>
</tr>
</tbody>
</table>

Source: Developed by the author for this research project.
In summary, this Section has overviewed the historical development of the academic domain of entrepreneurship as summarised in Table 2-2, from the early dichotomies of the risk- vs. innovation-bearing propensity of an entrepreneur, through the three disciplines of economics, behaviouralism and management, to a fourth discipline, corporate entrepreneurship. This overview has highlighted that advancements in the field through the last ten years have taken the academic area into what many researchers now call the “entrepreneurship paradigm”. In essence this development has taken the area of entrepreneurship into a fourth discipline, i.e. “the corporate discipline”, where management and employees form interacting and essential parts of an organisational (social) system from which entrepreneurial actions are pursued, initiated and executed for the benefit of organisational performance and individual development. Table 2-2 also provides guidance for understanding the perceptions of the researchers of entrepreneurship that are referred to throughout this thesis. For example, in a reference to research published in 1970, the research is very likely to have focused on aspects of the behaviour and traits of entrepreneurs.

The present research project takes its stance from within the fourth, independent discipline (the corporate discipline) of entrepreneurship, from here, this study speaks of this discipline as the academic domain of “corporate entrepreneurship”.

2.3 Addressing Terminology and Definitions

This Section presents relevant definitions and discusses their significance for the present study. Here entrepreneurial organisations are distinguished from traditional business ventures, and to further distinguish entrepreneurship in organisational settings, some perspectives on entrepreneurial management and behaviour are presented. A necessary and close link between strategic management as a process and corporate entrepreneurship will also be established.

The concept of corporate entrepreneurship in its early development, as discussed in the previous Section requires broad definitions (Sharma and Chrisman, 1999). Broad
definitions are less likely than narrow definitions to exclude as-yet-unspecified problems, issues, or organisations that are potentially important or interesting to this concept. Therefore, starting broad makes it less likely that the definitions will become outmoded and in need of frequent revision as new issues are identified. Broad definitions also make it possible for indications of the nature of different organisations and events to emerge through empirical research and theories of differences. Finally, broad definitions are more likely to be more widely accepted. In sum, broad definitions best reflect the early stage of development of the field of entrepreneurship, avoid the need for excessive retrenchment as new knowledge becomes available, and provide considerable latitude for the emergence of a theoretical and empirical process that will eventually permit the unique parts of the whole to be classified, defined, and understood in relation to that whole.

The following three Sections will discuss important areas of difference between the characteristics of traditional business and characteristics of the corresponding entrepreneurial ventures and behaviours.

**2.3.1 Distinctions between Entrepreneurial Firms and Traditional Business Ventures**

In addressing the unique characteristics of entrepreneurial firms, this Section distinguishes entrepreneurship in entrepreneurial firms from that in traditional business ventures. When exploring the concept of corporate entrepreneurship, the issue of the difference between entrepreneurial firms and “traditional” business ventures is raised frequently. This issue is addressed in this Section.

Many researchers have explored the literature of small business and entrepreneurship, for example Garland, Hoy, Boulton and Garland, (1984). These researchers established that, although there is an overlap between entrepreneurial firms and traditional small businesses, they are different entities.
Using the classical work of Schumpeter, and recognising the additions to the field from current researchers, a conceptual framework for differentiating entrepreneurs from small-business owners, and especially for establishing a conceptual distinction between small business and entrepreneurial ventures is presented below.

Schumpeter (1934) was among the first to identify the entrepreneur as an entity worth of study, distinct from business owners and managers. In his description of entrepreneurs, he wrote of individuals whose function was to carry out new combinations of the means of production. He suggested that five categories of behaviour that are characteristic of an entrepreneurial venture could be observed (Schumpeter 1942). These categories, listed below, are supported by Vesper (1984) and can be used as the basis for classification criteria.

1. Introduction of new goods
2. Introduction of new methods of production
3. Opening of new markets
4. Opening of sources of supply
5. Industrial reorganisation

Research by Vesper (1984) did not consider criterion 4 because of its ambiguity. However, Vesper argued that if any of the remaining four criteria is observed in a firm’s strategic actions, then that firm could be classified as an entrepreneurial venture (Vesper 1984). These criteria permit the classification of a new small firm as entrepreneurial if that firm represents an original entry into a market. Again, the determining factor would be whether organisational activity in any of the four criteria resulted in a new combination indicating innovative behaviour. Additionally, these criteria permit medium and large firms to be classified either as entrepreneurial ventures themselves or as the instigators of entrepreneurial ventures. The presence of Schumpeter’s criteria represents evidence of the need for firms to pursue innovative strategies or innovative strategic postures. The criteria also emphasise that the behaviour of a firm must be consistent with
the development and pursuit of a distinctive competence prescribed by Vesper (1980) in order to be an entrepreneurial venture (Garland, Hoy, Boulton & Garland, 1984).

The present research project acknowledges Vesper’s perspective but it differs from Vesper in recognising that Schumpeter’s five categories are to be interpreted as lines of thought that can and should be interpreted and adapted to the advancements of society and the infrastructural changes within it. Thus the present research project will not exclude criteria number 4, “opening of sources of supply”, as Vesper suggested. Changes in reality and in society may even promote new sources of supply such as has been seen in recent years with Interactive digital TV, Internet, Service Management etc. Ongoing developments in supply of complete systems and strategic alliances add further justification for this reasoning.

Consequently, the following definitions are proposed to distinguish between the entities of small business ventures and entrepreneurial ventures. These have been put forward by Carland, Hoy, Boulton and Carland (1984).

Small business venture: A small business venture is any business that is independently owned and operated, not dominant in its field, and does not engage in any new marketing or innovative practices.

Entrepreneurial venture: An entrepreneurial venture is one that engages in at least one of Schumpeter’s five categories of behaviour: that is, the principal goals of an entrepreneurial venture are profitability and growth, and the business is characterised by innovative strategic practices.

The above definitions are supported by several researchers for example Wickham (1998), who states that the entrepreneurial venture is distinguished from small business by virtue of being based on a significant innovation, having the potential for growth, and having clear strategic objectives.
2.3.2 Distinctions between Entrepreneurship and Mere Economic Behaviour

Some researchers have defined entrepreneurship as a behavioural characteristic of employees and managers in the firm, not as a characteristic of the firm itself. Entrepreneurial individuals take advantage of opportunities to acquire benefit for themselves or for the firm. Some researchers have championed the idea of “corporate entrepreneurship” (Burgelman, 1983) or “intrapreneurship” (Pinchot, 1985) as an embodiment of entrepreneurial advantage in a large corporate environment (Krackhardt, 1995). An important step in describing corporate entrepreneurship is to determine those dimensions of individual entrepreneurship that translate into corporate entrepreneurship.

The entrepreneur in the corporate setting can be characterised by three aspects (Kao, 1997, Wickham 1998):

- as an economic agent generating particular economic effects,
- as an individual with a particular personality, and:
- as a manager undertaking particular tasks.

A firm can presumably maintain its entrepreneurial advantage as it grows by instilling a culture that fosters entrepreneurial behaviour among its employees/managers (Kanter, 1983, 1989). From this perspective, there is nothing inherently entrepreneurial about the firm per se. What counts is the entrepreneurial spirit of its members (Krackhardt, 1995). Stevenson and Jarillo (1990) have allowed for this possibility in developing their model of entrepreneurship. They propose a definition of entrepreneurship that focuses on what entrepreneurs do. Moreover, their behavioural definition explicitly endorses a view that entrepreneurship can exist in any firm, large or small: “Entrepreneurship is a process by which individuals -- either on their own or inside organisations -- pursue opportunities without regard to the resources they currently control” (Stevenson and Jarillo, 1990, p.23). Krackhardt (1995) sees three main components to the Stevenson and Jarillo definition. First, the individuals have to be the unit of analysis. Second, the behaviour the
individuals claim to be interested in is the pursuit of opportunity, which Krackardt (1995) defines “a future situation, which is deemed desirable and feasible” (p.23). The third component of Stevenson and Jarillo’s definition modifies the kinds of opportunities they consider to be truly entrepreneurial. These opportunities are those pursued without regard to the resources they currently control. Krackhardt (1995) recognises this as probably the most ambiguous part of their definition. However, Krackhardt later claims it is clear that these researchers mean to exclude from the domain of entrepreneurship the pursuit of opportunities for which one has sufficient formal authority to assign resources without having to bargain for them. If a vice president deems it is feasible to attain a desired future state for an amount of money over which s/he has complete discretion, then this is not an entrepreneurial act. This is simply a budgeting allocation. On the other hand, if the vice president sees an opportunity that requires funding in excess of her/his authority, then s/he must garner these additional resources through bargaining, influence, persuasion, or some other means.

The above discussion distinguishes entrepreneurship from mere rational economic behaviour or mundane managerial skill.

2.3.3 Distinctions between Individual Entrepreneurship and Corporate Entrepreneurship

In further addressing the differences between individual entrepreneurship and corporate entrepreneurship, in this Section distinction is drawn between individual entrepreneurship and corporate entrepreneurship. This Section will also present a definition of entrepreneurship to which the present research project adheres.

Organisation creation and innovation are generally regarded as key factors in entrepreneurship (Stopford & Baden-Fuller, 1994), although the challenges that entrepreneurs face vary according to whether they are operating independently or as part of an existing organisation. As Sharma and Chrisman (1999) see it, this gives rise to two needs. One is to clarify the definition of entrepreneurship and the other is to differentiate
between the settings in which entrepreneurship takes place. To clarify this terminology and in recognition of the entrepreneurial efforts of individuals working in a corporate set-up, Sharma and Chrisman (1999, p.17) proposed the following definition of entrepreneurship and entrepreneurs.

“Entrepreneurship encompasses acts of organisational creation, renewal, or innovation that occur within or outside an existing organisation. Entrepreneurs are individuals or groups of individuals, acting independently or as part of a corporate system, who create new organisations, or instigate renewal or innovation within an existing organisation”.

The presence of an innovation is viewed as a sufficient condition for entrepreneurship but not a necessary one, because organisational creation or renewal can occur in the absence of innovation. Newness or uniqueness of an innovation is a matter of degree, in terms of both the tangible characteristics and the relevant market. Furthermore, the fact that the innovation is new to the marketplace does not necessarily mean that it is sold or consumed, as in the case of a new organisational form or a new process development. Since innovation may vary in its extent and impact, it is very difficult – indeed, counterproductive – to attempt to specify the precise level of innovation necessary for entrepreneurship.

Sharma and Chrisman (1999) therefore take the position that for defining entrepreneurship, it is preferable to treat innovation as an entrepreneurial act, rather than as the only act, that makes the conduct of entrepreneurship possible. Sharma and Chrisman further argue it should be apparent that, despite this definition’s breadth, it is highly consistent with the dominant views of entrepreneurship (Gartner, 1990, Schumpeter, 1934) and of corporate entrepreneurship for example, Zahra, (1995). The definition of entrepreneurship proposed below allows for making further distinctions between independent and corporate entrepreneurship in a manner that is internally consistent. Sharma and Chrisman (1999) follow the lead of Collins and Moore (1970) and distinguish between entrepreneurial activities undertaken independently and those
undertaken within the context of an organisation through “independent entrepreneurship” and “corporate entrepreneurship”. Thus, the following definitions are proposed.

“Independent entrepreneurship is the process whereby an individual or group of individuals, acting independently of any association with an existing organisation, creates a new organisation”.

“Corporate entrepreneurship is the process whereby an individual or a group of individuals, in association with an existing organisation, create a new organisation or instigate renewal or innovation within that organisation”.

Jeffrey A. Timmons (1999), an important voice in the academic domain of entrepreneurship, has offered a neat summary of the discussion above and in the previous Section in an open but still precise definition, to which this research project adheres strongly.

“Entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach and leadership balanced”. (Timmons, 1999, p. 22)

According to Timmons (1999), entrepreneurship results in the creation, enhancement, realisation, and renewal of value, not just for owners, but also for all participants and stakeholders. At the heart of this process are the creation and/or recognition of opportunities, followed by the will and initiative to seize these opportunities. Behaving in this way requires a willingness to take risks – both personal and financial – in a highly calculated fashion, in order to constantly shift the odds to the entrepreneur’s favour, and balancing the risk with the potential reward. Typically, entrepreneurs devise ingenious strategies to marshall their limited resources.
2.3.4 Distinction between Administrative Management and Entrepreneurial Management

The broad concerns of sociological and psychological work in the field of entrepreneurship and the small firm deal with the questions “which individuals will start their own small firms, and why?”. However another body of thought has been developed in the management science literature. This focuses on the types of managerial behaviour associated with entrepreneurial organisations, defined as those which create and exploit new opportunities for profit and growth, and in the process redeploy resources in the pursuit of these opportunities (Stevenson & Sahlman, 1989, and Sandberg, 1992). Fundamental to this body of thought is the view that there is a difference between entrepreneurial management and administrative management, the latter being associated with merely overseeing the pattern of existing resource allocation within organisations in response to known and existing opportunities. Entrepreneurial management, on the other hand, is the driving force for change and is associated with innovation and the implementation of strategic policies and flexible organisational structures. Compared to the traditional economic school, the entrepreneurial management school goes into greater detail concerning the types of managerial behaviour and strategic policies that are applied, and are thought to be associated with successful entrepreneurial organisations. These relate not only to the development of efficient organisational structures in response to the exploitation of opportunities, but also to strategic management activities aimed at securing competitive advantages over rivals (Glancey & McQuaid, 2000), in a state of hyper-competition with hyper-competitive rivalries (D’aveni & Gunther, 1994).
2.4 Summary

This Chapter introduced the discipline of corporate entrepreneurship by presenting the development of the academic paradigm of corporate entrepreneurship. By distinguishing the characteristics of corporate entrepreneurship, a firmer understanding of the nature of corporate entrepreneurship as a corporate phenomenon was established.

A link was established between strategic management as a process and corporate entrepreneurship. This link is relevant and important, since this research project adheres to the belief that corporate entrepreneurship is a process and thus controllable by management. Therefore, this area of research originates from the standpoint that corporate entrepreneurship is controllable by management, can be expressed by processes, and is something that can be learnt.

By establishing distinctions between “Entrepreneurial firms and Traditional firms”, between “Entrepreneurship and Mere Economic Behaviour”, between “Administrative Management and Entrepreneurial Management” and “Individual Entrepreneurship and Corporate Entrepreneurship” several important definitions were presented.

The next Chapter will develop a theoretical framework in the form of a conceptual contextual process model of corporate entrepreneurship and should be seen as an extension of this Chapter as it also establishes the relevance of this developed framework in relation to current academic research within the area of corporate entrepreneurship, thus this Chapter and the following Chapter are interlinked.
CHAPTER 3 DEVELOPING THE THEORETICAL FRAMEWORK

3.1 Introduction

This Chapter originates from what was presented and established in the previous Chapter, “Setting the Theoretical Stage”. This Chapter should therefore be regarded as an interlinked extension of that Chapter.

This Chapter will, by addressing relevant “concept variables”, focus on the actual processes believed to be associated with the entrepreneurial orientation of a firm, forming a framework for the construction of the conceptual contextual process model of corporate entrepreneurship. Similarly, three relevant organisational dimensions will be presented, forming a holistic yet structured and simple construct of strategic organisational dimensions believed relevant for addressing issues of corporate entrepreneurship and at the same time feasible for this research. The framework of relevant concept variables and the construct of the strategic dimensions are presented and addressed in order to provide a theoretical foundation (origin) for the construction of the conceptual contextual process model of corporate entrepreneurship. Discussing these relevant “concept variables” simultaneously addresses the first stated research theme for this research project, Section 1.2.3.

The engagement of a conceptual contextual process model of corporate entrepreneurship with the research design presented in Chapter 4 will guide this research project in making further sense of how to explore, identify, address, describe, understand and assess the entrepreneurial orientation of an organisation. As the research design stipulates, the situational models mapped from observing interaction of the organisations participating in this research project will then be used in an operational comparison (data analysis) in Chapter 5, with the conceptual contextual process model of corporate entrepreneurship developed in this Chapter. The purpose of this operational comparison is to learn about
the conceptual model in order to establish its relevance and usefulness. The objective is to gain deeper understanding, knowledge and insight into how to identify, describe and visualise the multidimensional relationships between the strategic processes and the construct of the organisational dimensions that constitute and promote entrepreneurial orientation within a firm. This is essential to form a contextual process model of corporate entrepreneurship that can be applied to any organisational context.

This Chapter will address and establish the relevance of the contextual process model of corporate entrepreneurship in relation to current research within the academic area of corporate entrepreneurship. In particular the extension of Russell’s (1999) research, as was also discussed in Section 1.3 “Justification for this Research” will be established.

The logic of the format presented above is based on the context of the stated research themes presented in Section 1.2.3.

Important Note: The numbers shown in front of each concept in the cognitive maps in this Chapter and in the subsequent Chapters are provided by Decision Explorer, the software application used for the data structuring (cognitive mapping) and the data analysis, as will be discussed in more detail in Chapter 4, “Research Methodology”. Each individual number provides easier identification and cross-referencing between concepts and models and for individual comparison.

3.2 The Construction of a Contextual Process Model of Corporate Entrepreneurship

In this Section, three relevant organisational dimensions will be presented to form a holistic, yet structured and simple construct of strategic organisational dimensions. These are recognised as relevant for addressing issues of corporate entrepreneurship and at the same time are feasible in this area of research. A framework of relevant concept variables and the construct of the strategic dimensions are presented and addressed in order to
provide a theoretical foundation (origin) for constructing the conceptual contextual process model of corporate entrepreneurship that will be used in this study.

Russell (1999) provided an important attempt to use cognitive mapping to develop a process model of “intrapreneurial systems”. He developed cognitive maps with concept variables related to the environment, strategy and organisational structure and culture. The cognitive maps that Russell described were at the organisational level of analysis but they included only some environmental influences. He developed organisational “cause maps” that described the effect of organisational cognitions and characteristics on intrapreneurial processes and he generated a possible model of corporate entrepreneurship at the organisational level. Importantly, Russell’s model was not supported by field verifications at the time it was published. Russell (1999) presented two cognitive maps, one culture map and one structure map both at the organisational level. Both maps used “Entrepreneurial posture” as the broad level strategic concept. The concept of entrepreneurial posture will be used in this research project and so is addressed in detail below.

The conceptual model of corporate entrepreneurship constructed in this research project is projected to the organisational level, as in Russell’s map. An important addition is that the conceptual map of corporate entrepreneurship in this research project includes the process of innovation and thus better facilitates and represents the nature and conditions of a specific situation since it can incorporate important external factors like the “precipitating event” (the catalyst for the business opportunity/entrepreneurial behaviour). The precipitating event is the point of origin of the “Process of innovation”, also addressed separately below.

The policy-like concept variable in Russell’s culture map was “the entrepreneurial posture”, since it summarises the tendency of strategic managers to engage in entrepreneurial ventures as an ongoing strategy. Establishing and reinforcing an organisational culture supportive of innovation is an important activity of strategic leaders who wish to sustain an entrepreneurial strategy. Thus, a direct, two-way, positive
relationship is postulated between entrepreneurial posture and values supporting innovation. Strategic leaders operating from an entrepreneurial posture will tend to create and reinforce values and norms that generate intrapreneurial behaviour. At the same time, an innovation-supporting culture will reinforce entrepreneurial posture through the influence of values and norms on the beliefs and behaviours of strategic leaders (Russell, 1999).

An innovation-supporting culture is characterised by an organisational value system that perceives innovative ventures as important sources of competitive advantage and creates the belief among organisational members that innovation is an expected, appropriate and laudable organisational activity. Such a culture predisposes organisational members to view innovation-directed activities favourably and generates norms that motivate and direct participants toward innovative behaviours (Kanter, 1983, Ouchi, 1980, Russell & Russell, 1992). The relationship described by R.D. Russell (1999) will be used in the environmental dimension (domain/map) in direct, positive connections between value for innovation and the eight culture norms that he described in his study, derived from the research by Russell and Russell (1992). Each of the norm dimensions regulates behaviours that are related to one or more of the three stages of the entrepreneurship process. Several of the norms tend to create a climate that fosters the generation and testing of new ideas and thus increases the initiation of innovative ideas. These norms are discussed below under the Section “Concept Variables Relating to the Environmental Dimension”, where the environmental dimension is developed further.

Russell (1999) delimits himself from the individual dimension. He acknowledges that the individual aspects of human beings are of greatest importance for understanding and explaining entrepreneurship in organisational settings but he admits that finds it too large to cover and include in his model. The individual dimension is possibly the most complicated one, incorporating psychology, motivation, knowledge management and many other disciplines. The current research project will, however, not delimit itself from this important and well-recognised dimension and will incorporate the individual dimension in the conceptual map of corporate entrepreneurship.
To summarise, the conceptual model of corporate entrepreneurship developed in this Chapter is in some important aspects based on the thoughts and structure presented in the research by Russell (1999). This research project extends Russell’s suggested models in four ways. First, Russell’s research was not supported by field verification at the time of publishing. This research project will conduct a series of in-depth case studies in order to verify and revise the conceptual model. Second, differing from Russell’s research, the conceptual model in this research project also incorporates an important component for describing the process of innovation. Third, the conceptual contextual process model in this research project will also incorporate the individual dimension, i.e. the individual traits in a corporate environment. This component was not included in Russell’s cognitive maps of corporate entrepreneurship. Fourth, Russell’s process model did not make a distinction between financial and non-financial performances resulting from the corporate performance. This issue is addressed separately in Section 3.2.6 “Concept Variables relating to Corporate Performance”.

Furthermore, the links displayed in the construction of the Conceptual Contextual Process Model of Corporate Entrepreneurship in the following subsections of this chapter are not to be interpreted as presumed indications of causality, instead they are “Connotative links” used to connect concepts drawn from relevant research and established literature within this area of research and are to be interpreted according to the following definition: “A link where causality may act in either direction at different times or under varying circumstances is known as a connotative link. This type of link suggests causality is ill-defined, open to interpretation, or requiring further observation and investigation. Connotative links are often used to connect concepts having a system policy input. Varying such a concept may have significant impact on connected concepts. Connotative relationships are depicted by lines without arrowheads. One convention used to depict connotation between two concepts is by use of dotted lines” (Argos Press Publishing, 2003). To visually separate the main concept variable from its related concepts, the main concept variables are displayed as oval shaped elements while their related concepts are displayed as rectangular shaped items with round corners connected to the main concept variable by connotative links, as defined above.
3.2.1 Three Strategic Dimensions of Corporate Entrepreneurship
Forming a Contextual Process Model

Building on the research of Russell (1999), this research project takes the position that there are three strategic dimensions of corporate entrepreneurship relevant to studying corporate entrepreneurship. These three strategic dimensions are presented and addressed below, forming a holistic, yet simple construct that can be applied when approaching the research themes stated in Chapter 1.

The three strategic dimensions that this research project will use are the organisational, the environmental and the individual dimension. They will form interdependent strategic components in the construction of the conceptual map of corporate entrepreneurship.

Figure 3-1 The Three Interdependent Strategic Dimensions of Corporate Entrepreneurship

Source: Adapted from Russell (1999)

These three dimensions will be discussed below in addressing the concept variables relating to each dimension.
3.2.2 Concept Variables Relating to the Organisational Dimension

It is generally accepted that corporate entrepreneurship entails a process (e.g., by Kao, 1997, Wickham, 1998, Sharma & Chrisman, 1999, Glancey & McQuaid, 2000). The process perspective allows that: a) an entrepreneurial event can be divided into steps or stages, b) the entrepreneurial process is manageable, c) the process of entrepreneurship can be ongoing or continuous, and d) the process can be applied in a variety of contexts, including larger, established companies (Schindehutte, Morris & Kuratko, 2000). Different researchers include different stages and steps when describing the process. Generally they include opportunity identification, business concept formulation, identification of the needed resources, acquisition of those resources, implementation of the concept, and management and harvesting of the venture (Stevenson et al., 1999).

Following the process approach, entrepreneurial management begins with identification of an opportunity and ends with reward being derived from exploiting the opportunity (Timmons, 1999, Glancey & McQuaid, 2000). Between these two points of the process, strategies are formed to ensure that resources are deployed and managed in order to maximise the potential of the opportunity. It is suggested that firms governed by opportunity-oriented management styles, rather than by bureaucratic administrative-management styles are better at developing and implementing business strategies and policies and will therefore be more successful in their business operations (Glancey and McQuaid, 2000).

In considering the forms of managerial behaviour that are thought to be associated with successful firms, Porter (1980, 1985) suggests that successful entrepreneurial strategies in small firms are likely to display a greater strategic awareness of the market environment and customers’ requirements. In particular, it is suggested that an entrepreneurial strategy of focusing on market niches and developing a reputation within these niches, is a successful way for small firms to develop profit opportunities.
On management strategy, Glancey and McQuaid (2000) suggest that in developing an appropriate competitive strategy, entrepreneurs in successful small firms will:

1. undertake information gathering,
2. develop formal strategy cycles,
3. make necessary adjustments to their product and customer base to keep ahead of the competition and set pace in their markets,
4. develop their social network which can increase both their reputation and knowledge base, thus reducing uncertainty in their economic environment and enabling them to identify new opportunities for profit and growth

In summary, entrepreneurial managerial theories focus on the forms of managerial behaviour, which are associated with entrepreneurial, opportunity-seeking organisations. Here the focus is on the policies and actions of entrepreneurial managers, rather than their personal attributes and influences. Entrepreneurial management is regarded as a process in two senses. First are the actions that managers take in order to create and exploit profit and growth opportunities. Second are the managerial styles, which must evolve in the process of pursuing these opportunities, in response to problems that managers face at certain points in development of business (Glancey & McQuaid, 2000).

Miller (1983) claimed there is a continual need for innovation, constructive risk-taking, and pursuit of new opportunities in companies. Covin and Slevin (1991) describe corporate entrepreneurship as based on product innovation, risk-taking propensity, and proactiveness. Other processes have been presented in various research papers, but there seems to be a consensus on Covin and Slevin’s three inputs among researchers in this area (e.g., Zahra, 1991, Morris & Lewis, 1995). While particularly the North American culture and to some extent even the Scandinavian culture glorifies the entrepreneur (Bjerke 1999), we cannot ignore that most new ventures fail (Barret & Weinstein, 1998).

Poor management decisions are the major cause of business failure (Posner, 1993). Small firms have limited resources and little margin for error (Brady, 1995). The challenge for
larger mature organisations is to simulate the positive attributes of the smaller
entrepreneurial firm (Kuratko, Hornsby, Naffziger & Montagno, 1993), and this is known
as corporate entrepreneurship (CE) (Barett & Weinstein, 1998). The larger company can
afford to take greater absolute risks and has more aggregated business knowledge.
Simply put, the larger firm has reached a threshold that enables it to undertake activities
of which the smaller, entrepreneurial firm is not capable for example, R&D, product
development, management development programs, promotional activities and campaigns.
Larger firms should be able to have an edge in innovation. Large firms can afford well-
paid scientists and engineers, support staff, modern facilities and equipment, and
extensive research and development. The marketing programs can be administered
through established distribution systems. These firms are big enough to cope with the
risks of innovation and can finance an array of challenging projects (Barett & Weinstein,
1998). However, innovation in industry is a process that involves an enormous amount of
virtually impossible for large companies to be truly innovative. Many management
researchers and practitioners believe that a large firm cannot innovate because of the need
for stability. The nature of any large organisation is to be hostile to change, homeostasis
is a powerful force (Weinstein & Barett, 1998). Research shows that entrepreneurs prefer
projects leave too much to chance and low-risk projects do not provide the needed
challenge or enough potential return. Pursuit of new opportunities or proactiveness can
also be described as a corporate bias for action, particularly in the marketing arena
(Barett & Weinstein, 1998). Slevin and Covin (1990) interpret this to mean that the firm
is first in offering new products and services rather than responding to competition. Many
use the term proactive to describe the firms practising corporate entrepreneurship (Miller
improve their processes, products, and staff to increase the customer’s value (Barett &
Weinstein, 1998). Perhaps the most critical antecedent of organisational action is the
categorization of strategic issues into opportunities and threats (Kreuger Jr, 2000). As
with intentions, opportunities are constructed, not found (Mintzberg, 1994, Dutton &
The above discussion addressed *risktaking, innovativeness and proactiveness* as important and fundamental characteristics of entrepreneurial management (strategic management) behaviour in an organisational setting. These characteristics are consequently included in the cognitive map of the organisational dimension as sub-concepts to the main concept “Strategic management behaviour”. The concept variables relevant to the organisational dimension, based on the discussions above, are displayed in the conceptual construct of the organisational dimension, see Figure 3-2, below.

**Figure 3-2 The Conceptual Construct of the Organisational Dimension**

Source: Developed for this research project by the author in Section 3.2.2
3.2.3 Concept Variables Relating to the Environmental Dimension

This Section will present the concept variables that are relevant to the environmental dimension. These concept variables are presented in the conceptual construct of the environmental dimension, in Figure 3-3, at the end of this Section.

The environmental dimension projects its focus on the corporate culture and its shared values and norms. As a consequence, the two main concept variables will be “Corporate Culture supportive of innovation and entrepreneurial behaviour”, and “Norms and values of groups and individuals in corporate settings”.

When discussing the issues of the corporate culture and the norms and values within an organisation, the intention is to theoretically and also visually (in the conceptual contextual process model) separate the corporate culture from the norms and values shared by the individuals in the corporate setting. This is in order to make the corporate culture more tangible. One might say that they are different levels of the corporate mindset expressed through the behaviours and actions of individuals in interacting processes that affect the overall corporate culture.

The shared norms of individuals in an organisation can be described as a set of directions for how to behave and act in certain situations, and they originate from the common values of the individuals in the organisation. In most organisations the shared norms are not well recognised, they are often unspoken, and have not been explicitly identified. Many organisations would benefit from identifying the shared norms of their employees in searching for better insight into the origin and foundation of their own corporate culture. The specific corporate culture of each organisation is consequently a result of the shared values and norms of the individuals within that organisation. For this research it is adequate to understand and consider to what extent different and specific values and norms are present in the organisations studied, and in particular, if any of these shared norms and values within the organisation support and amplify a corporate culture within an organisation that supports a corporate entrepreneurial behaviour.
Beckhard and Harris (1987) defined culture as being the set of beliefs, values, artefacts, norms and ground rules that define and influence how an organisation operates. Based on this definition, this research project, defines the corporate culture as the sum of the shared values and norms of individuals in a corporate setting, which are expressed through a certain overall way of corporate behaviour.

3.2.3.1 Norms and Values of Groups and Individuals in Corporate Settings

The eight culture norms described by Russell (1999) and derived from the research by Russell and Russell (1992) have high relevance for the environmental dimension. Each of the norm dimensions regulates behaviours that are related to one or more of the three stages of the entrepreneurship process addressed earlier. Several of the norms tend to create a climate that fosters the generation and testing of new ideas and thus increases the initiation of innovative ideas. The eight culture norms are

1. Value for innovation as a practice and as a source of competitive advantage
2. Norms encouraging creativity among organisational members
3. Norms encouraging search for innovation opportunities from external sources,
4. Norms that facilitate resource support for innovative ventures (championing norms),
5. Norms supporting information-sharing between individuals and groups regardless of organisational position,
6. Norms that promote tolerance for failure when creative ideas or projects are not successful,
7. Norms that encourage the open-minded consideration of new ideas and projects, and
8. Norms that support the implementation of innovations regardless of the individual’s or group’s involvement in the development of the venture. Whereas entrepreneurial posture summarises beliefs and attitudes of top management regarding corporate entrepreneurship, the cultural variables summarise beliefs and attitudes of organisational participants socialised into the intrapreneurial culture.
Some of the norms described above help to regulate the social process that generates support for the development of new ventures. Norms relating to open-minded consideration of ideas, internal information-sharing, providing resource-support for innovative projects (championing norms), and tolerance for failure, help to facilitate the social interactions that create involvement in and provide resources for the development of innovative ideas. Finally, norms related to providing aid and support to participants charged with the implementation of ventures that have successfully passed through the development stage help to make innovation a successful part of the ongoing activities of the entrepreneurial firm. Each norm is presumed to have a direct, positive relationship to one or more of the phases of entrepreneurial development.

The environmental dimension, as in Russell’s map (1999), will also include a linkage connecting implemented innovations, organisational performance and entrepreneurial posture. This linkage highlights a critical environmental test (Russell, 1999) for the organisation's new ventures, i.e. whether critical stakeholders accept the innovation or not. The link completes a positive feedback loop in which increases in performance due to successful innovation tend to strengthen entrepreneurial posture, whereas performance declines due to unsuccessful innovation tend to weaken entrepreneurial posture (Russell, 1999).
3.2.3.2 Corporate Culture Supportive of Innovation and Entrepreneurial Behaviour

Russell (1999) recognises four characteristics of organic structure (culture) that promote entrepreneurial processes in an organisational setting:

1. **Increased levels of autonomy** permit lower-level managers to propose and test more new ideas (related to both informal and decentralised structure).

2. Increased ***discretionary control over resources*** by lower-level participants facilitates the “championing” of innovative ideas. Therefore, more new ideas can be initiated and more development projects started since resources available to potential champions are more widely dispersed (related to decentralised structure).

3. **The informality of communication** facilitates the unfettered exchange of information, which may result in the generation of more new ideas, more effective project development and easier implementation (related to informal structure).

4. **Increased participation in the decision-making process** regarding the initiation and development of new ventures may increase the commitment of organisational members to innovation projects, thereby facilitating the implementation of successful ventures (related to both decentralised and informal structure). Each of these dimensions of organic structure is assumed to be directly and positively linked to the stages of the entrepreneurial process.

The above four characteristics supporting and affecting the culture in the organisation will be used as concept variables, with the “precipitating event” as the triggering concept variable. The precipitating event is the point of origin of the “Process of innovation”, addressed separately below.
Hornsby et al. (1993) offer the following five organisational characteristics that foster corporate entrepreneurship.


Based on an analysis of the most consistent elements in the literature, Kuratko, Montagno and Hornsby (1990) developed a multi-dimensional scale (the Intrapreneurial Assessment Instrument, IAI) consisting of five factors to summarise the major sub-dimensions of the concept of intrapreneurship. These dimensions are: *management support for*
intrapreneurship, reward and resource availability, organisational structure and boundaries, risk taking, and time availability. Subsumed under each of these factors were various procedures and policies that may exist in an organisational setting and that reflect many of the points cited earlier in this paper. The results of their study supported the existence of three factors: Managerial Support, Organisational Structure, and Reward and Resource Availability. Their initial study established the existence of a multi-dimensional framework for fostering an intrapreneurial culture in organisations. Hornsby, Montagno, and Kuratko (1990) advanced their original research by increasing both the sample size of participating managers and the number of items included in the factor analysis of the Intrapreneurial Assessment Instrument. The results of this study were even more consistent with the existing literature, resulting in the following factors: Management Support, Autonomy/Work Discretion, Rewards/Reinforcement, Time Availability, and Organisational Boundaries. Each of the factors identified by Hornsby et al. are aspects of the organisation over which management has some control.

**Management support.** This is the extent to which the management structure itself encourages employees to believe that innovation is, in fact, part of the role set for all members of the organisation. Some of the specific conditions reflecting management support would be quick adoption of employee ideas, recognition of people who bring ideas forward, support for small experimental projects, and seed money to get projects off the ground.

**Autonomy/work discretion.** Workers have discretion to the extent that they are able to make decisions about performing their own work in the way that they believe is most effective. Organisations should allow employees to make decisions about their work process and avoid criticizing employees for making mistakes when being innovative.

**Rewards/reinforcement.** Rewards and reinforcement enhance the motivation of individuals to engage in innovative behaviour. Organisations must be characterised by providing rewards contingent on performance, providing challenge, increasing
responsibility and making the ideas of innovative people known to others in the organisational hierarchy.

**Time availability.** Fostering new and innovative ideas requires that individuals have time to incubate these ideas. Organisations must moderate the workload of people, avoid putting time constraints on all aspects of an individuals’ job, and allow people to work with others on long-term problem solving.

**Organisational boundaries.** These are the boundaries, real and imagined, that prevent people from looking at problems outside their own jobs. People must be encouraged to look at the organisation from a broad perspective. Organisations should avoid having standard operating procedures for all major parts of jobs, and should reduce dependence on narrow job descriptions and rigid standards of performance.

As a result of the discussion above, the areas addressed will form individual concept variables under the main concept variable “Corporate Culture Supportive of Innovation and Entrepreneurial Behaviour”.

As a summary of this Section, the conceptual variables with relevance to the environmental dimension (see Figure 3-1), based on the discussions above, are displayed in the conceptual construct of the environmental dimension, Figure 3-3, below.
Figure 3-3  The Conceptual Construct of the Environmental Dimension

Source: Developed for this research by the author in Section 3.2.3
3.2.4 Concept Variables Relating to the Individual Dimension

This Section will present the concept variables that are relevant to the individual dimension. These concept variables are presented in the conceptual construct of the individual dimension (as seen in Figure 3-1), in Figure 3-4, at the end of this Section.

Much research has been conducted exploring the importance of the individual in the corporate entrepreneurship process. Hornsby et al. (1993) attempted to derive “an interactive model of the corporate entrepreneurship process”. Even though this model at the time of publishing was not supported by field verification, it will be used to address the relevant concept variables for the individual dimension.

Researchers who have investigated the role of individual characteristics in the creation of a new business have focused either on the differences between entrepreneurs and successful business managers or differences between entrepreneurs and the general population (Hornsby et al. 1993). Various reviews (Brockhaus, 1982, Brockhaus & Horwitz, 1986, Wortman, 1986, Gartner, 1988) exist on the subject. Brockhaus and Horwitz concluded that there are few psychological characteristics that distinguish entrepreneurs from practicing business managers but felt that locus of control, risk-taking propensity, and achievement motivation are important factors in the decision to start a business. Other recent findings include variables such as energy level, conformity, and need for autonomy (Sexton & Bowman-Upton, 1986), need for achievement, need for autonomy, dominance, high energy level, and persistence (Neider, 1987), a desire for personal control (Greenberger & Sexton, 1988), and the desire to build something of one’s own (Knight, 1987).

Based upon the existing literature on entrepreneurship, a set of commonly cited individual traits or characteristics of an entrepreneur was identified by Hornsby et al. (1993):
1. Risk-taking propensity
2. Desire for autonomy
3. Need for achievement
4. Goal orientation
5. Internal locus of control

The major reason for selecting these characteristics was for Hornsby et al. (1993) to provide a foundation for matching certain individual entrepreneurial traits with particular organisational intrapreneurial characteristics. A set of propositions could then be made that would link the individual, the organisation, and the particular precipitating event. This interaction between individual traits, organisational characteristics, and a precipitating event was an attempt to follow Gartner’s (1989) suggestion that any research concerning entrepreneurial traits be linked to a theoretical model.

To summarise this Section, the conceptual variables relevant to the individual dimension, based on the discussions above, are displayed in the conceptual construct of the individual dimension (see Figure 3-4).

**Figure 3-4 The Conceptual Construct of the Individual Dimension**

Source: Developed for this research by the author in Section 3.2.4
3.2.5 Concept Variables Relating to the Process of Innovation

This Section presents the concept variables that are relevant to the process of innovation. These concept variables are presented in the conceptual construct of the process of innovation, in Figure 3-5, at the end of this Section.

The process of innovation can and should be incorporated in the construct of a contextual process model of corporate entrepreneurship, in order to provide a tangible infrastructure that projects a complete value system of corporate entrepreneurship. Such a value system can then be used to express relevant concepts within the three different domains of corporate entrepreneurship and ultimately express the specific processes that support and initiate entrepreneurial actions within an organisation. This construct should include the steps in the entrepreneurial process. The process is conceptualised as occurring in three stages: initiation, development, and implementation (Zaltman et al., 1973).

**Initiation of new ideas** occurs either through the **creative acts of organisational members** or through the recognition of opportunities for innovation as the result of some form of environmental scanning, or a combination of both (Russell, 1999). Initiation is primarily the domain of autonomous individuals or very small groups in the entrepreneurial firm. Ideas in the initiation stage are in an incipient state and have not been accepted by organisational participants as formal new ventures. In order to move from initiation to the development stage, innovative ideas must become more structured, more organisational members must become aware of their potential, and these innovative ideas must acquire the support of organisational champions to provide resources for further elaboration. **Development** projects may take a variety of forms but the key point is that they receive some form of resource support that enables a core of committed people to coalesce around the idea to contribute to its continued evolution. **Implementation** occurs after successful development and refers to incorporating successful new ventures as ongoing operations of the organisation (Russell 1999).
The impact of external information search and creativity norms on the initiation of new ventures is mediated through the recognition of potential opportunities for innovation. Recognition that an idea has potential as an innovation opportunity is a necessary precondition to the initiation of the innovation process. External search norms combine with environmental precipitating events to increase the recognition of innovative opportunities within the entrepreneurial firm (Russell 1999). The decision to act entrepreneurially occurs as a result of an interaction between organisational characteristics, individual characteristics, and some kind of precipitating event. The essential act of entrepreneurship is “new entry”, which refers to the “entrepreneurial activities” that follow the decision to act entrepreneurially. New entry can be accomplished by entering new or established markets with new or existing goods or services. New entry is the act of launching an entrepreneurial venture (see definitions), either by a start-up firm, through an existing firm or via “internal corporate venturing” (Burgelman, 1983).

The precipitating event provides the impetus to behave intrapreneurially when other conditions are conducive to such behaviour (Hornsby et al. 1993). Greenberger and Sexton (1988) claim that a “salience of events” needs to exist in order for an individual to decide to initiate a new venture. Zahra (1991) identified a number of influencing factors in corporate entrepreneurship and these could be viewed as types of precipitating events. They include environmental factors such as hostility (threats to a firm's mission through rivalry), dynamism (instability of a firm's market because of changes), and heterogeneity (developments in the market that create new demands for a firm's products). In addition, organisational factors such as structure and managerial values were cited. Zahra’s (1991) influencing factors seem to include a common theme also suggested by Greenberger and Sexton (1988). Some type of environmental or organisational change precipitates or ignites the interaction of organisational characteristics and individual characteristics to cause intrapreneurial events.

Some specific examples of precipitating events in the corporate entrepreneurship process could include development of new procedures, a change in company management, a
merger or acquisition, a competitor’s move to increase market share, development of new technologies, cost reduction, change in consumer demand, and economic changes (Hornsby et al. 1993).

The concept of precipitating events summarises the impact of the environment on the model. Relatively dynamic and complex environments provide more precipitating events and therefore more potential opportunities for innovative ventures, given the propensity of entrepreneurial firms to search out such opportunities. Norms that encourage creative solutions by organisational members generate more ideas that are new and thereby also increase the identification of opportunities for innovative ventures. As opportunity recognition increases, the number of new venture projects initiated also increases, all other factors remaining constant. Championing norms combine with slack resources to influence the amount of resources devoted to the support of incipient new ventures (Russell, 1999).

In brief, the process of innovation is a structured way of describing how an organisation acts entrepreneurially by visualising the process of capturing business opportunities and how that capturing can actually be managed in order to create entrepreneurial activities.

As a summary of this Section, the conceptual variables relevant to the process of innovation, based on the discussions above, are displayed in the conceptual construct of the process of innovation, see Figure 3-5, below.
Figure 3-5 The Conceptual Construct of the Process of Innovation

Source: Developed for this research by the author in Section 3.2.5
3.2.6 Concept Variables Relating to Corporate Performance

This Section discusses the relevance of extending the concept of corporate performance in relation to the study of corporate entrepreneurship and therefore adds two concept variables to the concept variable “corporate performance”.

Since all businesses have corporate performance, non-financial or financial, as the main objective, it is relevant to briefly address this issue in regard to the study of corporate entrepreneurship and the present research project in particular.

Although the model of corporate entrepreneurship presented by Covin and Slevin (1991) is integrative, Zahra (1993) stated in critiquing the model that it required some revisions, refinements, and extensions. According to Zahra (1993) four areas needed to be developed: 1) the nature of entrepreneurial behaviour, 2) the locus of entrepreneurship, 3) redundancy in some constructs in the model, and 4) the nature of the link between entrepreneurial posture and firm performance.

As Zahra (1993) sees it, the Covin-Slevin model appears to emphasise the intensity dimension of entrepreneurship. This focus is recognised as appropriate and the bulk of past research follows this tradition (e.g., Miller, 1983, Covin & Covin, 1990, Covin & Slevin, 1986, 1988, 1989, Zahra, 1991, 1993). Typically, this research suggests that increased entrepreneurship is associated positively with company financial performance (Zahra, 1993). In 1993, Zahra suggested that the model would benefit also from recognising the duration of different components of firm-level entrepreneurship. Some components last a few weeks or months (as in some acquisitive or opportunistic ventures), others span several years or even decades. In brief, the Covin-Slevin model (1991) should consider the intensity, formality, type (locus), and duration of firm-level entrepreneurship. Failure to distinguish these four dimensions may inadvertently lead to misidentification of the relationship between entrepreneurship activities and other salient issues, such as company performance. Conversely, including these dimensions in the model will permit investigation of the full contribution of entrepreneurship activities to
company performance. The final Section of Zahra’s critique focuses on discussing the association between entrepreneurial posture and firm performance. In this Section, Zahra recommends three changes to the Covin-Slevin model.

First, the model should recognise the financial and non-financial outcomes of entrepreneurship. Second, the model should acknowledge the possibility that growth and profitability are not always guaranteed through firm-type entrepreneurship. Third, it should be recognised that financial and non-financial criteria are useful at different points in the life of an entrepreneurial venture.

In response to Zahra’s 1993 “A critique and extension” to Covin and Slevin’s major work (1991), Covin and Slevin published their response to “A Critique and Extension…”, titled “A response to Zahra’s Critique and Extension of the Covin and Slevin Model”, published in 1993. Covin and Slevin defended their model as being built from a bottom-up perspective with the objective being convergence of related theory and research. They implied that Zahra’s revised model, on the other hand, took the Covin-Slevin model as a starting point and, from a top-down perspective, decomposed it into a higher level of complexity. According to Covin and Slevin (1993), Zahra's model, conceptual integration, and a tight convergence of theory and research, is sacrificed in favour of presenting a broader, more encompassing conceptualisation of entrepreneurial posture, its antecedents, and consequences. The passage below is cited from Covin and Slevin’s 1993 article:

The model was developed explicitly and expressly around the financially based organisational effectiveness constructs of revenue growth and profitability. In no way does our model suggest that entrepreneurial posture cannot have financial outcomes. Quite to the contrary, we note that the growing interest in the study of entrepreneurship is, in part, a response to the belief that entrepreneurial activity can lead to improved performance in established organisations, and that “improved performance” can be defined in terms of a variety of organisational effectiveness criteria. We chose within our model to focus on financial performance because our model was developed as a framework for integrating existing research, and most of the research that relates
entrepreneurial posture to organisational effectiveness has relied on financially based measures of effectiveness. As such, Zahra’s first and third suggestions for modifying our model, as identified above, would extend our model beyond its intended scope.

As a conclusion to this sub-section, there seems to be agreement between Covin and Slevin (1993) and Zahra (1993) that firm performance should include both financial and non-financial performance. This extends beyond Russell’s (1999) cognitive map that used only financial performance as a concept variable. Therefore this research project will consider and include both non-financial and financial performance in addition to the main concept variable, “corporate performance”.

3.2.7 Entrepreneurial Posture as a Common Concept Variable

This Section will introduce and discuss the concept of “Entrepreneurial Posture” which is closely linked to “Entrepreneurial orientation” presented in Chapter 1, Section 1.1.

Covin and Slevin (1991) suggested an integrative model that explains the association between a company’s entrepreneurial posture and its external environment, strategy, internal factors, and organisational performance. The concept of entrepreneurial posture as a philosophical position is important to a model of corporate entrepreneurship because it captures the propensity of strategic managers to encourage entrepreneurial efforts by organisational participants and to provide the resources and organisational contexts that facilitate corporate entreprenuring (Russell 1999). Covin and Slevin’s (1991) derived a construct termed “entrepreneurial posture” that captures several top management behaviours related to corporate entrepreneurship. Covin and Slevin’s (1999) conceptualisation of entrepreneurial posture includes three components: 1) The strategic management's propensity to support risky ventures, 2) the extent and frequency of product innovation, and 3) the pioneering nature of management or their tendency to engage in proactive competition with industry rivals.

Entrepreneurial posture represents an overall “strategic philosophy” regarding the role and function of innovation in a firm's grand strategy. Entrepreneurial posture is
considered to influence firm performance directly and to be influenced by environmental characteristics, the business and mission strategies of the firm, and organisational variables such as resources and competencies, structure, culture, and top management values (Russell, 1999). According to Russell (1999) Covin and Slevin (1991) published perhaps the most complete model of corporate entrepreneurship to date. Their model conceptualises “corporate entrepreneuring” as a set of behaviours occurring at the organisational level. The behaviours include a degree of top management risk taking, the extensiveness and frequency of product innovation, and the firm's propensity to “proactively compete with industry rivals, (Russel, 1999, p. 66)”.

These behavioural tendencies are encapsulated within the concept that Covin and Slevin (1991) call “entrepreneurial posture”.

Consequently, in this research project the term “entrepreneurial posture” is used as the policy-making “broad based strategic concept” as intended by Covin and Slevin (1993), for the three strategic dimensions within the construct, i.e. the organisational, the environmental and the individual dimensions. The concept variables “Corporate performance”, “Non Financial Organisational Performance” and Financial Performance, Profit and Growth”, relate to the discussion in the previous Section 3.2.6. These concepts and their interdependent relationship with the concept of Entrepreneurial Orientation are mentioned in Chapter 1, Section 1.1, and are presented in Figure 3-6, below.

In brief, entrepreneurial posture represents the strategic mindset of the management expressing its intent and preparedness to embrace and support entrepreneurial actions as a strategic means to create competitive advantages. Entrepreneurial posture is also closely linked with the entrepreneurial orientation of an organisation and is the tactical expression of entrepreneurial posture. Entrepreneurial orientation then refers to the managerial practices and decision-making activities that feed the process of innovation with the necessary decisiveness, energy and support to get the process started and to keep it on track.
Figure 3-6  The Conceptual Construct of Entrepreneurial Orientation, Entrepreneurial Posture and Corporate Performance

Source: Developed for this research by the author in Section 3.2.6 and 3.2.7

3.2.8 Presentation of a Contextual Process Model of Corporate Entrepreneurship

As a result of the discussions earlier in this Chapter, a conceptual contextual process model of corporate entrepreneurship is presented below (Figure 3-7). This conceptual map is presented in full size, including all relevant concept variables, in an A4 format, in Appendix 2.
Figure 3-7 The Conceptual Contextual Process Model of Corporate Entrepreneurship

Source: Developed by the author in Chapter 3 for this research project

Note: The concept variables relating to the main concept variables in the environmental and individual dimension are not displayed due to limitations in visible display size on this page. For the full model see Appendix 2.
3.3 Summary

This Chapter developed and presented a holistic, yet structured construct of three interdependent strategic dimensions (domains), the organisational, the environmental and the individual dimension, all believed necessary for approaching the phenomenon of corporate entrepreneurship. This Chapter also introduced the term “entrepreneurial posture”, which is closely linked to the important term “entrepreneurial orientation” (EO) presented in Chapter 1. Entrepreneurial posture was positioned as the policy-making “broad based strategic concept” to be used in the exploration (mapping) of the three strategic dimensions and consequently in the conceptual contextual process model of corporate entrepreneurship. A framework of the strategic dimensions was presented by addressing and presenting several “concept variables” that are believed to be relevant for the construction of a contextual process model of corporate entrepreneurship.

The conceptual contextual process model of corporate entrepreneurship constructed in this Chapter is in many respects based on the approach and structure presented in the research by Russell (1999). This research project extends Russell’s suggested approach and models in four ways. First, in his research Russell points out that it was not supported by field verification at the time of publishing. This research project will conduct a series of case studies in order to verify and revise the conceptual model. Second, unlike Russell’s research, the conceptual model in this research projects incorporates an important component for describing a contextual process model of corporate entrepreneurship, the process of innovation. Third, the conceptual model in this research project will also incorporate the individual dimension, i.e. individual traits in a corporate environment. This component was not included in Russell’s cognitive maps of corporate entrepreneurship. Fourth, Russell’s process model did not make a distinction between financial and non-financial performance as a result of corporate performance.

A discussion addressing a firm’s performance, financial and non-financial, in relation to the study of corporate entrepreneurship led to the conclusion that both financial and non-financial performance in a firm should be regarded in this research.
The following Chapter, Chapter 4, will address the issue of research methodology. In this Chapter, a relevant and comprehensive research design will be developed in line with this study’s research themes that were presented in Chapter 1.

The combination of an inductive approach, grounded theory and SSM in an iterative process presented in Chapter 4 will allow this research project to use further the established literature and ongoing academic research while carrying out the field study and analysis.
CHAPTER 4  RESEARCH METHODOLOGY

4.1 Introduction

While the previous Chapter established a theoretical foundation for this research including the construction of a contextual process model of corporate entrepreneurship, this Chapter develops an appropriate research design in consideration of the research themes and purpose, which were stated in Chapter 1. The research design is a plan outlining the methods and procedures for collecting and analysing data to answer a specific research question (Hussey & Hussey, 1999).

This Chapter has five major Sections. Each will be explored in some detail, arriving at positions that form a comprehensive research design: These Sections are:

- Research Paradigm, Section 4.2
- Methodology, Section 4.3
- Methods, Section 4.4
- Analysis, Section 4.5
- Reporting of the Research, Section 4.6

The Chapter will also address the ethical considerations taken in this research, Section 4.7. A summary concludes this Chapter, stating together the main relevant positions taken throughout the five Sections mentioned above.
4.2 Research Paradigm

In this Section a wider perspective of the theoretical framework behind the methodology is explored. The researcher will address the following aspects that are relevant to this research project, and discuss the characteristics of his perception of his own personal paradigm position:

- The Positivistic Approach, Section 4.2.1
- The Interpretivist Approach, Section 4.2.2
- The Ontological Assumption, Section 4.2.3
- The Epistemological Assumption, Section 4.2.4
- The Axiological Assumption, Section 4.2.5

The concept of paradigm was brought to the fore by Thomas Khun (1962) and has been discussed and debated ever since for example by Mintzberg (1978), Burrell and Morgan (1979). A paradigm holds the concept of the enquirer’s basic beliefs about the world, i.e. value judgments, norms, standards, frames of reference, perspectives, ideologies, myths, theories and approved procedures that govern their thinking and action.

In its broadest sense, a paradigm refers to a fully realised worldview that suggests not only a research methodology but also a value system or axiology, and ontological and epistemological premises. For example, paradigms as diverse as empiricism, behaviourism, progressivism, existentialism, capitalism, Marxism, feminism, romanticism, and post modernism can be considered philosophical worldviews. Philosophical worldviews offer fully realised theoretical systems for understanding the world.

Traditions, however, are distinct from philosophical worldviews. Traditions are disciplines from which we glean theories that guide our research methodologies (often referred to as theoretical frameworks). These traditions often reflect a worldview as well as a methodology, though the dominant worldviews and methodologies are subject to
change as the research tradition or discipline changes. For example, anthropology is a
discipline within which social and cultural theoretical frameworks are used to guide
research, social psychology traditions are linked with symbolic interactionism, from
psychology comes cognitive psychology and constructivism, and from theology,
philosophy, and literary criticism comes hermeneutics. Both traditions and theoretical
worldviews guide methodologies and are commonly referred to as paradigms. They are
important philosophical choices in research (Dillon et al. 2000).

Since a researcher’s own basic beliefs will be reflected in the way the researcher
approaches, interprets and analyses the research, it is relevant to discuss briefly the two
main research paradigms and explore in some detail the paradigm that is closest to this
researcher’s own world view.

There are two main research paradigms or philosophies. These can be labelled positivistic
(sometimes also named experimental) and phenomenological (sometimes also named
humanistic). Some authors for example Fitzgerald (1997, p. 49) prefer to use the term
interpretivist rather than phenomenological because it suggests a broader philosophical
perspective and prevents confusion with a methodology known as phenomenology. Other
authors for example Gummesson (2000, p. 19) use the term “hermeneutic paradigm” to
have the same meaning as the “interpretivist paradigm” (from Greek hermeneuien, “to
interpret”). It could however be confusing to follow Gummesson’s (2000) definition
since hermeneutics at the same time is an interpretivist methodology. Therefore, the term
“interpretivistic paradigm” will be used in this research project.

Two main paradigms have been noted here, but it is best to regard these as two extremes
of a continuum, the features and assumptions of one paradigm are gradually replaced by
those of the other paradigm along this continuum (Hussey & Hussey, 1997).

The researcher of this project has come to adhere to the interpretivist paradigm for the
social sciences. Thus, while the positivist approach is addressed briefly below, the
interpretivistic paradigm is addressed in some depth.
4.2.1 The Positivistic Approach

The positivistic approach has long been applied in the natural sciences like physics, chemistry and biology and has led to the production of tremendous knowledge in these areas.

The positivistic approach seeks the facts or causes of social phenomena with little regard to the subjective state of the individual. Positivism is founded on the belief that the study of human behaviour should be conducted in the same ways as studies in the natural sciences. It is based on the assumption that social reality is independent of us, the people who live in it and that it exists regardless of whether we as human beings are aware of it.

In the view of positivists, laws put forward by an academic discipline provide the basis of inquiry and explanation, permit the anticipation of phenomena, enable accurate prediction of their occurrence, and therefore allow the phenomena to be controlled. Explanation is achieved through establishing causal relationships between the variables and by establishing causal laws and linking these laws to a deductive or integrated theory. Thus, social and natural worlds are both regarded as being bound by certain fixed laws in a sequence of cause and effect. A variable here is an attribute of an entity that can change and take different values, which are capable of being observed and/or measured. A theory is a set of inter-related variables, definitions and propositions and presents a systematic view of phenomena by specifying relationships among variables to explain natural phenomena.

There are several reasons why this researcher does not find the positivistic paradigm applicable to his personal framework of beliefs. The most significant reasons are that this researcher believes:

1. It is impossible to treat people as being separate from their social contexts and they cannot be understood without examining the perceptions they have of their own actions.
2. A highly structured research design imposes certain constraints on the results and may obfuscate findings that are more relevant.

3. Researchers are not, and cannot be objective: as they carry out the observation/inquiry they are central to the research process and so become part of what they observe. They bring their own interests and values to the research through what they choose to examine, the questions they ask, evaluation and interpretation, and so forth, so researchers are inextricably linked within the research process and thus help to influence and even shape its findings.

4. Capturing complex phenomena in a single measure is, at best, misleading. This researcher does not believe that one can assign a numerical value to a person’s intelligence or to the complex, inter-woven motivations that guide a person’s actions.

4.2.2 The Interpretive Approach

It was not long ago that some social scientists began to argue against positivism. They pointed out that the natural sciences deal with objects, which are outside us, whereas the social sciences deal with action and behaviour, which are generated from within the human mind. Moreover, they argued that the “interrelationship of the investigator and what was being investigated was impossible to separate, and what existed in the social and human world was what we (investigators and laymen) thought existed” (Smith, 1983, p.7).

The interpretivist approach is seen to be in direct opposition to the positivist approach. It is concerned with understanding and interpreting human behaviour from the actor’s own frame of reference (Hussey & Hussey, 1997) rather than from that of the researcher. The core idea is that reality is socially constructed rather than objectively determined (Easterby-Smith, Thorpe & Lowe, 1991)
In sharp contrast with positivism, the interpretivist approach assumes that social reality is within us, and therefore the act of investigating reality has an effect on that reality. Considerable regard is paid to the subjective state of the individual. This qualitative approach, unlike the positivists’ quantitative approach, stresses the subjective aspects of human activity by focussing on the meaning rather than the measurement, of social phenomena.

In this researcher’s interpretivist view, a positivistic analysis would be valid only in a rational world with objective, rational agents – a world that does not exist in an interpretivist’s perspective. Instead, interpretivists regard every case as unique, so it therefore cannot be explained by objective or quantitative rules. Other characteristics of an interpretivist approach are that the researcher can be involved actively in the process under inquiry or may observe or document the process through non-quantitative methods. In this approach the researcher is allowed to and indeed is compelled to take her/his own experiences, feelings and thoughts into account. As part of their interview methods, an interpretivist researcher may also consider things other than the answers to the questions, for example the interview situation and the environment in which the interview was conducted. This is in contrast to a positivistic research approach where the researcher is supposed to distance her/himself from the process and the circumstances of the interview situation are ignored completely.

In interpretivist research it can sometimes be hard to separate judgements that appear to be based on empirical fact from those made on values and interpretations, as a particular phenomenon can be understood only in a context, and interpretation depends on who designs and carries out the research. This researcher will therefore focus on aiming to achieve a holistic understanding when conducting this research. This is also fully in line with the interpretivist approach taken.

To summarise this Section, in the research project in hand here, this researcher has taken an interpretivist approach that originates from the interpretivistic paradigm position concerning the social sciences. A holistic understanding has been the aim for the research
in focus. The purpose of the research has not been to draw general conclusions or to empirically test derived propositions or hypotheses, but to explore, discover and gain a deeper understanding of the area of corporate entrepreneurship, i.e. to generate knowledge in order to be equipped to lay the foundation for further theory building in the field of corporate entrepreneurship.

The position taken by this researcher can be developed further than simply claiming that his position is that of an interpretivist and not a positivist. It is formally expressed by considering the epistemological, ontological and axiological assumptions of this researcher, so these three assumptions are addressed below.

**4.2.3 Ontological Assumption**

Research typically involves many layers of paradigms including a philosophical worldview, a tradition or discipline, and a methodology. Further, each of these paradigms typically makes or implies ontological, epistemological, and axiological claims.

Ontology is about the nature of reality (what is understood to be real). Ontological assumptions get at what people believe and understand to be the case – the nature of the social world or the subject matter that forms the focus of our research. Ontological beliefs give rise to beliefs about epistemology.

This researcher believes that each person constructs his or her own reality rather than the reality being an inter-subjective construction of the shared human apparatus (Archer, 1988). By Archer’s definition this makes this researcher’s position more that of a “subjective idealist” than an “internal realist”.

To summarise this sub-section, this researcher’s ontological assumptions as a researcher about the nature of reality is that reality is subjective and multiple as seen by participants in a study, i.e. that the world/reality is socially constructed and can be truly understood only by examining the perceptions of the human actors. This researcher consequently
believes that the world is created by individuals through language and actions based upon the pre-existing values and norms of those individuals or groups of individuals. Following Archer’s definition, this researcher recognises himself closest to the position of a “subjective idealist”.

4.2.4 Epistemological Assumption

Epistemology is about ways of knowing reality, questioning what is true. Epistemology is concerned with the production and study of knowledge and what is accepted as valid knowledge. Epistemological assumptions are those that people hold about the basis of knowledge, what it is, the form it takes, how it is created, and the way in which it may be communicated to others.

Positivists believe that only phenomena, which are observable and measurable, can be validly used to generate knowledge. Positivists claim that they maintain an independent and objective stance in producing what is recognised as knowledge, based on these observations and measurements. Interpretivists, on the other hand, recognise the impossibility of taking an independent, objective stance in their research, and so attempt to minimise the distance between themselves as researchers and what they are researching. Scheurich and Young (1997) have suggested that these assumptions about knowledge arise out of the social history of specific groups and that typically epistemologies are biased, as can be seen in a clear example, religion.

The main epistemological question of concern to this researcher is: What is the relationship between myself as researcher and what I am studying? As a researcher adhering to the interpretivistic paradigm and the opinion that reality is a social construction, my answer is that the researcher will of course interact with and affect what is being researched.

Following Archer’s (1988) definition, this researcher strongly believes that facts and values are intertwined and that both are involved with creation of scientific knowledge –
why this researcher takes a “non-positivistic” stance. The alternative epistemological stance as an interpretivist would be to believe that scientific knowledge is ideological and inevitably conducted in pursuit of particular sets of social ends. This is referred to as a “normative” stance.

To summarise this sub-section, this researcher has taken a non-positivistic stance, believing and understanding that any researcher will interact with and affect what the researcher is studying, and that both facts and values are involved in, and intertwined, in the creation of scientific knowledge.

4.2.5 Axiological Assumption

Axiology concerns the basic beliefs that form the foundation of conceptual or theoretical systems, the idea that the truth of propositions generated from inquiry depends on values shared by the researcher and participants in the research project. These beliefs include notions of what is good and the disputation contours of right and wrong, morality and values. An example is the need for sharing information about the knowledge generated during a study and protecting participants in the research project from knowledge generated about them being used against them (Dillon et al., 2000).

The axiological assumption is concerned with values. Positivists believe that science and the process of research is value free. Therefore, positivists consider that they are detached from what they are researching and they regard phenomena – the focus of their research – as objects. Positivists are mainly interested in the interrelationship between the objects they study and believe that these objects were extant before the researcher took an interest in researching them. Furthermore, positivists believe that the objects they study are unaffected by their research activities and will still be present after the study has been completed in the same condition as before the research was undertaken.
Interpretivists, on the other hand, consider that researchers have values, even if the researchers have not made their values explicit. These values help to determine what are recognised as facts and the interpretations drawn from them.

To summarise this sub-section, as an interpretivist, this researcher believes and acknowledges that he is involved with what is being researched, the researcher carries values and opinions and can never be objective about what s/he researches. At the same time, this researcher believes that this need for equanimity is scientifically motivated and necessary in order to enable valid judgement about what facts are important so that interpretations can be made about facts that are relevant to the phenomena being interpreted. It is also relevant to acknowledge here that this researcher believes and accepts that human interests and objectives drive scientific inquiry.

4.3 Methodology

In this Section, a wider perspective of the theoretical framework of the methodology of this research is taken. Different levels of methodology are addressed and this researcher’s choice of methodology for each level is discussed.

It is important to clarify here what “methodology” means to this researcher. Many researchers use “methods” and “methodology” interchangeably. One reason for this, particularly with the research methods used in interpretivistic approaches, is that the method is so closely inter-woven with the assumptions and the philosophies of the paradigm that it permeates the entire research design.

In this thesis, “methodology” refers to the overall approach to the research process, from the theoretical underpinning to collection and analysis of data. “Methods”, on the other hand, refer specifically to the various means by which data can be collected and/or analysed.
The methodological assumption is, as mentioned above, concerned with the process of the research, from the theoretical underpinning to the collection and analysis of the data. As Silverman, (1994, p. 2) claimed, “Like theories, methodologies cannot be true or false, only more or less useful”.

Since this researcher has adopted an interpretivistic approach, the choice of methodology is to some extent set. However, some of the most relevant levels of methodology for this research will be addressed using Fitzgerald’s (1997) summary of “soft” vs. “hard” research dichotomies, and from these dichotomies the methodological framework adopted and applied in this research will be stated.

The dichotomies at the methodological levels are:

- Qualitative vs. Quantitative
- Exploratory vs. Confirmatory
- Inductive vs. Deductive
- Field vs. Laboratory

Each of these dichotomies will be addressed in the next four sub-sections.
4.3.1 Qualitative vs. Quantitative

Methodological approaches can be distinguished between a qualitative and a quantitative method. The two methods will be described briefly below, and then the qualitative approach adopted in this research will be presented.

4.3.1.1 Quantitative Methods

When working with quantitative methods, the researcher systematically collects empirical and quantifiable data from a wider sample. This has the effect of limiting the information gained from each object. Research according to a quantitative method is more formalised and structured, and the researcher has a high level of control over the observation process. There is more distance between the researcher and the research object, and there is a subject–object relationship. Planning and implementation is characterised by control, distance and selectivity in relation to the source of information.

Statistical methods play a central part in quantitative methods, since data is processed with the help of statistical techniques and the outcomes are often analysed from a starting point of hypotheses that are possible to test quantitatively. The possibility of inducing knowledge and general conclusions about a larger population from a small sample of the population is the main strength of the quantitative method compared with the qualitative method.

Quantitative data can be obtained by using mathematical and statistical techniques to identify facts and casual relationships. The sample size is often large and the results from quantitative data can therefore be generalised to larger populations within what are recognised as known limits of error. Quantitative data is often highly specific and precise, the conclusions following analysis of quantitative data often have a high rate of reliability and high external validity, but low internal validity. The validity and reliability of the present research is addressed in more detail under the Section “Validity and Reliability”, later in this Chapter.
4.3.1.2 Qualitative Methods

Qualitative methods can be described in short as concentrating on a smaller amount of research and examining this smaller amount more thoroughly. The aim here is to give a comprehensive understanding of what is examined. Qualitative methods are characterised by the researcher’s proximity to the source of information.

Based on the interpretivist approach, qualitative methods recognise a subject–subject relationship between the researcher and the area of research. This researcher believes that an objective relationship to research, and in particular to the area of this research project, is both impossible to obtain and undesirable.

The greatest advantage of the qualitative methods is that they can be used to reveal (or capture) an overall picture of the research area that is being studied and they reflect the situation and context under which the research was conducted. Closeness to the research area creates conditions necessary for a better understanding of certain factors through analysis, assessment and interpretation of the information obtained. The purpose is not to draw general conclusions from extrapolation and find connections valid in all situations, but to achieve better understanding and a clearer view of the research area.

Qualitative data is well described as rich, descriptive and subjective. Qualitative methods involve trying to determine the qualities/values of the things that exist, rather than how many there are of a particular kind. Compared with quantitative methods, qualitative methods are less structured and more responsive to the needs of the specific research situation. Qualitative data are often collected from small samples with generalisability relying on observations being applied in similar context situations. The conclusions following analysis of qualitative data thus often have low reliability, high internal validity and low external validity.

In contrast with a number of researchers for example Fitzgerald, (1997, p. 50), this researcher holds that it is possible to productively use both quantitative and qualitative
data when applying an interpretivist approach. Several researchers share this position with the author for example Gumesson (2000). This study focuses on collecting qualitative data as primary data, methods for collecting this data are addressed later in this Chapter under the Section “Methods”.

4.3.2 Exploratory vs. Confirmatory Approaches

Depending on its purpose, research can be classified in different ways, from being exploratory to being confirmatory (explanatory). The major classifications are addressed below and the approach adopted for each area is discussed.

**Exploratory** research is concerned with attempting to discover patterns in the data and then explain and understand these patterns. This kind of research often leads to the generation of hypotheses, and is mainly used when knowledge about the research area or the research subject is very limited and when it is not clear exactly which part of the problem calls for further investigation. Commonly used methods in an exploratory approach are expert interviews, observation, participant observation, and analyses of documents, literature study and different types of case studies. Such techniques are very flexible since there are few constraints on the nature of activities employed or on the type of data collected.

The exploratory approach to research is usually very open and concentrates on gathering a wide range of data and impressions. As such, exploratory research rarely provides conclusive answers to problems or issues, but gives guidance on what future research, if any, should be conducted (Hussey & Hussey, 1997, p.10).

A variant of an exploratory approach is *descriptive* research. The purpose of a descriptive study is to find data in order to answer a specific research question. Descriptive research describes phenomena as the researcher sees them to exist. It is therefore used to identify and obtain information on the characteristics of a particular problem or issue (i.e. research question). The data collected is often quantitative, and statistical techniques are
usually used to summarise the information. Descriptive research goes further in examining a problem than exploratory research, since it is undertaken to ascertain and describe the characteristics of the pertinent issues. There are various kinds of descriptive studies, but only two types of research questions. One is purely descriptive and aims to explain and describe the situation. The other is normative, and here the purpose is to point out conditions, possibly give suggestions, for improvements and directions about how things could be done better.

**Explanatory, confirmatory/analytical**: These are all different names for the same kind of research, one that aims to answer a specific question, and is often carried out through statistical hypothesis testing where the researcher tries to identify the factors that together may explain a phenomenon. Confirmatory/explanatory/analytical research is not primarily concerned with understanding, its focus is on testing hypotheses. Here the researcher goes beyond merely describing the characteristics, to analysing and explaining why or how something is happening. Thus, this type of research aims to understand phenomena by discovering and measuring causal relations among them. An important element of this type of research is identifying and possibly controlling the variables in the research activities, since this permits critical variables or the causal links between the characteristics to be better explained.

Another type of research is **predictive** research, which goes even further than explanatory/confirmatory research. Predictive research aims to generalise from the analysis by predicting certain phenomena based on hypothesised, general relationships.

According to Fitzgerald (1997) the exploratory vs. confirmatory dichotomy has parallels with the understanding vs. prediction dichotomy proposed by Dubin (1976). Dubin suggests that understanding is concerned with exploring the *process* of interaction between units of analysis. Prediction, on the other hand, is more concerned with knowledge of the *outcome* of such interaction in terms of what can be accurately predicted.
Researchers like Bikson (1991) have argued that in the rush to adopt the positivist hypothesis-testing model, there has been a failure to lay the critical foundation with basic descriptive work. Bouchard (1976, p.366) makes a similar point.

The area of research in the present study originates in a young field of research. Considering the purpose of this study, this researcher found it both relevant and necessary to apply an exploratory approach. An exploratory study was performed, with the aim of including managerial implications, recommendations and suggestions, which will make this research somewhat normative.

### 4.3.3 Induction vs. Deduction

Induction refers to a mode of research that uses observation of specific instances to arrive at overall generalizations. This means that inductive research is a study in which theory is developed from the observation of reality, thus, general inferences are induced from particular instances, which is the reverse of that of deduction. Deductive research is a study in which conceptual and theoretical frameworks are developed from general inferences. For this reason, deduction is referred to as moving from the general to the particular.

This researcher adheres to Mintzberg’s position (1979) that argues that while deduction is important, the process of inductive discovery is more interesting and challenging. As he puts it (p.584): “It is discovery that attracts me to this business, not the checking out what we think we already know”.

This researcher has worked inductively with the collected data and the available literature when performing the analysis in this project. His aim with this area of research is to establish a conceptual framework for addressing and assessing how the processes of corporate entrepreneurship interact, not to test an *a priori* developed framework.
4.3.4 Field vs. Laboratory

The use of experimental studies is a positivistic methodology. Experiments are conducted either in a laboratory or in a natural setting in a systematic way. In business research, it is difficult to arrange experiments. Furthermore, laboratory settings do not reflect the actual environment.

According to Fitzgerald (1997), much Information Systems (IS) research has been conducted in laboratory settings, and there has been a tendency in the past to avoid field-based research. Field-based research has been criticised for example by van Horn (1973).

At the same time need for field-based research has been widely acknowledged in the IS field for example by Galliers, 1992, Nissen, 1985, Nissen, Klein and Hirschheim, 1991, and is applicable in the study of corporate entrepreneurship.

This researcher adheres to Fitzgerald’s reasoning (1997, p.54). Kaplan and Duchon (1988) argue that in laboratory experiments, the stripping of context buys objectivity at the cost of a deeper understanding of the realities of the situation. As Guba (1990, p. 22) aptly observed: In the final analysis, laboratory results are generalizable only to another laboratory. Mintzberg (1979) also criticises the results of laboratory results as only significant in the statistical sense.

Daft (1983) makes a strong case for field based research, suggesting that the failure to develop interesting and insightful theories stems from lack of experience with real situations. This researcher strongly believes that the area of research in this project is best observed and analysed within its natural environment i.e. from live field organisations.
4.4 Methods

A case study approach was chosen as one of the methods for this research and reasons for this choice are explained below.

4.4.1 Case study as research method

In this discussion, “methods” refers to the various means by which data can be collected. A case study is a research approach forming the infrastructural framework for data collection. The actual data collection in the case study can be carried out by several different types of action such as interviewing and participant observing, and this is discussed below under the heading “Data Collection Methods”.

The case study (also referred to in this research project as case research) is addressed as a research method. A case study is a form of methodology which focuses on explicitly understanding the dynamics present within a single setting. It is often used in the exploratory stages in research (Hussey & Husey, 1997).

Cavaye (1996) claims that case study methods can be applied and used in research in different ways and because of this, case research is open to wide variation. Case research can be carried out taking a positivist or an interpretivist stance, it can take a deductive or an inductive approach, it can use qualitative and quantitative methods, it can investigate one or multiple cases. Case research can be a highly structured, positivist, deductive investigation of multiple cases but it can also be an unstructured, interpretative, inductive investigation of one case. It can also be anything in between these two extremes, in almost any combination.

There is no accepted definition of case research. However, it is possible to understand the potential of case research as a research method by listing its characteristics and its strengths and weaknesses.
Case research is a research approach that uses the case method to obtain data or other information. Case method is a term that describes “a way to systemise observation” (Weick, 1984).

The case method:
- does not explicitly control or manipulate variables,
- studies a phenomenon in its natural context,
- studies the phenomenon on a few sites,
- makes use of qualitative tools and techniques for data collection.

The use of case method is one characteristic of case research. In addition, case research aims for in-depth understanding of the context of a phenomenon. Case research investigates an \textit{a priori} defined phenomenon, but does not usually (although it may) define \textit{a priori} constructs and relationships. Case research aims to contribute to knowledge by relating findings to generalisable theory. As for the strengths of case research, case research enables the capturing of “reality” and detail by studying a phenomenon in its natural context. It allows for the study of a large number of variables and different aspects of a phenomenon. Case research is valuable in developing and refining concepts for further study. Case research also has weaknesses. It is not possible to generalise case-research findings statistically to a population. During case research the researcher has no control over independent variables and this may limit the internal validity of any conclusions (Cavaye, 1996). These limitations to the case research approach are acknowledged in this research.

The research objective of this research is to inductively discover, understand and explain the phenomena observed in order to contribute to new theory building, and thus a case study approach is used.

There are a number of ways to use case research for theory building. \textit{Grounded theory} for example suggests that theory emerges as the researcher collects data surrounding a phenomenon. In order to facilitate theory emergence, the researcher enters the field
without an *a priori* hypothesis, but with good background knowledge of the literature. The researcher analyses data during the data collection process because analysis itself may suggest constructs or patterns that require further data collection. Data collection method, coding rationale, integration of categories, abstracting from the data, and construction of theory are thus guided by theory as it emerges.

Mintzberg (1979) describes his form of inductive research as consisting of two parts: detective work and the creative leap. Detective work refers not only to collecting data but also the analysis conducted while collecting data: looking for patterns, commonalities, and consistencies. The creative leap has analytical meaning: generalisation beyond the data to draw a theoretical conclusion. Checkland’s “soft systems methodology” (1999), proposes to first describe a situation or a problem to identify major concepts (the “root definitions”) and then to take the important step towards conceptualisation. The remainder of Checkland’s methodology is particularly designed for problem solving, it validates the conceptual model with the real world, discusses possible changes to the problem situation, and lastly takes action and implements desirable changes. Eisenhardt (1989) presents yet another methodology for building theory from case research. She combines elements of grounded theory (opportunistic data collection, absence of *a priori* hypothesis) with structured methods. Eisenhardt emphasises the use of literature towards the end of the project, as an inductively derived theory can be compared to the existing literature (Cavaye, 1996).

This researcher has used a combination of Mintzberg’s inductive research (1979) or as he calls it “direct research”, and “grounded theory” (e.g., Glaser & Strauss, 1967, Glaser, 1978, Strauss 1987, Corbin & Strauss, 1991). This researcher has also acknowledged some of Checkland’s main themes discussed above.

The main direction proposed by Mintzberg (1979) regarding “inductive research” that has been adopted in this research is:
• Analysing while collecting data, i.e. looking for patterns, commonalities and consistencies.

The main directions proposed by “grounded theory” (Glaser & Strauss, 1967) endorsed in this research are:

• No a priori hypotheses
• Good background knowledge of the literature.

The main directions proposed by Checkland (1999) that were facilitated in this research are:

• First identify major concepts
• Conceptualise constructs.

### 4.4.2 Data Collection Methods

In this sub-section, qualitative data in case research is discussed. The methods chosen and applied in this research for the collection of the field data are also explained

Some case research uses only qualitative data, the majority of research combines qualitative and quantitative data. In this research, primary qualitative data were collected.

This researcher believes that direct and in-depth knowledge of a research setting is essential for achieving contextual understanding. Hence, the qualitative methods that were engaged in this research were face-to-face contact with individuals in the research setting, primarily with verbal data and observation. The objective of collecting qualitative field data within this research was to obtain data that was rich, full, holistic and real. This researcher believes that these are all necessary qualities for data to fully describe, understand and reflect the complex nature of the phenomena studied.
In the following sub-section the focus is turned to the discussion of the collection of the verbal data and how the observation was carried out.

4.4.3 Interviews and Observation

The two main methods used to collect the qualitative data for this research project were interviews and observation. The techniques for interviews are discussed below and then how the units of analysis were studied is presented.

4.4.3.1 Interviews

To start each in-depth case study, the “informer interview” technique (Halvorsen, 1992), was used. This qualitative interview technique is relevant when the researcher is interested in a phenomenon that has already happened or when the researcher her/himself does not have the opportunity to study the phenomenon. This is a particularly good technique in the beginning of research projects when the researcher is not clear on what questions to ask.

The other two interview techniques that were used in this research were the “open interview” (Kvale, 1997) and the “semi structured interview” (Andersen, 1998).

The open interview is another example of a qualitative interview, which is sometimes called the qualitative research interview. This type of interview is used to develop a deeper understanding of a person’s behaviour, actions, motives and personality. The main purpose of this technique is to collect descriptions of the interviewee’s own world so that the researcher can better interpret the described phenomena. It is a difficult technique but very valuable. The strength of such interviews is the possibility they offer for discovery. Many times in the present research project, the open interview approach provided unexpected comments from the interviewees, which in turn provided valuable input for further discussions in other relevant directions. Knowledge many times wider and deeper was revealed by the open-interview technique.
The semi-structured interview is used in the same situations as the open interview technique. The difference is that the researcher has developed a greater understanding of the area studied. There were usually some areas that the researcher knew he wanted to take up for discussion with interviewees, and here an interview guide was used to guide the interviews. Professional management consultants often use this type of technique.

The general interview guide with indicative questions used in the exploratory stage of each case study, with the purpose to be used as a facilitating and moderating tool throughout the individual discussion with the participant, is presented in Appendix 9.

4.4.3.2 Observation

Observation can generally be conducted in two ways: non-participant and participant observation. The purpose of non-participant observation is to obtain observation and recording of what people do in their actions and their behaviour, without the researcher being involved directly in the observation. The researcher is separate from the activities taking place and the participants in the research may or may not be aware that they are being observed. There are of course strengths and weaknesses with both techniques.

A non-participant observation approach was used in the present research project since this researcher believes that this is the most objective approach. This aspect is addressed further later in this Chapter, under the heading “The researcher’s role”.

4.4.4 Secondary Data Collection Sources

For this research, secondary data were collected as complement and/or support to the primary field-data collected. However, no secondary data were engaged in the analysis. The secondary data that was collected was both qualitative and quantitative data including annual reports, organisational charts, financial plans, business plans, operational plans, marketing material and other material of strategic interest. These data
were collected as part of the process of collecting primary data, and they confirm and complement the data collected from observing and interviewing. The main purpose of collecting secondary data was to develop and increase the researcher’s understanding of the situation studied, which in turn helped this researcher to develop a deeper contextual understanding of the research object within the particular research situation.

4.4.5 The Researcher’s Role

Interpretative researchers attempt the difficult task of assessing other people’s interpretations – filtering them through their own conceptual apparatus, and feeding a version of events back to others, including in some cases both interviewees and other audiences. In carrying out this work, it is important that interpretative researchers have a view of their own role in this complex human process (Walsham, 1995).

A researcher can take at least two types of roles. These can be described as 1) participant observation or even action research if the objective also is to implement change within the research setting, and 2) outside observation and/or non-participant observation. This thesis uses the latter term. Neither of these two approaches can be considered as objective since the researcher in the analysis involves his or her own conceptual understanding, references and prior understanding of the area of research. However, this researcher believes that conducting a thorough non-participant observation will enhance the level of objectivity.

The non-participant observer technique preserves more distance from the personnel in the studied organisation. Field operatives will view the non-participant researcher not as one of themselves, but as an outsider who is no threat to them.

The merit of this approach is that the researcher is seen as not having a direct personal stake in various interpretations and outcomes, and thus personnel will often be relatively frank in expressing their views, provided a rapport of trust can be established. The main disadvantage of this role is that the outside researcher will not be present on many
occasions, and will not get a direct sense of the field organisation from the inside (Walsham, 1995). One relevant way to minimise this possible negative effect on the quality of the collected information is to study more than one field organisation. This will be addressed further below, under the heading “Unit of Analysis”.

There are disadvantages in participant observation, for example the involved researcher will be perceived as having a direct personal stake in various views and activities, and other personnel may be more guarded in their expressed interpretations as a consequence. Unless participant observers or action researchers hide their research motives, which could be considered an unethical position (Mumford, 1985), they will still not be regarded as normal employees and thus not total insiders. A final problem with the role of the involved researcher is the extreme difficulty of reporting the part one has played in the various matters under consideration. Self-reporting faces the twin dangers of over-modesty and self-aggrandisement, and it is particularly difficult to steer a middle path between these two extremes (Walsham, 1995).

The above reasoning led this researcher to the conclusion that the present research project would obtain the most relevant objective data for analysis by using non-participative observation techniques and activities.

### 4.5 Analysis

This Section will address and present the framework used for the data analysis discussed in Chapter 5.

The main challenge to qualitative data analysis is that there is “no clear and accepted set of conventions for analysis corresponding to those observed with quantitative data” (Robson, 1993, p. 370).
One approach is to quantify the collected data, either formally or informally. This researcher believes, however, that such an approach is undesirable and that by turning qualitative data into numerical data, the researcher would stretch far beyond his interpretivist paradigm position.

The approach that is an option within this researcher’s interpretivist position is non-quantifying methods of analysis, which are addressed below.

4.5.1 Cognitive Mapping: A Non-quantifying method of qualitative analysis

The main challenge of approaching the data analysis is to resolve how to reduce, structure and detextualise data. The approach that was chosen for analysis meets these three issues at an acceptable level. The way of analysis adopted here is called “cognitive mapping”.

Cognitive mapping is based on Kelly’s (1955) theory of written or verbal accounts of problems. It is based on Kelly’s world, to predict how, all things being equal, the world will be in the future, and to decide how we might act or intervene in order to achieve what we prefer within that world.

4.5.1.1 Cognitive Map Construction

Cognitive maps contain two basic elements: concepts and causal beliefs (Axelrod, 1976). Concepts are map variables that define some aspect or characteristic of the construct under analysis, while causal beliefs describe the relationships that link the concepts within the maps. When a cognitive map is drawn, concept variables are usually represented by points and the causal relationships by arrows connecting the cause concept variable to the effect concept variable. Causal relationships may be assigned a direction and sometimes a value. A completed map provides a graphical representation of the construct of the system under analysis that includes the concept variables within the
domain as well as the relationships between them that influence processes and outcomes. To devise a cognitive map of corporate entrepreneurship, concepts that stand as variables must be identified within each domain and the relationships between them specified. Following the convention established by Axelrod (1976), concept variables that represent policy positions are placed on the left side of the cognitive map.

4.5.1.2 Justification of Cognitive Mapping

The managerial cognition literature locates an organisation’s intellective processes in the minds of individual managers who are confronted with the task of making sense of very complex and ambiguous environments. In the learning and knowledge-based literatures, on the other hand, organisations are themselves the intellective entity, and researchers attempt to describe the organisation-wide structures that encode, store, create and utilise information relevant to organisational functioning.

Since this researcher believes that organisations can and should be regarded as intellective entities they are at the same time constructions by real-world individuals and are managed by real-world individuals. The issue of intellective entity can therefore not be addressed by excluding both the organisation and the individual manager, they converge somewhere in the middle. Therefore, cognitive maps of corporate entrepreneurship provide a “sense-making” approach to visualise and understand the multi-dimensional aspects of the terrain of corporate entrepreneurship.

Cognitive mapping techniques have, according to Russell (1999), been applied at this level of analysis to describe the shared beliefs of organisational members and their impact on organisational processes. Thus there is a precedent for this application, see for example Bougon, Weick, and Binkhorst (1977), Weick and Bougon (1985).
4.5.1.3 Decision Explorer: A Software Supporting Analysis and Presentation

Cognitive mapping is a technique that has frequently been used in projects concerning the development of strategy. Cognitive mapping softwares have been developed and refined over the last several years and one of the best known and most advanced is “Decision Explorer”, which has been used in this research.

Ackerman et al. (1990) describe how these types of softwares can be used to build models and analyse and retain the meaning of field data. These softwares can also be used to assist in the development of theoretical accounts of phenomena (Ackerman et al. p. 347), thus making the software a useful tool for researchers using grounded theory. This research has, as mentioned above, partially adapted a grounded-theory approach by not having an *a priori* construct of a hypothesis.

“Decision Explorer” originates from the research community, and has been refined by business practitioners and academics. The software contains a database, which holds the data in a form amendable to analysis and presentation, the presentation of research findings satisfies the recommendations of Miles and Huberman (1994). There is no set framework, other than the nodes and linkages convention, the researcher can impose any structuring convention that seems appropriate to conduct her/his research. The program can handle complex data and, on one level, its advantage is the support it gives the researcher in managing qualitative data. Ackerman et al. (1990) also claim that using the software has methodological benefits as it reduces the need for early data reduction, it structures the data, and compels the researcher to be explicit about the assumptions he or she is using to structure and analyse the data.

4.5.2 Framework for Operational Analysis

The previous Section presented the framework for how the collected field data were structured and mapped into cognitive maps representing the entrepreneurial situation of an organisation i.e. a situational map. This Section will address the framework for the
operational analysis, i.e. present how the collected field data displayed in the situational
cognitive map were engaged into an operational comparison. The sub-section following
this one will present how this comparison was actually performed.

The theoretical framework used for the operational analysis performed in this case study originates mainly from the latest additions of Soft Systems Methodology (SSM) provided by P.W.J Ledington and J. Ledington. Given that the importance of comparison within SSM has been clearly demonstrated, the lack of guidelines and support for undertaking this activity has been confronted and addressed by two mentioned researchers who have contributed to trying to develop useful guidelines in the concept of the comparison activity. As an introduction to these recent additions and developments in SSM, a brief overview of two research papers written by these two researchers (1999, 2001) is provided below. This overview is also provided as a theoretical framework for the operational analysis used for the case studies in this research project.

4.5.2.1 Overview of an Operational Comparison Approach

At the heart of SSM lies the process of comparison. Comparison is the bringing together of formally defined logical statements. In this research a conceptual model is compared to the information and experiences collected from a real situation, in order to generate new interpretations relevant to improving the situation as well as the conceptual model. A model in SSM expresses in a formalised manner the meaning of defined activity, and therefore to make it useful the enquirer must also associate it with some aspect of the problem situation under consideration. In both the philosophy and practice of SSM, the conceptual model is not, nor should it be, regarded as a representation of this empirical situation. The activity of comparison is fundamental to the logic, structure and operation of SSM. Ledington and Ledington (1999) state that it can be useful to depict the actual situation in the same format as the conceptual model, that is a set of linked activities or processes, and then to compare the two models. The research by Davies and Ledington (1991) addresses an important process of comparison, which is the process of learning. Learning arguably takes place in two different domains simultaneously when comparing
the real-life model to the conceptual model, learning about the real-life situation and the model at the same time.

The starting point for the process of comparison is the conceptual model. Such a model can be viewed as a social artefact to which preferences can be expressed. Relevant values that are meaningful to the context of comparison have therefore been suggested to be (1) Expectation, (2) Desirability, and (3) Importance (i.e. “EDI”).

In brief, the EDI-framework suggested by Ledington and Ledington (1999, 2001) allows three judgements to be expressed. First, the analyst’s expectation that the conceptual model has some operational meaning in the context of the situation. Second, the desirability of the model as an expression of activity relevant to the situation can be expressed. Third, the analyst’s perception of the importance of the model in relation to the observation of the real-life situation can be stated. The next step in the comparison process then maps evidence from the situation against the conceptual model.

Expectation, desirability and importance provide formal dimensions for discussing the relationship of a conceptual model and a real-life situation.

**Expectation**

The assumption that anyone creating a conceptual model must have some belief that there is a relationship between the model and the situation observed addresses the first value, expectation. This dimension reflects upon the beliefs that the analyst had when he or she created the conceptual model. The assumption that the analyst had some beliefs that the conceptual model expresses something about the real-life situation is an important value to address when engaging into a comparison activity.
**Desirability**

Desirability is a judgment made by the analyst about whether the conceptual model expresses activity that can be seen in the context of the real-life situation. If, for example, a model is created and acceptable evidence from the situation suggests that some of the activities are not actually carried out in the situation, it is possible to suggest activities that initiate changes in the situation. Similarly, discussion with people in the situation may confirm or challenge the desirability of the conceptual model, and a conceptual model the analyst thinks will yield insight into the issues in focus may prove either useful or of little value.

**Importance**

The value associated with the model in the context of the problem-solving activity is termed the importance of the conceptual model. This allows the analyst to express and value the importance of the conceptual model in regard to the situation observed.

Since the EDI concept may present many dichotomies of desirable/undesirable, expected/not-expected and important/unimportant, it has been found useful in practice to encourage analysts to use a limited form of the EDI framework (Ledington & Ledington, 1999). Having chosen a relevant conceptual model to operate with, and therefore implicitly expressing that the model is important, it can be mapped onto the matrix formed by the expectation and desirability dimensions, as shown in Figure 3-1, below. This recommendation is endorsed and implemented in this research design.
The research by Ledington and Ledington does not describe how to carry out the comparison process in practice. The EDI framework described above was used as a general guideline for analysing the field data collected in this research, including the comparison of the situational model with the conceptual model of corporate entrepreneurship.

### 4.5.3 Three-Step Operational Analysis

While the previous Section presented the theoretical framework for the operational analysis used in this research, this Section presents how this comparison was actually performed by describing the three steps of the analysis that was engaged for the analysing the collected field data.
The conceptual model of corporate entrepreneurship has, as mentioned earlier, three different domains and the process of innovation is included. The three domains or dimensions are the individual dimension, the environmental dimension and the organisational dimension. The process of innovation, described in Chapter 2, is the structured way of describing how an organisation explicitly acts in an entrepreneurial way i.e. by visualising the operational process of tactical change in order to create competitive advantages. The analysis of the collected field data was carried out in three steps.

1. The first step of analysis was the cognitive-mapping phase where the gathered qualitative data were structured and mapped (constructed) onto one overall cognitive map of the specific organisation studied, called the situational map. By addressing the three different dimensions mentioned above in different ways in the discussions and interviews with several individuals within the specific organisation, a great amount of relevant qualitative information was gathered. Tape recording of these discussions allowed for a careful reviewing of the discussions, enabling this researcher to build a cognitive map that shows correctly the issues covered and facts reported by the interviewees so that the situational map adequately reflects and represents the true nature, circumstances and prerequisites of the specific organisation observed.

In the actual mapping, relevant and representative data were illustrated as concepts and most concepts are identical to how an informant actually expressed him or herself. Many times several individuals expressed the same or close to the same opinion. These similar opinions are, however, only expressed once in one concept. This researcher then made a judgment about how and where the expressed opinion/statements should be placed into the map and linked. Colour coding of the statements gave a clearer indication if related expressions were adequately mapped within the correct dimension and if a certain expression held the value for the specific domain it appeared to represent. The mapping of expressions was consequently clustered around some of the common concepts.
provided by the conceptual model of corporate entrepreneurship. This provided the analysis and situational map with a credible infrastructure. A specific entrepreneurial decision and activity was studied in each case study as a sort of facilitator for creating an opportunity to take an “entrepreneurial picture”, i.e. a cognitive map of the entrepreneurial orientation of the organisation. The first step of analysis also included visualising links within the situational map of the specific organisation. The main links were then formally addressed in the second step of the analysis.

2. The second step of the analysis included analysing the three strategic dimensions (see definitions) by engaging them into an operational comparison. The framework for the operational comparison was presented in the previous Section. The process and framework for operational comparison is further addressed in the Section below, “Presentation of the Operational Comparison”, where the various steps of the operational comparison are presented. The process of innovation was addressed and analysed in a similar way but without using the desirability/expectation matrix, presented above (Figure 3-1). The comparison process focused on juxtaposing the conceptual domains described in the conceptual model of corporate entrepreneurship against the observed domains mapped into the situational map. A consequence of the second step of analysis was an opportunity to address possible and relevant changes to the conceptual model. This discussion formed the impetus to the third and final step, which provided explicit suggestions about how the conceptual model may be improved.

3. After conducting each case study, the explicit outcomes of the two previous steps of analysis provided an opportunity to further analyse i.e. to discuss and address any suggested changes before any final changes were considered to be done to the conceptual model. These issues are addressed in Chapter 5.
4.5.3.1 Presentation of the Operational Comparison

As mentioned above, this Section addresses the process/operational steps of the operational comparison (see issue 2 above).

The operational analysis was conducted using the methodological framework for operational comparison discussed above in the sub-section “Framework for Operational Analysis”. As the previous Section explained, the analysis of step one is expressed through the visual display of the cognitive map including its clusters, which are specifically addressed in this second step of the operational analysis. The situational maps that are presented as a partial result from each case study in Chapter 4 were approached and analysed in the following order.

1. Comparison between the environmental dimension in the situational map and the environmental dimension presented in the conceptual model. This comparison was divided into two parts, first comparing “norms and values” and the then comparing the “corporate culture” in the situational map with the corresponding conceptual “norms and values” and “corporate culture”, respectively, in the environmental dimension of the contextual process model of corporate entrepreneurship.

2. Comparison between the individual domain, i.e. “the individual traits” in the situational map, and the individual domain presented in the conceptual model of corporate entrepreneurship.

3. Comparison between the organisational domain, i.e. “strategic management behaviour”, in the situational map and the organisational domain presented in the conceptual model of corporate entrepreneurship.

For each comparison, the mapped concept variables for each dimension were engaged in an operational comparison using the EDI-matrix described earlier. The operational comparison process focuses on validating the conceptual model by juxtaposing the
concept variables that are displayed in the conceptual model against the concept variables that were mapped into each situational model.

In practice, the relevant cognitive expressions positioned in the organisational dimension of the situational model were extracted and positioned into the relevant quadrant of the EDI-matrix. Consequently, each concept variable in the situational model was compared to the corresponding concept variable in the conceptual model. The overall purpose of the analysis was to compare the situational model with the conceptual model in order to evaluate and establish the relevance of the contextual process model of corporate entrepreneurship.

4.5.4 Unit of Analysis

This is a highly interesting and important issue to address, since the entire collection of field data will be generated from the chosen units of analysis.

The unit of analysis looks at what the “case” is, or what the research will focus on. Examples of units of analysis include individuals, groups, organisations and specific projects (Yin, 1994). This issue is discussed below by sub-addressing the different aspects of the area.

4.5.4.1 Number of Units of Analysis

The first question regarding case research is whether to have one or more units of analysis. Studying multiple cases may not enable the same rich descriptions as studies of single cases, but multiple cases enable analysis of data across cases. This enables the researcher to validate that findings are not merely the result of idiosyncrasies of the research setting (Miles & Huberman, 1984).
Transferability (Lincoln & Guba, 1985, Leininger, 1994) which is concerned with whether the findings can be applied to another situation which is sufficiently similar to permit generalisation, will also be higher using a multiple-case approach.

A multiple case-study approach was adapted for this research. A multiple-case design allowed for within-case and cross-case analysis, and was useful in determining if the findings from the individual cases are replicated, resulting in increased support for initial propositions (Yin, 1994). A cross-case approach was used for the analysis, identifying the similarities and differences between the cases. This approach helped identify common patterns, and/or deviating observations. This approach is more relevant and beneficial than the alternative, “within-case” analysis since a multiple-case study facilitating non-participant techniques and actions was adapted when collecting the data.

The number of cases to be studied in multiple-case designs is not pre-determined. The appropriate number of cases depends first on how much is known about the phenomenon after studying a case, and second on how much new information is likely to emerge from studying further cases (Eisenhardt, 1991).

The research questions and the data collected together enable the researcher to determine at what point data has been collected from sufficient cases to enable appropriate analysis. Most researchers are vague when it comes to suggesting how many actual cases to study (Cavaye, 1996).

Three in-depth case studies in three medium-sized organisations were conducted for this research. The first was conducted at Modern Insurances, in Stockholm, Sweden with approximately 100 employees. The second in-depth case study was conducted at Coastline BMW on the Sunshine Coast, Australia with approximately 25 employees. A third and final in-depth case study was conducted at a large local government in south east Queensland, Australia, with close to 500 employees.
4.5.4.2 Characteristics of the Units of Analysis

As discussed earlier, the research performed in this research area does not show consistency regarding geography, industry type, or the size, profitability or time of establishment of the firm or organisation. It is therefore purely on logic and apparent relevance that the following characteristics of the unit of analysis were stated.

An established firm, is one which, in order to have reached certain maturity in its market place, is beyond the initial entrepreneurial phase. The size and establishment of the firm should at least be that the firm operates within a setting where the original products and/or services provided have been strongly improved and/or replaced, hence demanding innovativeness from the firm. It is likely that such a firm has existed for at least five years. The geographical setting is not of major relevance, since many industries exit in a truly global marketplace. However, cultural aspects of the organisation can and will vary depending on the geographical setting (Bjerke, 1999). It was therefore relevant also to seek access to firms and/or organisations that operate not only within the Australian market. This was not to explore the differences between “pure” Australian firms and others, it was a way to make the analysis more consistent and increase the possibility of drawing generalisable conclusions. Existing theory posits a higher level of probability that firms are more proactive when they are profitable. But on the other hand there is more pressure on non-profitable firms. Consequently, profitability has not been an indicator for deciding whether a firm shows entrepreneurial traits or not, or whether or not a firm would be included in this research. This argument points to the importance of including a non-profit organisation, since this research assumes that an entrepreneurial orientation can be observed, and is as critical for non-profit organisations as for profit-oriented organisations.

4.5.4.3 Case Selection

Having determined the characteristics of the units of analysis, the next consideration was the case selection. One of the reasons guiding the selection of a case in an exploratory
research project is the expected outcome of the data collection such as relevance of data
and quality, i.e. including the usefulness of the data. The three most relevant determinants
for the case selection are therefore discussed below.

**Similar results.** Cases that are predicted to result in similar findings should be selected to
demonstrate literal replication and provide greater support for insights (Yin, 1994)

**Different characteristics.** Selecting cases with different characteristics ensures variation
sampling and can provide valuable insights (Perry, 1998).

**Rich information.** Selecting information-rich cases is advisable, as such cases can
provide valid and meaningful insights (Perry, 1998).

As with all business research, the question of access is a difficult issue. The above
guidelines acted as a guide in helping this researcher in approaching and choosing the
final units of analysis, i.e. which organisations to include in this research.

**4.5.4.4 Timeframe: Longitudinally vs. Cross-sectionally**

Zikmund (1991) claims that research can be conducted either cross-sectionally or
longitudinally. Cross-sectional studies collect the data at a single point in time, making
the analysis valid to that particular point in time. In a longitudinal study, field data are
collected at different times or from different interviewees. Longitudinal studies are often
used when the researcher wants to study changes in the research setting. This researcher
rejects this approach, recognising the difficulty of eliminating the effect of external
factors if the study is conducted over time (Easterby-Smith, Thorpe & Lowe, 1991). This
researcher also believes that it is not necessary to observe changes in the research setting
to answer the research themes stated for this research. Therefore, a cross-sectional
approach to the multiple-case method stated above was chosen.
As a conclusion to the discussion in this Section concerning units of analysis, the inclusion of Modern Insurances, Coastline BMW and the local government in South East Queensland as in-depth case studies in this research addressed all of the established priorities discussed in this Section. Based on this fulfilment of priorities, it can be argued that the units of analysis were justifiably chosen and included, based on relevance to the stated purpose of this research.

4.6 Reporting of the Research

The issue of how to report fieldwork is important in all research, but it can be argued that it is particularly critical in interpretive case research. Interpretive researchers do not tell readers that they are reporting facts, instead, they claim to report their interpretations of other people’s interpretations.

Consequently, it is vital to establish the credibility of the research and for the researcher to describe in some detail how s/he came to reach the “results”. Therefore, following Walsham's recommendations (1995), this research addresses in detail in Chapter 4 the following areas:

1. Details of the research sites chosen
2. The reasons for choosing the units of analysis (operational relevance)
3. The number of people interviewed
4. What hierarchical or professional positions the interviewees occupied
5. What other data sources were used
6. With respect to data analysis the reporting includes how the field interviews were recorded and analysed and how the iterative process between field data and theory took place and evolved over time.
4.6.1 Validity and Reliability

Validity and reliability are essential elements to consider in research design, as they refer to the degree of confidence researchers and academics can have in the results of a study (Davis & Cosenza, 1988, Zikmund, 1991). Validity refers to minimising research errors, ensuring the accuracy of the results. Validity is concerned with the extent to which the research findings accurately represent what is happening in a situation, in other words, whether the data collected are a true picture of what is being studied (Hussey & Hussey, 1997). Reliability refers to achieving consistency in the results of the research, if the research has to be repeated (Yin, 1994). This is a more important issue in a positivistic study (Hussey & Hussey, 1997).

The two elements, validity and reliability, are addressed separately below with regard to the research design.

4.6.1.1 Validity

Tree types of validity need to be considered in case-study research: internal validity, external validity and construct validity (Yin, 1994).

4.6.1.1.1 Internal Validity

Inner validity or internal validity concerns the question of whether the findings are correct in relation to the reality (Merriam, 1998). Is the researcher actually studying what s/he believes s/he is studying?

Ratcliffe (1983) draws the conclusion that there is no objective or universal way of guaranteeing validity, there are only interpretations of it. To ensure internal validity of this research, a multiple case-study design with a holistic orientation has been kept in focus. A holistic understanding will enhance the level of internal validity (Mathison, 1988). During the field and analysis phase, there were also ongoing reviews by business
practitioners and academics to address and secure the internal validity of the interpretations that this researcher, as a researcher, was carrying out research as set by the ambit of the research project, i.e. “triangulation” (Denzin, 1970, Foreman, 1948).

As with most case studies (Merriam, 1998) the internal validity for the conclusions stated in Chapter 5 can be regarded as high.

### 4.6.1.1.2 External Validity

External validity or outer validity is concerned with the extent to which the results from one study are generalisable to other situations.

Since the aim of this research has not been to put forward a hypothesis that is generalisable to other settings or populations, the demand for high external validity is not necessary (Merriam, 1998).

The aim of this research has been to achieve enough external validity so that the outcome of the research will be accepted and will support further theory building within this area of research. Since this research has used a multiple in-depth case study with a cross-analysis approach, the external validity is higher than in a single case study design. At the same time, this researcher acknowledges and accepts that a qualitative approach sets some limits on the methodology, not expecting validity to be as high as would be expected with a positivistic approach.

### 4.6.1.1.3 Construct Validity

Construct validity refers to ensuring that suitable operational measures are used for the concepts studied (Yin, 1994). This is an important aspect of positivistic studies, and not as relevant in interpretive studies. However applying the combination of inductive research, grounded theory, and SSM in an iterative process has ensured an acceptable level of construct validity.
4.6.1.2 Reliability

Reliability is generally difficult to achieve in case-study research, as it is highly unlikely that, if the research were to be repeated, the researcher would be confronted with the same events, individuals and groups (Lee, 1989).

Lincoln and Guba (1985) argue that the researcher should be concerned more about the internal validity than the reliability, since it is impossible to have internal validity without reliability, a focus on internal validity will automatically lead to higher reliability. Lincoln and Guba (1985) also suggest that the term ‘reliability’ is inadequate in qualitative research and that other terms that focus on the level of dependence and the contextual situation should be used.

There are several techniques to ensure reliability in case-study research (Merriam, 1998), for example verifying interpretations, triangulation and consistency checking (Goetz & LeCompte, 1984, p. 216, Trauth, 1997). Another way to enhance the level of reliability in case research is to establish a case-study database. This allows access to others, enabling others to independently check interpretations and findings (Yin, 1994). The present research has used a professional software, “Decision Explorer”, specifically developed for the purpose of storing and analysing complex qualitative data, to help ensure and enhance the reliability of this research.

Stating the underpinning assumptions that the researcher has and that s/he states the theoretical perspectives chosen will also enhance reliability. The researcher should in detail describe how the study was conducted and how the conclusions were drawn on the basis of the available information (Merriam, 1998). This researcher has endorsed these suggestions.

The reliability of this research is lower than in positivistic/quantitative studies, but the objective, and therefore the expectation, of this research project has been to ensure that
reliability is considered to have reached a level of acceptability that is relevant for this type of research design.

4.7 Ethical Considerations

Since ethical issues are an important consideration for any research, these concerns were closely addressed in the application for, and later in the approved application for, ethics clearance, which follows the format set out by The University of the Sunshine Coast. The recommendations made in this approval were closely adhered to and endorsed in this research.

Appendix 1 is a copy of the approval confirmation by the Human Research Ethics Committee at the University of the Sunshine Coast.

4.8 Summary

This Chapter has detailed the comprehensive research design that was developed to carry out this research. The research design is summarised below.

This researcher chose to take an interpretivist approach, with a holistic understanding for the research area in focus. The purpose of the research was not to draw general conclusions or to empirically test \textit{a priori} derived propositions or hypotheses, but to explore, discover and gain a deeper understanding within the area of corporate entrepreneurship, i.e. to generate knowledge in order to be equipped to lay the foundation for further theory building in the young academic field of corporate entrepreneurship.

In the interpretivist view of this researcher, a positivistic analysis would be only in a rational world with objective, rational agents – a world that does not exist in the view of this researcher. Therefore, this Chapter concluded that a positivistic approach is neither suitable nor relevant for this researcher in addressing this area of research. As to
ontological assumptions, this researcher believes that reality is subjective and multiple as seen by participants in a study, i.e. that the world/reality is socially constructed and can be truly understood only by examining the perceptions of the human actors. The researcher therefore believes that the world is created by individuals through language and actions based upon the pre-existing values and norms of those individuals or group of individuals.

The researcher has therefore positioned himself closest to the position of a subjective idealist. Reflecting on the epistemological assumptions of the researcher, the researcher took a non-positivistic stance acknowledging that the researcher will interact with and affect (leave “footprints”) on what is being studied, that facts and values are intertwined, and that both are involved in the creation of scientific knowledge. The researcher also believes that the researcher’s involvement with what is being researched is inevitable and since the researcher carries values and opinions, the researcher can never be unbiased towards what is being studied. At the same time the researcher believes that being biased is scientifically motivated and necessary in order to judge what facts are important for interpreting what fact/s are relevant to the phenomena that is being explored. The researcher believes and accepts that human interests and objectives drive science. The researcher also acknowledges that for a researcher, obtaining an objective relationship to the research and the area of study is almost impossible, and is also undesirable.

This research focused on collecting primarily qualitative data through qualitative-data collection techniques. Considering this study’s stated purpose, an exploratory approach was chosen and applied. The collected field data were treated inductively with the researcher using insights from the available literature and research when performing the analysis. A combination of inductive research, grounded theory and SSM (Soft Systems Methodology) was used in an iterative process.

Since the researcher believes that the phenomenon of corporate entrepreneurship is best observed and analysed within its natural environment i.e. from actually operational organisations, a case-research approach conducting a cross-sectional multiple in-depth
case study approach was used. Within these in-depth case studies, non-participative observation techniques and activities were applied to collect the field data.

The method chosen for analysis and analysis presentation was “cognitive mapping”. The software “Decision Explorer” was used to reduce the need for early data reduction and to effectively structure the qualitative data. The use of Decision Explorer compelled the researcher to be explicit about the assumptions he has used to structure and analyse the data collected. The operational analysis of the mapped data included an operational comparison using the EDI-matrix (expectation, desirability and importance).

The comprehensive research design developed in this Chapter and summarised in this Section has produced results showing an acceptable level of reliability and external validity relevant for this type of research design. The internal validity is as high as in the research projects using a case-research approach.

The research design presented in this Chapter follows the recommendations set out in the approval of ethics clearance (Approval number: HREC:S/01/10), given by The Human Research Ethics Committee, at the University of the Sunshine Coast, that has approved this research and its research design with regard to ethical considerations.

The next Chapter, Chapter 4, presents the field data collected using the research design developed and presented in this Chapter. These field data are also analysed in Chapter 4, in the light of this research project’s stated objectives.
CHAPTER 5 ANALYSIS OF DATA

5.1 Introduction

This Chapter focuses on presenting the data analysis and the field information that were gathered for this research by engaging the research design developed and presented in Chapter 4, “Research Methodology”.

Three in-depth case studies were performed. The first was conducted at Modern Insurances, a dynamic, progressive insurance company in Sweden. This company is a subsidiary of the Invik Group, a public, global company with operations ranging from Telecom operations to entertainment production. The second in-depth case study was conducted at Coastline BMW on the Sunshine Coast north of Brisbane in Australia. This is a highly successful family-owned and operated firm that was received the award of best BMW dealership in the world for 2001. The third case study was of a large local government in Southeast Queensland, a primarily non-profit organisation with approximately 500 employees, which is responsible for providing the necessary infrastructure for businesses, families and other residents in the fastest growing region in Australia. The findings from these three in-depth case studies are presented and analysed in this Chapter in the following order:

Section 5.2 Case study 1 – Modern Insurances
Section 5.3 Case study 2 – Coastline BMW
Section 5.4 Case study 3 – A local government in Southeast Queensland. Its name can not be provided due to reasons explained in Section 5.4

Complete data analysis for each case study is presented in appendices to this Chapter given the repetitive nature and size of these analyses. The first two case studies include an extracted example and a complete summary from each data analysis to give the reader an introduction and feel for the data analysis performed for each case study. The third
case study, Section 5.4, only displays the complete summary, without the extracted example. The complete analysis of the third case study is included in Appendix 8. Conclusions and findings drawn from each case study are presented at the end of discussion of each case study. A reflective cross-case discussion with regard to the conclusions and findings is presented in Chapter 6 “Conclusions and Implications”, the final Chapter of this thesis. A separate summary concludes each case study presentation instead of one summary at the end of the Chapter.

The issues covered and facts reported from these case studies adequately report, reflect, and represent the true nature, circumstances, and prerequisites of the organisational situations as observed by this researcher.

**Important note:** As mentioned in Chapter 2, the numbers shown in front of each concept (box) in the cognitive maps are provided by the software application used for the first step of the analysis, Decision Explorer. Each individual number has no specific meaning other than to provide easier identification and cross-referencing between concepts and models and into the individual comparison.

### 5.2 CASE STUDY 1 – MODERN INSURANCES

A case study of Modern Insurances was conducted between January and February 2002 at Modern Insurances’ business facilities in Stockholm, where the headquarters of this company’s operations is located. The aim of this case study was to observe and interact with several individuals throughout the organisation of Modern Insurances to gain insights and knowledge of how Modern Insurances has transformed itself over the last two years into a niched, modern, progressive, innovative, profitable and proactive company. The overall purpose of this case study was to construct a situational context model of corporate entrepreneurship mapped from the data and information gathered from and representing the current situation at Modern Insurances. The situational map of corporate entrepreneurship constructed from the interaction with Modern Insurances was then engaged into an operational comparison (analysis) with the conceptual model of

The Section “Operational Relevance”, below, addresses the motives for including Modern Insurances as a case study in this research project. The Section “Modern Insurances in Brief” introduces the organisation of Modern Insurances. The Section “Data Collection” addresses the data collection methods that were used in this particular case study. The Section “The Strategic Importance of BrokerLine” discusses the importance of the web-based BrokerLine system developed by Modern Insurances. The three sections “Individual Traits in Modern Insurances Supporting an Entrepreneurial Culture”, “Corporate Culture, Values and Norms” and “Strategic Management behaviour” respectively represent the corresponding main dimensions in the conceptual map of corporate entrepreneurship and consequently address these topics in the way they were observed at Modern Insurances. The Section “Presentation of Data Analysis” presents the operational comparison i.e. the data analysis performed for this case study. The Section “Summary of Operational Analysis” will present an example of how the operational comparison was performed. The complete operational analysis is attached as an appendix to this thesis, in order to make this Chapter more accessible for the reader.

The final Section of this case-study presentation, “Findings and Reflections”, addresses the reflections originated from this case study, i.e. issues like the learning aspects regarding the research design, the analysis performed, conclusions and possible implications of the research design that should be taken into account when conducting the next case study. Possible developments to the conceptual model of corporate entrepreneurship are also discussed. A summary concludes this case study presentation.
5.2.1 Operational Relevance

This section addresses the motives for conducting an in-depth case study at Modern Insurances and presents the justification for the operational relevance with regard to this research.

Modern Insurances was chosen as a case-study organisation for this research project since it appeared to show a high level of entrepreneurial orientation and hence would be a suitable organisation to include in this research project. Modern Insurances positions itself as being innovative and change oriented. This alone makes Modern Insurances a valuable and a relevant organisation to include in this research project. But further, since the Swedish insurance industry is by any measure a very traditional and conservative industry, it is even more interesting and relevant to look closely at how the oldest insurance company in Sweden, Atlantica, in less than two years was transformed into Modern Insurances, which is today an innovative, unconventional market challenger. It was also expected that an operational analysis of Modern Insurances would provide valuable insight into an organisation that appears to incorporate an entrepreneurial posture into its strategic management behaviour and consequently as an important part of its corporate culture. Furthermore, Modern Insurances is a subsidiary of the Invik & Co. business group, founded and still largely managed by Mr. Jan Stenbeck who is one of the most recognised business entrepreneurs in Scandinavia over the last 15 years. This background indicated a strong entrepreneurial environment and an entrepreneurial leadership style.

It was expected that Modern Insurances would provide a valuable opportunity to engage in an operational comparison between the conceptual model of corporate entrepreneurship and the situational model being mapped from observing and interacting with the staff at Modern Insurances. Expectations of a good match between the conceptual model and the situation found and mapped into a situational model of corporate entrepreneurship at Modern Insurances were high. The result of these
expectations is discussed in the Section “Findings and Reflections”, which concludes this Chapter.

As a further contribution to this research project Modern Insurances, being a Swedish company owned by a Swedish corporation, provided this Australia-based research project with an international perspective. Scandinavian businesses, together with counterparts in Australia, the UK and the US, are recognised as among the most successful in the world in developing entrepreneurially oriented firms and “start-up businesses” (Timmons, 1999, Bjerke, 1999).

5.2.2 Modern Insurances in Brief

Modern Insurances is a wholly owned subsidiary of Invik & CO and a part of the Invik Group. This means that Modern Insurances has a stable economic base and is part of a dynamic group of businesses ranging from finance to telecom and from entertainment production to newspapers in 19 countries. The parent company is a well-known public holding company, listed on the OM Stockholm Stock Exchange’s O list. Modern Insurances has its main business facilities in Stockholm and Gothenburg. The company today employs approximately 70 people and for the year 2000 it showed a revenue of approximately AUD 80 million and a positive net profit.

Sweden’s newest insurance company was founded at the end of September 2000. After more than 80 years of operating under the oldest name in the industry, Atlantica, with an emphasis on marine and industrial insurance, a complete restructure of Atlantica laid the foundation for Modern Insurances (Moderna Försäkringar). The year 2000 became an important turning point for the old company with a radically changed business focus and a new name. Since its inception in 2000, Modern Insurances focuses on consumers and smaller companies within specific niches. By utilising a combination of modern IT and personal sales via brokers and representatives, Modern Insurances has managed to establish a very strong market position within its chosen market segments. After some years with poor profitability while operating as Atlantica, the years 2000 and 2001
proved to be the turning point on the financial level as well for the new company. During 1999 the Senior Vice President at the time, Mr Lars Nordstrand, made it clear to the board that without change, the company would not survive. He also presented specific ideas about changes that he saw were necessary, including a new business focus and a new brand name. Soon he took over the position as the new CEO. After his appointment as CEO, Mr Nordstrand quickly began to replace most of the executive team and some other key individuals, seeking to build a new leadership and a new organisation. Together they have managed to transform an old, non-profitable and slow organisation into a change-oriented, proactive market-winner in a very short period of time.

Today Modern Insurances uses the latest IT technology combined with personal advisory services. The IT systems platform, which was developed for the sister company Netviq, is also used for the property and life insurance brand name. Sales and advisory services via brokers and representatives, and branding via cooperation partners, are conducted extensively via web-based technology. This style of operation makes Modern Insurances, compared to its more conservative competitors, very progressive, proactive and unconventional on the Swedish insurance market.

The corporate structure of Invik & Co is presented in Appendix 6, where the formal organisation of Modern Insurances is also described in detail.

5.2.3 Data Collection

This section will address the data-collection methods that were used in this particular case study. Here ”methods” refers to the various means by which data can be collected. A case study is a research approach forming the infrastructural framework for the data collection. The actual data collection can be obtained by several different actions within the case study, such as interviewing, observing participants and so forth. This will be covered under the heading “Data Collection Methods”, below.
A case study is a form of methodology that focuses on understanding explicitly the dynamics present within a single setting. It is often used in the exploratory stages in research (Hussey & Husey, 1997). According to Cavaye (1996) case-study methods can be applied and used in research in different ways and as such, case research is open to considerable variation. The relevance of the case study approach in this research project was discussed in Chapter 4 “Research Methodology”.

As a point of origin for this case study, a specific project undertaken at Modern Insurances – BrokerLine – was chosen, to create a stronger focus for the interviewees and this researcher. BrokerLine was not studied in detail but it provided a clear focus for the discussions and interviews that were conducted with several individuals within Modern Insurances. The Section “The Strategic Importance of BrokerLine” below discusses the BrokerLine project and its importance for Modern Insurances.

Twelve individuals, i.e. about one fifth of the total number of employees at Modern Insurances including their Gothenburg office, were interviewed. The individuals were chosen mainly because of their job position. The interviews were focused on individuals who are part of the executive committee or who hold a managerial position. The interviews were conducted mainly with the overall senior managers and individuals representing the largest brand name within Modern Insurances, “Commercial and Private”, since this business unit was responsible for developing and implementing BrokerLine. It was highly beneficial to focus on a real-life project which at the same time managed to decrease the level of abstractness in areas like corporate culture, norms, strategic management behaviour and such. To most outside observers these concepts are not easily understood. In this research project it was necessary to have active informants who could generate further comment, feedback or where necessary further questions, rather than passive interviewees trying simply to answer questions about abstract topics. Thus it was useful, effective, and most importantly it was relevant, to portray the areas of interest for this research as something more definable like the BrokerLine project with which the interviewees could more readily associate.
Some case research uses only qualitative data, although most case research combines qualitative and quantitative data. In this case study, primary qualitative data were collected but some quantitative secondary data that were collected outside personal interviews were also considered. Examples of these secondary data are printed information produced by Modern Insurances such as annual reports, organisational charts, project information sheets, internal and external news coverage and presentation material.

As discussed in Chapter 4, this research project is based upon the belief that direct and in-depth knowledge of a research setting is essential for the researcher to achieve contextual understanding. Hence, the qualitative methods that were used are face-to-face contact with individuals in the research setting, primarily with verbal data and observation. Details of the research design including qualitative data collection techniques and methods were presented in Chapter 4.

5.2.3.1 Interview Techniques

One important objective of data collection was to collect qualitative data that were rich, full, holistic and real. This objective was very much in focus. These characteristics of the data are all necessary for describing, understanding and reflecting fully the complex nature of the phenomenon being studied.

The two main methods used for collecting primary qualitative data in this case study were interviews and observation. At the very beginning of the case study, the “informer interview technique” (Halvorsen, 1992) was used. This qualitative interview technique is relevant when a researcher seeks to find out about something that has already happened or when researchers do not have the opportunity to study the phenomenon themselves. This type of interview technique was used when collecting overall company data and to understand the basis of Modern Insurances operations.
When addressing the main issues in this research project, i.e. the corporate culture including norms and values, the strategic management behaviour and individual traits that constitute the foundation for the entrepreneurial orientation, two other interview techniques were used. These were the “open interview” (Kvale 1997) and the “semi-structured interview” (Andersen, 1998). The open interview is another example of a qualitative interview, sometimes called the qualitative research interview. This type of interview is used to develop a deeper understanding of a person’s behaviour, actions, motives and personality. The main purpose of this technique is to collect descriptions of the interviewee’s own world so that the researcher can better interpret the described phenomenon. This technique can be difficult to carry out effectively but when conducted effectively it can deliver very valuable insights about the situation. The possibility of discovery is the strength of such interviews. The semi-structured interview is used in the same situations as the open-interview technique, the difference is that the researcher has developed a greater understanding of the area studied so is better able to judiciously guide the interview. There were usually some predetermined areas that this researcher wanted to cover and in these situations an interview guide helped to focus the interview. Tape recording was used to allow for careful examination after the interviews. This was useful for building a situational map that correctly shows the issues covered and facts or opinions reported, so that the situational map adequately reflects and represents the true nature, circumstances and prerequisites of the circumstances in which the organisation was observed.

5.2.3.2 Observation

A non-participant observer approach was used for this case study, recognising this as the most objective approach. The purpose of non-participant observation is to observe and record what people do in terms of their actions and their behaviour without the researcher being involved. The researcher is separated from the activities taking place and the participants in the research may or may not be aware that they are being observed. All individuals at Modern Insurances were aware that they were observed by this researcher for the present research project.
5.2.3.3 Secondary Data Collection Sources

For this research, secondary data were collected only as complement and/or support to the primary field data that the researcher collected. The secondary data used were qualitative and quantitative data such as annual reports, organisational charts, financial plans, business plans, operational plans, marketing material and other material of strategic interest. This information was collected in the process of collecting the primary data, and generally confirmed and complemented the data collected from observing and interviewing. Other information sources—for example newspaper articles about the studied research setting, were of interest for general understanding and knowledge about Modern Insurances. No secondary data were included when mapping the situational process model.

5.2.4 The Strategic Importance of BrokerLine

In this section, Modern Insurances web-based on-line business system BrokerLine is discussed. As mentioned above in the Section “Data Collection”, focusing on the BrokerLine project created an important focus for the interviews that were conducted and provided the case study with a time linear opportunity to study an important example of proactive and innovative behaviour within Modern Insurances.

Today BrokerLine is Modern Insurances’ main business-to-business system for broker-distributed commercial insurance. BrokerLine is a unique web-based systems concept, which has made it profitable for brokers to work with commercial insurance for smaller companies as well as significantly lowering the administration costs within Modern Insurances. Since its launch in the northern autumn of 2000, a large portion of Swedish property brokers has subscribed to this concept.

Following reorganisation after breaking off from the dominating sea-vessel insurance operation, Atlantica, and introduction of the new company Modern Insurances in 2000, the owners and senior management felt that it was essential to show the market that there
was a new insurance company present in town. The management was at the time certain that there was a business opportunity in the existing marketplace to provide commercial insurances to smaller business. The major obstacle in the insurance industry up to this point had been the difficulty of minimising the necessary administration in order to make this type of insurances profitable. Streamlining the administration by using frontline technology provided a solution to overcome this obstacle. Another challenge for insurance companies has always been to have loyal brokers. Brokers are supposed to be unbiased towards the end customer. To those with any insight into the insurance industry it is quite obvious that the broker is an independent profit-aiming business unit that puts its own interest before the interest of any insurance company. This relationship creates a unique marketplace where it is essential for the individual insurance company to continuously create competitive advantages for the individual broker for him/her to promote and sell the individual insurance company’s products. It is also necessary to understand that in Sweden, brokers sell the dominant part of all commercial business insurance policies. In essence, the individual insurance company does not have its own sales organisation that can interact with the end customers, but instead has a vast network of independent brokers who act as independent sales organisations for competing insurance companies as well. Consequently, one of the objectives of BrokerLine was to increase Modern Insurances’ competitiveness towards the brokers.

Another important objective was to increase productivity by decreasing internal overhead costs. This objective was achieved by building easily understood qualifying limits into the web application. This means that the main portion of the underwriting was built into the system, thus streamlining the administrative processes for both the individual broker and Modern Insurances. Reducing the administrative processes for the brokers meant that Modern insurances provided increased productivity for the brokers hence becoming a more favourable insurance company for them to work with.

Since every insurance policy now passes through fewer hands, Modern Insurances enjoys much less administration and overheads. This seems to have led to increased quality of the services provided, which has affected the organisational performance of Modern
Insurances in a positive way and consequently the overall business objective: financial performance.

A large portion of brokers seems to perceive that BrokerLine offers more than what the competing insurance companies have offered so far. Several articles published in the corporate magazine Broker News, produced by Modern Insurances, claim that the broker network in general has received BrokerLine very positively. Another strong indication of this is that brokers today are involved in developing BrokerLine further by actively giving feedback. Representatives from Modern Insurances regularly meet with brokers, listening to their opinions, educating them further and at the same time promoting BrokerLine. It seems to have been a very smart business move, making BrokerLine part of the everyday infrastructure of the individual broker operation.

5.2.4.1 Effects of BrokerLine on Modern Insurances

It is clear that BrokerLine has affected Modern Insurances in many ways. It is relevant to point out that BrokerLine was a prioritised project but was constrained to a budget that was rather limited when compared to similar projects run by competitors. The new management was eager to quickly turn the company around by addressing several issues. Streamlining administration and increasing competitiveness towards the insurance brokers were two issues believed to be essential in order bring about the changes that the new management saw as essential.

BrokerLine was initiated, developed, implemented and launched on schedule. It went online at the end of 2000, less than one year from the project initiation and constrained by a limited budget. Several of the individuals at Modern Insurances who were involved in the project had worked previously for much larger competitors inside the insurance industry. The participants agree with each other that none of them had ever experienced such determination as in developing and implementing BrokerLine, despite the project’s limited resources. The overall opinion is that a similar development project at the larger
competitors would have taken several years to complete and cost at least ten times more than BrokerLine’s budget.

The common perception within Modern Insurances is that a few individuals were extremely committed to the task of getting BrokerLine up and running. A few subcontractors, especially the company building the systems platform for the application, were pushed hard to deliver what had been agreed upon, even to a point where the relationship between Modern Insurances and the subcontractors became very strained. The need for success was felt strongly within the organisation, so there was a feeling that failure was not an option. During the efforts of constituting the new organisation, the senior management saw the opportunity to affect and change the corporate culture. Creating a success-oriented corporate culture was part of this agenda. BrokerLine provided a tactical vehicle for such a change.

It has not been the objective of this case study to reveal or analyse the financial achievements from implementing BrokerLine by way of percentage of increased profit or similar. What has been the objective, though, is to see if BrokerLine has changed the prerequisites of the ways in which Modern Insurances works and acts today. It is not difficult to appreciate that BrokerLine has changed the foundation and inspiration of the strategic mindset of the organisation. BrokerLine has essentially boosted the level of self-confidence within the organisation. Management considers and evaluates potential opportunities in a manner not seen before the BrokerLine project. The BrokerLine project has increased Modern Insurances’ propensity to act entrepreneurially and thus affected the entrepreneurial posture of the company in a positive way. The entrepreneurial posture is expressed through an increased level of entrepreneurial orientation. One very good example of this is the initiation of the new insurance brand name “Modern Life Insurances”. At the time of conducting this case study, Modern Life Insurances as a legal entity consisted of only one individual, a handpicked professional with many individual traits supporting an entrepreneurial culture.
The senior management of Modern Insurances gives the impression of being prepared to act entrepreneurially. One example is the company taking a calculated risk by trying to develop and sell life-insurance products in an unconventional way via brokers that is similar to that of BrokerLine, but with a completely different product range and aimed at other kinds of insurance brokers. It has been difficult to assess the changed level of risk propensity, it has been that much easier to observe that the organisations’ propensity to act entrepreneurially has been boosted by the success of BrokerLine.

5.2.5 Strategic Management behaviour

This section addresses the strategic management behaviour within Modern Insurances. This researcher believes that his impressions of the strategic management behaviour within Modern Insurances are balanced, they are founded on extensive discussions with non-management staff and managers alike, and on personal reflections upon these discussions.

The most striking characteristic of the management behaviour is its very high energy level. This energy seems to provide the right formula for supporting and fostering an attentive, proactive and entrepreneurially oriented leadership style i.e. a style that focuses on creating competitive advantages. The managers are committed, hard working and performance oriented. The management is decisive, goal oriented and has a long-term focus. The management shows a high propensity to take risks and is highly attentive to new business opportunities. Even though the management is clearly change oriented, a long-term perspective is always a key consideration, where the business objective of showing profit outweighs achieving business growth. This view is claimed to be supported by the owners as well.

The president of Modern Insurances, Mr Lars Nordstrand, was a former military officer who has been involved in commanding United Nations units abroad. He claims that modern military leadership is a loyalty-building, result-oriented and very much an
intellectual leadership. His perception of leadership from his military experience has influenced the strategic management behaviour within Modern Insurances.

The word “discipline” was not mentioned during the interviews at Modern Insurances but for an outside observer it is striking that the level of discipline within Modern Insurances is very high. Mr Nordstrand admits having a high need for control but believes himself at the same time to be a good listener. Other individuals in the organisation verified this assessment in a positive way. This need for control seems apparent all through the different levels of the organisation, but is perceived by the employees to be that someone cares about the individual and what he or she does and is therefore appreciated. The management is supportive of staff-level decision-making and at the same time has a focus on clarifying responsibilities and mandates for taking decisions. This has clearly led to a high level of comfort within the organisation, where different responsibilities are well documented in what is called policy guidelines.

This leadership in Modern Insurances has put the staff very much in focus. Many employees share the opinion that the management focuses on letting him or her know that every single individual is an equally important member of the team. The perception at the staff level is that management focuses on the personal development of every individual. Many of the interviewees commented on their perception that the management shows faith in them and that this has led to them feeling equally important, regardless of position. There seems to be a shared view within the organisation that the level of staff satisfaction has increased since the initiation and launch of the BrokerLine Project. A high level of staff satisfaction seems to have been an important prerequisite when building the current corporate culture that is prevalent at Modern Insurances.

An anecdote provided by the Vice President of Modern Life Insurances shows how much influence is exercised by the founder and co-owner Mr Jan Stenbeck. The Senior vice president of Modern Life Insurances were one morning discussing with the president of Modern Insurances, Mr Lars Nordstrand, about building a new brand name within Modern Insurances for its range of life-insurance products. The senior vice president
suggested the name Modern Life Insurances. By lunchtime that same day, the president had spoken to Mr Stig Nordin, the chairman of Modern Insurances and also the President of Invik AB. By two o’clock that day Mr Nordin called Mr Nordstrand confirming that Mr Stenbeck, chairman and founder of Invik AB, had approved the suggestion regarding the name change to Modern Life Insurances.

This short anecdote shows clearly that even though Modern Insurances is an autonomous company, the control by its mother company and owner is quite strong. The use of control in an organisation has usually had a negative connotation. The corporate culture in Invik and in Modern Insurances, however, seems to foster a strong sense of engagement and loyalty rather than exercising formal control. Here overseeing and control is not taking place, but rather an active and sincere interest from many affected parties, especially from the owners.

5.2.6 Corporate Culture, Values and Norms

This section addresses the corporate culture, including the shared values and norms, within Modern Insurances. As discussed in Chapter 2, Section 2.4.3, corporate culture is defined as the sum of the shared values and norms of individuals in a corporate setting, which are expressed through a certain overall way of corporate behaviour.

One very interesting comment provided by at least a couple of individuals at Modern Insurances is that the brand name Modern Insurances must stand for something new and that it obligates everyone within the organisation to act entrepreneurially. This has particular interest since the comment prompts one to question whether the corporate brand name is a consequence of the corporate culture addressed above or whether the corporate brand name is a separate source of values and energy that affects the corporate culture or, particularly, whether in what ways the corporate culture is a consequence of the brand name. It seems quite clear that in the last two years, introduction of the new brand name Modern Insurances has helped transform the former corporate image to a restyled brand name. Modern Insurances now seems to be a well accepted brand name
that comes across as synonymous with a more modern company, which now has a clearer business focus and a more progressive and proactive leadership. The new corporate image includes an ambition that a modern insurance company should be smarter and faster (younger) than its competitors. The positive attributes of the new corporate brand name Modern Insurances are clearly a positive source of energy for all individuals in the organisation. All individuals who were involved in this case study expressed strong feelings for their employer’s brand name. The people representing Modern Insurances are proud of the company and the brand name they represent. It is easy to appreciate how these common feelings have enforced their sense of corporate belonging. The way work is undertaken has also enforced their sense of belonging and there is a widespread opinion of a family feeling within Modern Insurances. The sense of participation is equally high and everyone expressed a feeling of being important to the company. Even though no one used the word ‘team spirit’, this is the word that best describes the atmosphere: a team of dedicated professionals, who depend on each other, appreciate each other, work hard and probably most important of all, work in the same direction. The strong feeling of high staff satisfaction and a common business focus impressed this researcher greatly, and it is not difficult to understand why the level of accountability is high. One individual expressed this as “I feel like I am running my own business unit”. As with any sporting team, the highest ambition is not to fail, the overall need for success appears very high, and the tolerance of failure appears to be quite low. This may seem to contradict the observation that in this company there is an open-minded consideration of new ideas and projects. The shared norms within Modern Insurances promote embracing business opportunities that new information technology can provide. One example of this is the BrokerLine project. The combination of a “winner attitude” and an open-minded consideration of new ideas and ventures seem to reinforce the entrepreneurial posture.

Several managers expressed a belief and awareness of the fact that is it critical for the future development of the company that the organisation continuously looks for and embraces opportunities that can create competitive advantages. The management of Modern Insurances is aware that they are competing in a market where there are much larger competitors. This consequently has increased the propensity to proactively
compete with industry rivals. The management strongly supports and encourages creativity among organisational members. However, no specific measures to actively promote or facilitate such encouragement, like rewards or financial incentives, were observed. The organisational team members are, however, well aware that actively coming forward with opinions and suggestions is much appreciated, well received and recognised as a sign of commitment and engagement. There is a shared opinion that what you as an individual in the organisation say is listened to and consequently there is a common feeling that it is “high to the ceiling” (with implicitly approved room/space for the exchange of opinions and ideas).

The individuals in the organisation claim to be, and appear to be, well informed about the progress and many ongoing issues in the company. Since the management focuses only on providing formal information regarding financial developments, the level of informal information and communication must therefore be high. One common explanation given for this is that information is easily shared and spread in an organisation the size of Modern Insurances and that this is the reason why everyone is well informed of objectives and progress. Apparently the management approves of a high level of informal information flow. The level of speculation is at the same time low. It seems that the organisation appreciates and respects the high level of informal information flow and therefore acts responsible for preserving it. This has most likely also benefited and enforced the trust and understanding between organisational members and departments.

The organisational boundaries in Modern Insurances are presented as relatively informal. Even if the organisational hierarchy is not perceived as rigid, everyone knows exactly who decides what. There seems to be a strong and balanced trust between the management and the staff regarding many important issues. This trust seems to have allowed for staff-level decision-making, which is openly encouraged and supported by the management. The management indicates clearly that it understands that this style benefits accountability and participation. The management acknowledges it has a high need for control but managers believe that at the same time they are good listeners. Staff-level individuals verify this. The management is further appreciated by the organisation
as committed and professional. Individuals in the organisation give the management positive credit for focusing on the personal development of individuals and claim that it shows faith in the organisation.

An important catalyst for decentralising the decision structure and making individuals more accountable has been to communicate well-defined areas of responsibilities. The management has an ongoing focus on clarifying mandates for decision-making. These well-documented policy guidelines have made the individuals in the organisation comfortable within their own areas of responsibility. This level of comfort has strongly supported the propensity of individuals to act proactively and to be creative within the corporate structure.

5.2.7 Individual Traits Supporting an Entrepreneurial Culture

This section addresses the individual traits that the researcher observed at Modern Insurances that he identifies are supportive of an entrepreneurial culture.

Making judgements or commenting on individual traits without using any form of specific psychological methods like tests may be viewed as collecting data that have low reliability. Such views could surely be valid in many research projects. There are many advantages that such an approach could provide, but it is not a relevant approach in this specific research project. This research project focuses on the perceptions of the individuals in their work organisation, taking into account their own views and descriptions of the personal traits seen of the individuals in their work organisation. This project uses primary data that the researcher collected from interviews and discussions with several representatives of Modern Insurances in combination with the researcher’s experiences and interpretations from interacting with these individuals. Instead of using predominantly quantitative results from tests, this researcher believes it is more relevant and important to observe and interpret how people chose to describe their own personal traits and in particular how they chose to describe the personal traits of their colleagues. Most companies do not have qualified psychologists walking around monitoring and
testing the traits and behaviour of people. It is in most cases a manager who has to deal with the difficult task of observing, interpreting and judging personal traits when interviewing and deciding to employ new colleagues. As a reflection, it is no wonder that almost all managers perceive employing individuals as perhaps one of the most difficult, risky and expensive managerial decisions they have to make. In the case of Modern Insurances the management has addressed this issue very extensively and as a consequence has established a business relationship with a professional recruitment company that, according to the managers of Modern Insurances, understands this management’s needs. The management at Modern Insurances has strong preference for individuals with entrepreneurial traits and has made it strategic behaviour to carefully handpick every single employee. Some of the individual traits that are appreciated are ambition, competitiveness, professionalism, competence, not afraid of high workload, prepared to accept responsibility and that the individual have the social competence and ability to fit in with the rest of the group. The CEO of Modern Insurances explained that there was an ongoing campaign with television commercials that promoted the Invik companies as having extremely macho-cultures. In his opinion, these types of traits supporting a macho culture were not the type of traits he really wanted when it came to finally deciding about employing individuals. Several managers spoke of their belief that they have some of the best staff available in the industry. All of the individuals at Modern Insurances came across as being more intellectual than progressive, and more achievers and doers than ambitious persons. All individuals were highly professional, showed a high social competence and a high level of integrity. The staff at Modern Insurances described their colleagues as committed, hard working, competent, positive, curious, initiative taking and with a low level of prestige.

It is useful to note here that the salary level at Modern Insurances is higher than in the rest of the industry. As one of the smaller actors on the Swedish insurance market, the company considers higher than average salaries as a strategic issue concerned with being able to attract the right individuals, and to keep them. This strategy seems to have been successful. The management believes that it has the best staff in the industry and the level of staff turnover in Modern Insurance is lower than among its competitors.
5.2.8 The Entrepreneurial Orientation of Modern Insurances

As the Section “Findings and Reflections” at the end of this Chapter suggests, by engaging the set of four questions presented below with the information collected from the interviews and displayed in the contextual process model of corporate entrepreneurship (i.e. the situational model showing the entrepreneurial situation within Modern Insurances), the answers provided by interviewees during their interviews with this researcher collectively and qualitatively project the entrepreneurial orientation of Modern Insurances. The questions presented below deliberately include extracted contents from the discussions and analyses presented at greater length in earlier sections of this Chapter. In brief, the answers to the questions below provide an overall summary of the responses the interviewees provided. This researcher’s reflection on the interviewees’ responses and the context in which they were provided are integrated in the answers to these questions.

1 Does Modern Insurances continuously seek, create and implement competitive advantages?

After the introduction of the new corporate structure and brand name, Modern Insurances now seems to be a well-accepted brand name that comes across as synonymous with a more modern company, which now has a clearer business focus and a more progressive and proactive leadership. The new corporate image includes fostering acceptance and understanding that a modern insurance company should be smarter and faster (younger) than its competitors.

The positive attributes of the new corporate brand name Modern Insurances are clearly a positive source of energy for all individuals in the organisation. All individuals from the company who were involved in this case study expressed strong feelings for the company’s brand name. The people representing Modern Insurances are proud of the company and the brand name they represent, and these shared feelings have reinforced their sense of corporate belonging. As with any sporting team whose ambition is for all
players to perform their very best and to win, the overall need for success appears very high among those in the company, and their tolerance of failure appears to be quite low. This may seem contradictory to the observation discussed earlier that as part of corporate culture there is an open-minded consideration of new ideas and projects.

The BrokerLine project in particular has increased Modern Insurances’ propensity to act entrepreneurially and thus affected the entrepreneurial posture of the company and its management and staff in a positive way. The highly entrepreneurial posture is expressed through an increased level of entrepreneurial orientation in all aspects of the company’s operations. One very clear example of this orientation is adoption of the new insurance brand name “Modern Life Insurances”.

2 Does Modern Insurances build and sustain an entrepreneurial culture with supporting norms and values?

The corporate culture in Modern Insurances seems to foster a strong sense of engagement and loyalty among management and staff, rather than the exercise of formal control. In this way, instead of overseeing and control, many affected parties within the company, especially the owners, display an active and sincere interest in the wellbeing of all in the company.

The general opinion among the staff is that to be truly “modern” as the company name “Modern Insurances” bespeaks, the company must stand for something new, which obligates everyone within the organisation to act entrepreneurially.

The organisational boundaries in Modern Insurances are presented as relatively informal. Even if the organisational hierarchy is not perceived as rigid, everyone knows exactly who decides about what. There seems to be a strong and mutual trust between management and staff on many important issues. This trust seems to have allowed for staff-level decision-making, which is openly encouraged and supported by the management. The management indicates clearly that it understands this style of mutual
trust in decision-making benefits accountability and participation. The Management also acknowledges its strong need for control but the managers believe that they are good listeners within their organisation, which facilitates ‘control’ in a way that is cooperative rather than coercive. Staff members verify this. The management is appreciated by the organisation as committed and professional. Individuals in the organisation give the management credit for focusing on the personal development of individuals, recognising that this also shows faith in the organisation.

An important catalyst for decentralising the decision-making structure and making individuals more accountable has been to communicate well-defined areas of responsibilities. The management has an ongoing focus on clarifying mandates for decision-making. Well-documented policy guidelines have made the individuals in the organisation cognisant of, and comfortable within, their own areas of responsibility. This level of comfort has strongly benefited the propensity of individuals to act proactively and to be creative within the corporate structure. The shared norms within Modern Insurances promote an embracing of business opportunities that new IT can provide. One good example of this is the BrokerLine project.

3 Does Modern Insurances develop a leadership style that embraces an innovative and proactive approach to new business opportunities?

The management shows a high propensity to take risks and is keenly attentive towards new business opportunities. Even though the management is clearly change oriented, a long-term focus prevails, where the business objective of showing profit outweighs the pursuit of growth.

The management is supportive of staff-level decision-making while it maintains a focus on clarifying responsibilities and mandates on taking decisions. This approach has clearly led to a high level of comfort for all within the organisation, with different responsibilities well documented in what is called policy guidelines. This leadership in Modern Insurances has put the staff very much in focus. Many employees share the
opinion that the management focuses on letting him or her know that every single individual is an equally important member of the team. A high level of staff satisfaction seems to have been an important prerequisite when building the current corporate culture that is clearly prevalent at Modern Insurances. Several managers expressed their belief and awareness that it is critical for the future development of the company that the organisation continuously looks for and embraces business opportunities that can create competitive advantages. The management of Modern Insurances is aware that their organisation is competing in a market where there are much larger competitors. This consequently has increased the company’s propensity to compete proactively with industry rivals. The management strongly supports and encourages creativity among organisational members at all levels within the organisation. However, this researcher did not observe any specific measures to actively promote or facilitate such encouragement, like rewards or financial incentives. The organisational team members are nevertheless well aware that it is much appreciated, well received and seen as a sign of commitment and engagement when they come forward actively with opinions and suggestions. There is a shared opinion that what you as an individual in the organisation say is listened to, and consequently there is a common feeling that it is “high to the ceiling” (implicitly approved room/space for the open exchange of opinions and ideas).

4 Does Modern Insurances engage with and lead talented individuals, and focus their skills, traits, energy, motivation and creativeness into a direction beneficial to themselves and to the organisation?

The individuals in the organisation claim, and appear, to be well informed about the progress and ongoing issues in the company. The management approves of a high level of informal information flow. At the same time the level of speculation is low. It seems that all individuals in the organisation appreciate and respect the high level of informal information flow and therefore act as if they are responsible for preserving it. This has most likely also benefited and enforced the trust and understanding between organisation members and departments, which as a side affect has created a satisfying and stimulating working environment.
The management at Modern Insurances ambitiously seeks individuals with entrepreneurial traits and has made it a strategic objective to carefully handpick every single employee. Several managers spoke of their belief that they have some of the best staff available in the industry. An interesting fact is that the salary level at Modern Insurances is higher than in the rest of the Swedish insurance industry. Being one of the smaller actors on the Swedish insurance market, the organisation maintains that paying higher than average salaries is a strategic issue since this strategy enables the company to attract the right individuals, and to keep them. This strategy seems to have been successful. The management believe that they have the best staff in the industry and the level of staff turnover is lower it is than among Modern Insurances’ competitors. The way in which work is undertaken has also enforced the sense of belonging among company members and there is a widespread view within Modern Insurances that the company has a family feeling. The sense of participation is equally strong and everyone interviewed claimed that they felt important to the company. Even if no one actually used the term ‘team spirit’, this researcher believes that this term best describes the atmosphere within the company. In Modern Insurances the researcher observed a team of dedicated professionals who depend on each other, appreciate each other, work hard and probably most important of all, and work in the same direction. The high level of staff satisfaction and a well-communicated business focus is impressive. Why the level of accountability is high is fairly evident and perhaps best described in this explanation by one individual who claimed, “I feel like I am running my own business unit”.

5.2.9 Presentation of Data Analysis

This section provides an overview and introduction to the operational analysis for this case study, in order to make this Chapter more accessible for the reader. Details of the complete operational analysis appear in Appendix 6 at the end of this thesis.

Section 4.5 “Analysis of Data” in Chapter 4 presents the theoretical framework and the design of the data analysis used for analysing the collected field data. This section also
discusses how the collected field data is engaged in an “operational comparison” using the EDI-matrix presented in the same section. The main purpose for performing an operational comparison /data analysis was to evaluate the conceptual contextual process model of corporate entrepreneurship with the situational model mapped from Modern Insurances.

This section provides one extracted example of the operational comparison by analysing the “Norms and Values” in the environmental dimension of the conceptual model of corporate entrepreneurship. This section ends with a table summarising the complete data analysis, which because of its repetitive nature and size is presented in full in Appendix 6, as mentioned above.

5.2.9.1 Extraction of the Data Analysis, Introductory Example

The example presented in this section is extracted from, and forms a part of, the complete operational analysis. It aims to develop understanding of how the operational analysis has been conducted using the EDI-matrix and the operational comparison framework described in detail in Chapter 4, Section 4.5. Figure 5-1 below displays the cluster of norms and values allocated in the environmental domain of the conceptual map of corporate entrepreneurship.
Each concept in Figure 5-1 will be engaged in an operational comparison with the situational cluster displayed below in Figure 5-2.

The cluster below displays the cluster of shared norms and values and is allocated in the environmental domain of the situational cognitive map. The environmental domain is divided into two separated clusters as a consequence of discussion in the Section 5.2.6 “Corporate Culture, Values and Norms”. Consequently, this first cluster in the environmental dimension of the situational map addresses the shared norms and values at Modern Insurances.
Figure 5-2 Cluster of the Shared Norms and Values as Shown in the Situational Map of Modern Insurances

Source: Analysis of collected field data from case study 1, Appendix 6.
1. List of the relevant concepts found in the situational map believed to be associated with the norms supporting the implementation of innovations regardless of the individuals’ or groups’ involvement (Concept 35, Figure 9).

5. It's high to the ceiling regarding opinions
6. What you say is listened to
22. We all work in the same direction
48. I feel part of the company
54. The way we work creates a feeling of belonging
76. Not very hierarchical
103. The sense of participation is very high
117. Everyone is accountable
124. Our brand name obligates us to act entrepreneurially

<table>
<thead>
<tr>
<th>Desirability</th>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>5, 6, 22, 48, 54, 76, 103, 117, 124</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

164
2. List of the relevant concepts found in the situational map believed associated with the norms supporting information sharing between individuals and groups regardless of organisational position (Concept 32, Figure 9).

7. We have a family feeling
22. We all work in the same direction
46. I would say we have harmony here
48. I feel part of the company
76. Not very hierarchical
103. The sense of participation is very high
117. Everyone is accountable

Desirability

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirable</th>
<th>Undesirable</th>
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</thead>
<tbody>
<tr>
<td>High</td>
<td>7, 22, 46, 48, 76, 103, 117</td>
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<tr>
<td>Low</td>
<td></td>
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</tr>
</tbody>
</table>
3. List of the relevant concepts found in the situational map believed to be associated with the norms encouraging creativity among organisational members (Concept 29, Figure 9).

5. It's high to the ceiling regarding opinions
6. What you say is listened to
15. We are better listeners and more flexible than our competitors
46. I would say we have harmony here
47. I feel important
48. I feel part of the company
52. I feel like I am running my own business unit
54. The way we work creates a feeling of belonging
63. We have a committed and professional management
64. We do not have a "macho" culture
75. What we decide we deliver
76. Not very hierarchical
101. We now embrace opportunities that new technology can provide
103. The sense of participation is very high
117. Everyone is accountable
118. The management has a need for control but the managers are good listeners
124. Our brand name obligates us to act entrepreneurially

Desirability

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>5, 6, 15, 46, 47, 48, 52, 54, 63, 64, 75, 76, 101, 103, 117, 118, 124</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. List of the relevant concepts found in the situational map believed associated with norms that promote tolerance of failure (Concept 33, Figure 9).

5. It's high to the ceiling regarding opinions
6. What you say is listened to
15. We are better listeners and more flexible than our competitors
63. We have a committed and professional management
64. We do not have a "macho" culture
75. What we decide we deliver
76. Not very hierarchical
100. Failure is not an option
124. Our brand name obligates us to act entrepreneurial

Desirability

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>5, 6, 15, 63, 64, 76, 124</td>
<td>100</td>
</tr>
<tr>
<td>Low</td>
<td>75</td>
<td></td>
</tr>
</tbody>
</table>
5. List of the relevant concepts found in the situational map believed associated with norms that encourage open-minded consideration of new ideas and projects (Concept 34, Figure 9).

5. It's high to the ceiling regarding opinions
6. What you say is listened to
15. We are better listeners and more flexible than our competitors
46. I would say we have a harmony here
47. I feel important
48. I feel part of the company
64. We do not have a "macho" culture
75. What we decide we deliver
76. Not very hierarchical
100. Failure is not an option
101. We now embrace opportunities new technology can provide
103. The sense of participation is very high
117. Everyone is accountable
124. Our brand name obligates us to act entrepreneurial

<table>
<thead>
<tr>
<th>Desirability</th>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>5,6,15,46,47,48,64,75,76,101,103,117</td>
<td>100</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. List of the relevant concepts found in the situational map believed to be associated with norms that facilitate resource support for innovative ventures (Concept 36, Figure 9).

6. What you say is listened to
15. We are better listeners and more flexible than our competitors
63. We have a committed and professional management
75. What we decide we deliver
76. Not very hierarchical
100. Failure is not an option
101. We now embrace opportunities that new technology can provide
117. Everyone is accountable
118. The management has a need for control but the managers are good listeners
124. Our brand name obligates us to act entrepreneurially

Desirability

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>6,15,63,75,100,101,117,118,124</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7. List of the relevant concepts found in the situational map believed to be associated with values for innovation as a practice and source of competitive advantage (Concept 26, Figure 9).

15. We are better listeners and more flexible than our competitors

75. What we decide we deliver

100. Failure is not an option

101. We now embrace opportunities that new technology can provide

124. Our brand name obligates us to act entrepreneurially

Desirability

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>15, 75, 101, 124</td>
<td>100</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8. List of the relevant concepts found in the situational map believed to be associated with norms encouraging search for innovation opportunities from external sources (Concept 30, Figure 9).

- None found!

Comment: The conceptual model suggests that it is desirable with norms that encourage search for innovation opportunities from external sources. The operational situation does not show or support any norms present that encourage search for innovation opportunities from external sources.
5.2.10 Summary of the Operational Comparison / Data Analysis

Table 5-1 below shows the 23 concept variables that have been engaged in an operational comparison (data analysis) using the EDI matrix presented in Chapter 4, Section 4.5.

Table 5-1: Summary of the Operational EDI-comparison, Case Study 1

<table>
<thead>
<tr>
<th>EDI-Compared Concepts / Key Elements</th>
<th>Main Concept Variable</th>
<th>Matching Concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactiveness</td>
<td>Strategic management behaviour</td>
<td>7</td>
</tr>
<tr>
<td>Risk taking</td>
<td>Strategic management behaviour</td>
<td>7</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>Strategic management behaviour</td>
<td>8</td>
</tr>
<tr>
<td>The need for achievement</td>
<td>Individual traits</td>
<td>3</td>
</tr>
<tr>
<td>Internal locus of control</td>
<td>Individual traits</td>
<td>5</td>
</tr>
<tr>
<td>Goal orientation</td>
<td>Individual traits</td>
<td>4</td>
</tr>
<tr>
<td>Desire for autonomy</td>
<td>Individual traits</td>
<td>3</td>
</tr>
<tr>
<td>Risk taking propensity</td>
<td>Individual traits</td>
<td>4</td>
</tr>
<tr>
<td>Supporting implementation of innovations</td>
<td>Norms and values</td>
<td>9</td>
</tr>
<tr>
<td>Innovation as a practice and source of competitive advantage</td>
<td>Norms and values</td>
<td>5</td>
</tr>
<tr>
<td>Facilitate resource support for innovative ventures</td>
<td>Norms and values</td>
<td>10</td>
</tr>
<tr>
<td>Encouraging open minded consideration of new ideas and projects</td>
<td>Norms and values</td>
<td>14</td>
</tr>
<tr>
<td>Encouraging creativity among organisational members</td>
<td>Norms and values</td>
<td>17</td>
</tr>
<tr>
<td>Encouraging search for innovation opportunities from external sources</td>
<td>Norms and values</td>
<td>None found</td>
</tr>
<tr>
<td>Supporting information sharing between individuals and groups regardless of position</td>
<td>Norms and values</td>
<td>7</td>
</tr>
<tr>
<td>Tolerance of failure</td>
<td>Norms and values</td>
<td>9</td>
</tr>
<tr>
<td>Management support</td>
<td>Corporate culture supportive of innovation and entrepreneurial behaviour</td>
<td>7</td>
</tr>
<tr>
<td>Increased participation in the decision process</td>
<td>Corporate culture…</td>
<td>7</td>
</tr>
<tr>
<td>Perception of organisational boundaries</td>
<td>Corporate culture</td>
<td>7</td>
</tr>
<tr>
<td>Autonomy and work discretion</td>
<td>Corporate culture</td>
<td>5</td>
</tr>
<tr>
<td>Appropriate use of rewards</td>
<td>Corporate culture</td>
<td>1</td>
</tr>
<tr>
<td>Informality of communication</td>
<td>Corporate culture</td>
<td>7</td>
</tr>
<tr>
<td>Organisational structure</td>
<td>Corporate culture</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Data analysis as detailed in Appendix 6 to this thesis
The data analysis shows several clear matches between the conceptual model and the information displayed in the situational model, except for one concept variable, “the encouragement of search for innovation or business opportunities from external sources”. It is the view of this researcher that this strongly reflects upon the current business intelligence awareness and operation within Modern Insurances, which is quite low and could definitely be improved.

The experiences and the data analysis performed in this section led to important contributions to this research. These are discussed in the next section.

5.2.11 Findings and Reflections from Case Study 1

Conducting the case study at Modern Insurances was very rewarding because it provided an important contribution to this research project. It also provided the researcher with opportunities for valuable interaction with professional individuals representing an interesting and progressive organisation. The combination of a feasible research design and sincere interest in this research topic on the part of the management at Modern Insurances enabled this research project with to access explicit insight, relevant information and valuable experience from within an entrepreneurially oriented organisation.

The case study at Modern Insurances was the first wholly completed case study within this research project. The researcher had some expectations at the outset of this case study about its potential results and possible contribution to this research project. It is therefore useful to note here that the outcome exceeded the researcher’s initial expectations in all regards. Some of these results that the researcher recognises as particularly significant for this study are discussed in separate subsections below.
5.2.11.1 The Implications and Benefits of the Contextual Process Model of Corporate Entrepreneurship

The Conceptual Model of Corporate Entrepreneurship seems to hold great promise for the purpose of this research project i.e. to find meaningful answers to the research themes stated in Chapter 1. A contextual process model of corporate entrepreneurship in combination with a cognitive mapping approach seem to be a valuable sense-making tool and/or assessment framework as well as a rational, relevant and effective approach and technique for organisational stakeholders that are challenged with the important questions below when trying to understand and assess the entrepreneurial orientation of “their” organisation:

1. Does the organisation continuously seek, create and implement competitive advantages?
2. Does the organisation build and sustain an entrepreneurial culture with supporting norms and values?
3. Does the organisation develop a leadership style that embraces an innovative and proactive approach to new business opportunities?
4. Does the organisation engage with and lead talented individuals, and focus their skills, traits, energy, motivation and creativeness into a direction beneficial to themselves and to the organisation?

If an organisational stakeholder asks the above set of questions about the organisation of interest and finds a satisfactory answer to each question, then the organisation shows an entrepreneurial orientation. Consequently, it holds great promise to direct this set of questions to the framework of relevant information collected for the mapping of the contextual process model of corporate entrepreneurship.

The contextual process model of corporate entrepreneurship could then provide an opportunity and framework for this set of questions to be engaged into the three main strategic areas of an organisation relevant for describing the nature of corporate
entrepreneurship. As presented in the Model, the three strategic areas (dimensions) are, *strategic management behaviour* (the organisational dimension), *corporate culture including shared norms and values* (the environmental dimension), and *personal traits of individuals* within the organisation (the individual dimension).

The construct of the contextual process model provides guidance and focus when addressing the strategic organisational components that interact and lay the foundation for the entrepreneurial posture in any organisation. After approaching and mapping the three strategic dimensions of an organisation in the way that this case study has done, the Model can be used as a framework for engaging in a strategic discussion. This discussion would concern how to sustain and develop the entrepreneurial orientation of an organisation by addressing the suggested set of questions above to the knowledge gained from the information gathering process, and mapping the three dimensions into a situational map displaying the entrepreneurial situation within a specific organisation.

One is not likely to find a satisfactory answer to any of the questions raised above by directing them to any one of the three strategic dimensions. Rather, the reflective discussion will stand a better chance of providing meaningful and relevant answers to the stakeholder when addressing the set of questions to a holistic cognitive map of the organisational situation.

One objective of this research project is to develop a contextual process model of corporate entrepreneurship and to evaluate the extent to which such a model can be used when recognising and evaluating the interacting strategic organisational processes that develop and support the entrepreneurial orientation within an organisation. The main purpose of the operational analysis in this case study has therefore been to assess the relevance and usefulness of the theoretical framework for sense-making and understanding of the current state of the case study situation.

The potential use and importance of a contextual process model of corporate entrepreneurship was addressed above. It is, however, relevant to point out that it is not
the objective of this research project to develop a comprehensive and “magic”
consultancy and/or academic tool that can be engaged anywhere and that can provide a
simple answer and solution for how to increase the level of entrepreneurial orientation
within an organisation.

An important leap in consciousness about the nature of entrepreneurial orientation is
gained from this case study. As mentioned above, if an organisational stakeholder
engages the above set of questions with the organisation of interest and the situational
model of corporate entrepreneurship mapped from the specific organisation and finds a
satisfactory answer to each question raised above, then the organisation displays an
entrepreneurial orientation.

The case study of Modern Insurances indicated a need to present a set of meaningful
questions that could be projected to a meaningful and relevant source of information, i.e.
the situational model of corporate entrepreneurship mapped from Modern Insurances. By
presenting a clear set of questions, the essence of the concept of entrepreneurial
orientation became much more tangible. The benefits of a cognitive mapping technique
and a contextual process model of corporate entrepreneurship could be conveyed much
more easily in business terms. Consequently, the practical benefits of this approach seem
to hold great potential. The conceptual model of corporate entrepreneurship provides the
enquirer with an appropriate opportunity for engagement and access to a meaningful
framework of corporate entrepreneurship. It can be used as a source of structured and
meaningful information collected for the purpose of understanding the nature of the
entrepreneurial orientation within an organisation. We know that the conceptual
framework is meaningful and that the information mapped into a situational model of
corporate entrepreneurship is relevant since the Model is constructed to display the
relevant components of entrepreneurial orientation and therefore in this situation
constitutes meaningful areas of corporate entrepreneurship. This conclusion indicates that
the Model may prove to be useful when the right questions are posed towards it.
It is also relevant to point out that it is the approach, technique and process by which the information is collected and mapped that provide valuable insight into the organisation studied. In the actual mapping, relevant and representative data are illustrated as concepts and most concepts are identical to how an informant actually expressed him or herself. Many times several individuals expressed the same or close to the same opinion, but these similar opinions are expressed only once in one concept. The analyst, i.e. this researcher, then made a judgment about how and where in the map the expressed opinion/statement should be placed and linked. The additional colour coding of the statements gives a clearer indication if related expressions were adequately mapped within the correct domain and if a certain expression holds the value of the specific domain it appeared to represent. The mapping of expressions was consequently clustered around some of the common concepts provided by the conceptual model of corporate entrepreneurship. This provided the analysis with a credible infrastructure.

5.2.11.2 Implications for the Research Design

As presented in Chapter 4, “Research Methodology”, the research design developed for this research project stipulates the use of a combination of inductive research, grounded theory and SSM (Soft Systems Methodology) in an iterative process. This is an open-minded and therefore constructive approach since it allows for consideration and careful incorporation of what is learnt i.e. knowledge and insights gained from one case study into the research design and then into the following case study.

The implications of the discussion above concerning the addition and projection of the set of questions have been amended to the original research design. This will have a minor impact on the type of questions asked in interviews and consequently in the operational analysis. The scope of using the contextual process model of corporate entrepreneurship extends beyond its use as a sense-making tool for addressing the components that construct the entrepreneurial orientation. The contextual process model is also an assessment framework for projecting meaningful business issues in the form of a set of meaningful questions that when engaged in a discussion of entrepreneurial orientation
will display a meaningful description of the entrepreneurial orientation, which creates an additional objective to each case study. An example of the engagement of the set of questions stated above is projected into a discussion in Section 5.2.8, “The Entrepreneurial Orientation of Modern Insurances”.

5.2.11.3 The EDI framework

Using the EDI framework in an operational analysis proved valuable when comparing clusters in the conceptual map of corporate entrepreneurship with the corresponding clusters presented in the situational cognitive map of corporate entrepreneurship constructed from the situation observed at Modern Insurances. Comparing the concepts within the clusters from the conceptual map with the relevant concepts within the clusters from the situational map reveals their close correspondence. This implies explicitly a high validity within the conceptual model with regard to the concepts constituting the clusters.

5.2.11.4 Inclusion of the Process of Innovation into a Conceptual model

A separate analysis was performed on the process of innovation at Modern Insurances. The analysis showed that the process of innovation presented in the conceptual map describes very well the different components and steps of the real life situation observed at Modern Insurances. The purpose of constructing a conceptual map that includes the process of innovation seems very beneficial. The process of innovation can be used to provide a tangible infrastructure that projects a complete value system of corporate entrepreneurship. Such a value system can then be used to express relevant concepts within the three different domains of corporate entrepreneurship and ultimately express the specific processes that support and initiate entrepreneurial actions within an organisation.

The BrokerLine project provided an important opportunity for an organisational change in business focus and approach and the project/activity of innovation acted as a strategic
vehicle that also served other strategic objectives such as changing the corporate culture. In the case of Modern Insurances the match between the conceptual model and the situational model proved to be considerable. By engaging in an operational comparison (analysis) using the EDI framework, some alterations and/or developments of the conceptual model are suggested in the following section.

5.2.11.5 Developments of the Conceptual Contextual Process Model

The model below, Figure 3-7, displays a simplified version of the full conceptual model presented in Appendix 2 to this thesis. In this model, the concepts forming clusters addressed and analysed above are excluded. The purpose is to provide a less complex overview of the main interacting processes.
Figure 3-7 The Conceptual Map of Corporate Entrepreneurship
Before Suggested Changes are Implemented from Case Study 1

Source: Developed in Chapter 3

Note: Concept variables relating to each dimension are not presented in this map due to size limits
As a final reflection on the case study at Modern Insurances including the performed analysis, it is suggested that two new links are added into the conceptual model of corporate entrepreneurship. Figure 5-3 displays the same version as Figure 3-7 but has two suggested links implemented. These two links will be addressed below in the section “Developing the Concept of Strategic Management Behaviour”. The first suggested link is between the concept of “Strategic management behaviour” (66) and the concept of “Norms and values of groups and individuals in corporate settings” (31). The second suggested link is between the concept of “strategic management behaviour” (66) and the concept of “individual traits of an entrepreneur in corporate settings” (55). Both suggested links are marked as bold lines with arrows.
Figure 5-3 Conceptual Map of Corporate Entrepreneurship after Implementing Changes Suggested from Analysis of Case Study 1

Source: Developed from data analysis from case study 1, Appendix 6.

Note: Concept variables relating to each dimension are not presented in this map due to size limits.
5.2.11.6 Developing the Concept of Strategic Management Behaviour

1. The management at Modern Insurances has clearly made it a strategic issue on their management agenda to seek individuals with the traits that they believe fit the business objectives and their corporate culture. As mentioned before, the handpicking of individuals from competitors represents established strategic management behaviour. The management also regularly addresses these issues with the professional recruiting company with which management works. Individuals who do not fit into the overall business expectations, objectives or the social community within the company because of personal traits, are treated with highest respect but most of the time are asked politely to leave the company. The management’s strong decisiveness in these issues explicitly implies that a link should be established between the concepts of “Strategic management behaviour” and “Individual traits of an entrepreneur in a corporate setting”.

2. As with personal traits discussed above, the management at Modern Insurances is convinced that it can and does affect the corporate culture in the directions that managers intend. One clear example is the actions of the CEO of Modern Insurances who initiated action when he saw the opportunity to change what he recognised as a stagnating corporate culture when the company was transformed during 2000. This researcher is under the impression that the management of Modern Insurances is aware of its potential to influence the norms and values of the organisation, and consequently its corporate culture. This awareness observed at Modern Insurances explicitly implies that a link should be established between the concepts of “Strategic management behaviour” and “Norms and values in the organisation”.

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5.2.12 Summary

The case study performed at Modern Insurances provided a valuable and important demonstration that the research design was feasible. It also demonstrated the relevance and utility of the research protocol used in this study. The research design and research protocol explicitly proved their suitability for addressing the research themes stated in Chapter 1.

The conceptual contextual process model of corporate entrepreneurship developed for this research project showed a high and expected match with the entrepreneurial situation at Modern Insurances that was mapped using a cognitive mapping approach. This match indicates that the conceptual contextual process model is relevant when representing and describing the entrepreneurial processes within an organisation. The match also demonstrates that the model is constructed using relevant strategic organisational components.

The case study of Modern Insurances, and the EDI comparison process in particular, using the EDI framework when comparing the conceptual contextual process model with the situational context model, provided a valuable and important two-way feedback process. First, the situation being researched provided a relevant opportunity to engage and establish the relevance of, and learn about, the conceptual model. Second, the conceptual model proved relevant and useful for approaching, understanding and learning about the entrepreneurial situation at Modern Insurances.

Constructing a conceptual map that includes the process of innovation proved relevant and beneficial for mapping and understanding a situational context model of an organisation. This is important since no research currently available has presented such an approach. Incorporating the process of innovation provides an explicit and tangible infrastructure that projects a complete value system of corporate entrepreneurship. Such a value system can then be used to express relevant concepts within the three different strategic dimensions of an organisation and ultimately expresses the specific processes
that support and initiate entrepreneurial actions within that organisation. Consequently, the construct and application of the process of innovation proved to be relevant.

This case study has showed that a cognitive mapping approach in combination with a relevant theoretical contextual process model can and will provide the enquirer with a relevant, structured and meaningful framework for understanding, addressing and assessing the entrepreneurial orientation of an organisation. Consequently, the practical benefits for an enquirer using this approach seem to hold great potential when assessing specific issues affecting entrepreneurial orientation. This approach could ultimately provide an agenda of relevant issues that needs to be addressed in the interests, and for the benefit, of the entrepreneurial orientation of an organisation.
5.3 CASE STUDY 2 – COASTLINE BMW

A case study of Coastline BMW was conducted between October 2001 and March 2002 at Coastline BMW’s business facilities located in Caloundra on the Sunshine Coast in Queensland, Australia.

The aim of the case study has been to actively observe and interact with several individuals including the majority of managers within the organisation of Coastline BMW. One objective was to develop insight and knowledge of how Coastline BMW had transformed itself in the past two years from an average rural dealership to winning the best customer service performance award of BMW dealerships worldwide in 2001 and winning the BMW Trophy Award for professionalism from BMW Australia in 2001. Coastline BMW has developed over these two years to become one of Australia’s most profitable BMW dealerships.

The overall purpose of this case study was to construct a situational context model of corporate entrepreneurship mapped from the data and information gathered from and representing the current situation at Coastline BMW. The situational map of corporate entrepreneurship constructed from the interaction with Coastline BMW was then engaged in an operational comparison (analysis) with the conceptual model of corporate entrepreneurship, described in Chapter 3.4 “Construction of a Conceptual Contextual Process Model of Corporate Entrepreneurship”.

The Section “Operational Relevance” addresses the motives for including Coastline BMW as a case study in this research. The Section “Coastline BMW in Brief” introduces the organisation of Coastline BMW. The Section “Data Collection” addresses the data collection methods that were used in this particular case study. The Section “The Strategic Importance of QMA” discusses the importance of the strategic management accreditation program called QMA at Coastline BMW. The three Sections “Individual Traits at Coastline BMW Supporting an Entrepreneurial Culture”, “Corporate Culture, Values and Norms” and “Strategic Management behaviour” respectively represent the
corresponding main dimensions in the conceptual map of corporate entrepreneurship and consequently address these topics as they were observed at Coastline BMW. Section 5.3.9, “Presentation of Data Analysis” presents the operational comparison, i.e. the data analysis performed. The Section “Summary of Operational Analysis” will present an extracted example of how the operational comparison was performed. The complete operational analysis is attached as appendix 7 to this thesis, due to its repetitive nature and size and in order to make this Chapter more accessible for the reader.

The final Section of this case study report, “Findings and Reflections”, addresses the reflections originating from this case study, i.e. issues such as learning aspects regarding the research design, analysis performed, conclusions and possible implications for the research design that should be taken into account when conducting the next case study. Possible developments to the conceptual model of corporate entrepreneurship are also discussed. A summary concludes this case study presentation.

5.3.1 Operational Relevance

This section addresses the motives for conducting an in-depth case study at Coastline BMW and presents justification of its operational relevance for this research.

Coastline BMW was chosen as a case study organisation since it appeared to show a high level of entrepreneurial orientation and hence would be a relevant and valuable organisation to include in this research project. As mentioned above Coastline BMW has transformed itself during the last 24 months from being an average-to- underachieving dealership to being awarded the best customer service performance award of all BMW dealerships in the world in 2001 and being awarded the BMW Trophy Award for professionalism 2001 by BMW Australia. Coastline BMW has shown a sharp rise in profitability over the last 24 months and today competes within the bracket of top financial performance, being part of the top 2 percent of best performing dealers in Australia (measured in percent net profit). This impressive and recognised improvement of the overall operation makes Coastline BMW a valuable and relevant organisation to
include in this research project. By including Coastline BMW in this research project it was expected that an operational analysis of the collected data would provide valuable insight in an organisation that appears to incorporate an entrepreneurial posture into its strategic management behaviour and consequently has this as an important part of its corporate culture.

It was expected that Coastline BMW would provide a good opportunity to engage in an operational comparison between the conceptual model of corporate entrepreneurship and the situational model being mapped from observing Coastline BMW. A good match between the conceptual model and the situation found and mapped into a situational model of corporate entrepreneurship at Coastline BMW was expected. The outcome of these expectations is discussed in the Section “Findings and Reflections”.

5.3.2 Coastline BMW in Brief

Coastline BMW is located at Caloundra, Queensland on the southern tip of the Sunshine Coast. The purpose-built dealership is located on the region’s busiest thoroughfare and is staffed by 22 employees (April 2002).

Coastline BMW’s Prime Market Area (PMA) covers the Caloundra, Maroochy, Noosa and Cooloola shires, an area of over 6,000 square kilometres. This rapidly growing region and market records sales of approximately 500 luxury imported vehicles per annum. Over the past five years Coastline BMW has achieved an average of 20 percent market share within its PMA, rising to 25 percent in 2001, which puts Coastline BMW well above the national average for BMW dealers and has given Coastline BMW the market leadership in the region. Coastline BMW has received many national awards over the last seven years apart from the ones mentioned above, including BMW Rural Dealer of the Year twice, and the coveted BMW Dealer of the Year in 1996. Today Coastline BMW is seen by BMW Australia as the benchmark for rural dealers in Australia, in terms of market performance, customer satisfaction, after-sales service and facility development.
In 1987, Mr. Karl Kurz acquired the local BMW dealership. Many at the time saw this as a strange investment given that BMW’s market position in Australia and on the Sunshine Coast was not strong, with only a handful of cars sold and serviced each year.

Mr. Kurz’s eldest son Robert joined the business in 1990. In 1993 a bold decision and significant investment was made to build a purpose-built stand-alone dealership for BMW. The new facility was opened in 1995 and proved the turning point for the business. Karl and Robert Kurz’s gamble to build the new facility had paid off, so much that a further gamble was taken in 1997 when Coastal Motors was sold and a new company was formed, Coastline Motors, franchisees for BMW and Volvo. The Volvo dealership is excluded from this case study, but it is worthwhile noting that Coastline Volvo was awarded the equivalent of the BMW Trophy Award by Volvo Australia for 2001. Selling the former volume franchise, Toyota, was a difficult decision as this had been the backbone of the business for many years. However, the significant results achieved by Coastline BMW had given Karl and Robert Kurz an even firmer belief in the future of BMW marque and the Sunshine Coast region. This again proved to be the right move and enabled all of the company’s resources and skills to be focused on delivering BMW owners with products matched with a level of service unparalleled by any other marque in the region. Karl Kurz officially retired in 2000. Mr. Robert Kurz and his younger brother Mr. Dean Kurz now run the business.

5.3.3 Data Collection

In brief, the data collection methods engaged in this case study did not differ from the procedures used and described in case study 1 – Modern Insurances. As a point of origin for this case study a specific project, the QMA Project (BMW Quality Management Program) was chosen, to get the interviewees and the researcher better focused. Even though the QMA project was not studied in detail, it provided a clear focus for the discussions and interviews that were conducted with several individuals within Coastline BMW. A separate Section below “The Strategic Importance of the Quality Management Program” discusses the QMA project and its strategic importance for Coastline BMW.
Eight individuals, mainly managers, were interviewed, i.e. about one third of the total number of employees at Coastline BMW. These individuals were chosen mainly because of their position in the company. The interviews were focused on individuals who are part of the executive committee or who hold a managerial position. The interviews were conducted mainly with the overall senior managers and individuals who were involved with the development and implementation of QMA. It was very beneficial to focus on a real-life project and at the same time manage to decrease the level of abstraction in topics like corporate culture, norms, strategic management behaviour and such, which to an outside observer are not easily understood. Since it was necessary to have active informants rather than passive interviewees trying to answer the researcher’s questions about abstract topics, it was very useful and effective to portray the areas of interest for this research project in something more definable like the QMA project.

Some case research uses only qualitative data, the majority of research combines qualitative and quantitative data. Primary qualitative data were collected in this case study, but also some secondary data that is quantitative was included. Examples of secondary data are financial information produced by Coastline BMW such as annual reports. Organisational charts, project information sheets, internal and external survey material about customer satisfaction and presentation material are other examples of secondary information sources that were used in this case study.

This research project is based upon the belief that direct and in-depth knowledge of a research setting is essential to achieve contextual understanding. Hence, the qualitative methods that were used are face-to-face contact with individuals in the research setting, primarily with verbal data and observation.

5.3.3.1 Interview Techniques

The objective that the qualitative data collected within this cases study should have the characteristics of rich, full, holistic and real, was very much in focus and an important objective. These characteristics are all necessary preconditions in order to fully describe,
understand and to reflect the complex nature of the phenomenon being research. The two main collection methods for primary data used to collect qualitative data in this case study were, as mentioned above, interviews and observation. In the very beginning of the case study, the “informer interview technique” (Halvorsen, 1992) was used. This qualitative interview technique is relevant when there is an interest in a phenomenon that has already happened or when the researcher does not have the opportunity to study the phenomenon. This type of interview technique was used when collecting overall company data and to understand the basis of Coastline BMW’s operations. When addressing the main issues in this research project, i.e. the corporate culture including norms and values, the strategic management behaviour and individual traits that constitute the foundation for the entrepreneurial orientation, two other interview techniques were used. These are the “open interview” (Kvale 1997) and the “semi-structured interview” (Andersen, 1998). The open interview is another example of a qualitative interview, sometimes called the qualitative research interview. This type of interview is used to get a deeper understanding of a person’s behaviour, actions, motives and personality. The main purpose of this technique is to collect descriptions of the interviewee’s world so that the researcher can better interpret the described phenomenon. It is a difficult technique but very valuable. The possibility of discovery is the strength of such interviews. The semi-structured interview is used in the same situations as the open interview technique, the difference is that the researcher has developed a greater understanding of the area studied. There are usually some predetermined areas that the researcher wants to cover whereby an interview guide helps focus the interview. Tape recording was used to allow for a careful examination after the interviews, supporting the building of a cognitive map that correctly shows the issues covered and facts reported so that the situational map adequately reflects and represents the true nature, circumstances and prerequisites of the specific organisation observed.

5.3.3.2 Observation

A non-participant observer approach was used for this case study since this research project is based upon the belief that this is the most objective approach. The purpose of
non-participant observation is to observe and record what people do in terms of their actions and their behaviour without the researcher being involved. The researcher is separated from the activities taking place. All individuals at Coastline BMW were aware that the researcher was observing them.

5.3.3.3 Secondary Data Collection Sources

For this research, secondary data were collected to complement and/or support and complement the primary field data collected. The secondary data collected were both qualitative and quantitative data such as annual reports, organisational charts, financial plans, business plans, operational plans, marketing material, and other material of strategic interest. These data were collected as part of the process of collecting the primary data.

In the Section below, references are made to the analysis reports of two dealerships. This material is relevant and thus adequately incorporated in the discussion of the strategic impact of the QMA project. The validity of this secondary data is perceived to be high and is therefore endorsed in the overall discussion. No conclusions are drawn based on this secondary data as relevant to the research themes stated in Chapter 1. In addition, no secondary data were included when mapping the situational context model of Coastline BMW.

5.3.4 The Strategic Importance of the Quality Management Program

In this Section, Coastline BMW’s Quality Management Program (QMA) is discussed. As mentioned above, focusing on the QMA project created an important reference point for the interviews that were conducted, and provided the case study with a time linear opportunity to study an important act of creativeness and innovativeness within Coastline BMW and its implications on the corporate performance.
The QMA program was initiated in June 1999 and completed during November 2001. The BMW QMA program was constructed using the best practices of BMW dealerships around the world and is developed by BMW headquarters in Germany. Accreditation is optional for the individual dealership but is promoted by BMW Australia. QMA is a quality management system/program that can justifiably be compared with the ISO-certifications used in many industries. QMA is based on everyday best practices and has been customised for Coastline BMW by Coastline BMW. QMA enables a continuous focus on and development of the key elements of overall dealership performance. The QMA system is perpetual and flexible with the ongoing changes within the organisation and in the automotive industry.

The QMA philosophy is built around the concept that employee satisfaction leads to customer loyalty, which leads to profitability, which in turn will lead to employee satisfaction, as set out in Figure 5-4 below. Coastline BMW has adapted this philosophy and managed to strongly increase employee satisfaction, customer loyalty, and financial profitability as a result of implementing the QMA. This improvement is addressed in the Section “Effects of QMA” below.

**Figure 5-4 The QMA, Quality Management Philosophy**

![Figure 5-4 The QMA, Quality Management Philosophy](source: Case study 2, Coastline BMW)
At the time of the initiating the QMA project, the owners and the management were aware of the need to address organisational issues and increasing staff satisfaction and accountability. The vehicle chosen strategically to address these issues and to create the necessary changes was the QMA project. The management wanted to address these issues as well as to improve corporate performance including financial profitability. It was also concerned about the overall corporate performance – non-financial as well as financial. The management believed it was feasible to address several organisational issues by initiating and implementing the QMA project, involving all the individuals in the organisation. It is important to point out that an important change in the ownership was made not long before initiating the QMA project: Mr Dean Kurz, the dealer principal’s brother, extended his ownership in the business and replaced the previous Operations Director. Even though the owners and the “new” management did not achieve such successful outcomes from the QMA project as it had been forecast to deliver, taking on the project was itself a deliberate act of creativeness to address explicit strategic issues. Mr Dean Kurz engaged himself extensively in the QMA project, describing it as “entrepreneurial determination”, and many individuals in the company acknowledged his involvement and dedication.

5.3.4.1 Effects of QMA

QMA has positively affected Coastline BMW in many ways. The new management was confident, and ambitious about improving their operation by addressing several issues simultaneously using the QMA project as a tactical vehicle to successfully implement the changes. Increasing job satisfaction among employees and documenting and streamlining operational processes were believed essential to improve corporate performance and customer satisfaction.

The positive impact that the QMA project has had on the business is supported by the two dealer analysis reports that were performed before and after the QMA project. Unbiased auditors, contracted by BMW Australia, performed extensive business analyses of the Coastline BMW operation. Two dealership analyses were performed, the first one prior to
the launch of the QMA project in June 1999, and a second one as a part of the accreditation as BMW Quality Partner, in November 2000. In brief, in the second audit, Coastline BMW scored the highest ever accreditation score shown in the BMW QMA program.

Both audits included several assessment instruments, ranging from questionnaires, internal surveys, interviews, Service Performance Monitor (SPM) to “business benchmarking”. After the first business analysis, the Dealer Principal and the Operations Director both perceived that introducing an active Quality Management System would formalise business processes and create a good basis on which to start exploiting available opportunities.

The result of the QMA was a well-coordinated and prioritised effort of the whole dealership that exploited available opportunities for improvement and established a sustained level of cooperative improvement. Through the QMA project, Coastline BMW transformed itself to become much more effectively organised. There is now an understanding within the dealership that work processes need to be detailed, consistent and understood. A firm base for an ongoing quality system has been established. There is now a genuine enthusiasm among employees to see the business succeed. The level of job satisfaction has increased to an impressive level, and the financial profitability of Coastline BMW has increased significantly.

Participants in this case study agree that QMA has boosted their sense of accountability. The participation process endorsed by the QMA project raised overall job satisfaction. The extensive documentation and improvements to business processes increased internal efficiency, which has led to an increased level of communication and understanding between different internal departments of the organisation.

While reconstructing the organisation, the senior management saw the opportunity to change the corporate culture to become competitive and positive. QMA provided a tactical vehicle for such a change. QMA has changed the foundation and inspiration of
the strategic mindset of the organisation and has essentially served to boost the organisation’s self-confidence. The management now considers and evaluates potential opportunities in a manner not seen before the QMA project. One clear example of this is the commitment to include and launch during 2002 the BMW Motorcycle range, which will be a completely new range of operations and completely new to the Sunshine Coast region.

As a conclusion to the above discussion, the QMA project has apparently increased Coastline BMW’s propensity to act entrepreneurially and thus affected the entrepreneurial posture of the company in a positive way. The senior management of Coastline BMW gives the impression of being prepared and appreciating the need to continuously act entrepreneurially, i.e. to seek and create more competitive advantages than before the QMA project. It has been difficult to assess change in the level of risk propensity, and much easier to observe that the organisation’s propensity to act entrepreneurially has been boosted by the success and increased level of confidence as a result of the strategic success of the QMA project that eventually led to a BMW Quality Partner accreditation for Coastline BMW in the 2000.

5.3.5 Strategic Management Behaviour

This section addresses the strategic management behaviour within Coastline BMW. The researcher’s impressions of strategic management behaviour within Coastline BMW founded on extensive discussions with managers and non-management staff alike.

The most striking feature of management behaviour in this case is its focus on employees and the understanding that job satisfaction is a strategic success factor. Second, customer orientation is a profound part of the strategic management behaviour. The recognition by BMW headquarters in Germany that Coastline BMW provided the best customer service (customer orientation) of all BMW dealerships in the world in 2001 strongly supports this view. In brief, one can summarise the strategic management behaviour as a reflection of the QMA philosophy (Figure 5-4 above). The senior management at Coastline BMW has
carefully adapted this philosophy. This “QMA” philosophy behaviour as strategic management behaviour, in combination with a high level of commitment and energy, seems to provide the right formula for supporting and fostering a corporate culture within Coastline BMW that is oriented towards staff, customers and performance. The leadership style can be described as decisive, attentive, coaching, committed, staff-oriented, customer-focused, and performance-driven. The senior management (i.e. owners) do not embrace the involvement of their staff in the strategic decision-making and implicitly communicate to the organisation that the owners exclusively decide the strategic agenda of the business.

In this sense, the individuals in the organisation are very much dependent on the focus and objectives set by the owners. The employees at Coastline BMW do however show trust and loyalty to the owners i.e. the senior management, and the situation of an owner-managed organisation seems to be beneficial to the overall commitment and empowerment of individuals in the organisation. The owners have been very committed to ensuring a high level of job satisfaction among the employees and this successful focus has resulted in a strong sense of loyalty and appreciation of the owners as the senior managers. As with many other owner-managed businesses, the decision-making process here is perceived by the organisation as short. At the same time, the QMA provided an extensive work-flow documentation that focuses on clarifying responsibilities and mandates to make decisions. This has clearly led to a high level of comfort within the organisation where, for example, different responsibilities for particular job descriptions are well documented. This leadership style in Coastline BMW has put the staff very much in focus. Many employees share the opinion that the management focuses on letting him or her know that every single individual is an equally important member of the team. The perception at the staff level is that management focuses on the personal development of every individual. Many interviewees commented that the management shows faith in them and that this has led them to feel equally important, regardless of position. There seems to be a shared view within the organisation that the level of staff satisfaction has increased over the past two years.
As a conclusion to the above discussion, the owners and managers display an entrepreneurial orientation. The managers have been able to increase several important areas of the operation, including building a highly efficient organisation. There is, however, an important distinction between the entrepreneurial orientation of the senior management and of the organisation as a whole. The organisation as a whole does not display the presence of specific entrepreneurial attributes. Coastline BMW today employs about 25 individuals and as long as Dean and Robert Kurz own and operate the business, the entrepreneurial orientation will most likely continue at the same high level as it is today. However, changes in the senior management could shift and jeopardise the entrepreneurial orientation of Coastline BMW.

5.3.6 Corporate Culture, Norms and Values

This Section addresses the corporate culture and shared norms and values within Coastline BMW.

Based on the discussion of corporate culture and norms under Section 3.4.1, (Chapter 3), an adequate objective for this research project is to understand and consider to what extent different, specific values and norms are present at Coastline BMW, and in particular if any of these shared norms and values within the organisation support and amplify a corporate culture within Coastline BMW that supports entrepreneurial behaviour.

A management focus on job satisfaction seems to have been an important prerequisite in building the current corporate culture. This corporate culture is clearly empowered, positive, committed, efficient, staff-oriented, customer-focused and results-driven.

There is a strong sense in the organisation that everyone shares in the success of the business. This stakeholder perception supports the family feeling within Coastline BMW, which is referred to by many in the organisation. The employees are proud of “their” company and the loyalty expressed to the owners who operate the business is significant.
Several key employees that have been working in the business for more than five years would not even consider leaving Coastline BMW.

The positive attributes of the corporate brand name “BMW” that Coastline BMW represents are clearly a positive source of energy for all individuals in the organisation, including the senior managers. All individuals who were involved in this case study spoke of the positive characteristics of their business, closely associated with their description of the positive attributes of “BMW” as a brand name. The people working at Coastline BMW are proud of the company and the brand name they represent and these common feelings have enforced their sense of corporate belonging. The way work is undertaken, especially since the QMA project, has enforced the sense of corporate belonging and there is a widespread perception of a family feeling within Coastline BMW. The sense of participation is equally high and everyone expressed a feeling of being important to the company. Many referred to the term “team spirit” to best describe the atmosphere within Coastline BMW, i.e. a team of dedicated professionals who depend on each other, appreciate each other, work hard and probably most important of all, work in the same direction. Job satisfaction in combination with respect and loyalty for senior management, and team spirit, has clearly boosted the level of accountability within Coastline BMW. The level of accountability comes across as perhaps the strongest asset within the corporate culture. An important catalyst for decentralising the decision-making structure and making individuals more accountable has been to communicate well-defined areas of responsibilities and to visualise the workflow processes that were established by the whole organisation in the QMA project. These well-documented processes have made the individuals in the organisation comfortable within their own areas of responsibilities. This level of comfort has also benefited the level of job satisfaction and accountability.

The management formally supports creativity among organisational members. However, no specific measures taken to actively promote or facilitate such creativity were observed, such as rewards or financial incentives. The organisational team members are, however, well aware that it is much appreciated and well received, and seen as a sign of
commitment and engagement to actively come forward with opinions and suggestions. There is a shared opinion that what you as an individual in the organisation say is listened to, and consequently there is a common feeling that there is an approved space for the exchange of opinions and ideas.

The individuals at Coastline BMW appear to be well informed about the progress of many ongoing issues in the company. Since the management focuses mainly on providing formal information regarding financial developments, the level of informal information and communication must be high. One common explanation given for this is that information is easily shared and spread in an organisation the size of Coastline BMW and that this is why everyone is well informed of objectives and progress. Apparently the management approves of a high level of informal information flow. The level of speculation among employees is correspondingly low. It seems that the employees appreciate and respect the high level of informal information flow and therefore act responsibly to preserve it. This has most likely also benefited and reinforced the trust and understanding between organisational members and departments.

The organisational boundaries in Coastline BMW are seen to be relatively informal. Even if the organisational hierarchy is not perceived as rigid, everyone in the company knows exactly who decides what. Individuals in the organisation give the management credit for focusing on the personal development of individuals and for showing faith in the organisation and in each organisational member.

5.3.7 Individual Traits Supporting an Entrepreneurial Culture

This Section addresses the individual traits observed at Coastline BMW. As discussed in the previous case study, this research project focuses on the perceived opinions of the individuals in their own organisation, taking into account their own views and descriptions of the personal traits seen in their own organisation. This project uses primary data collected from interviews and discussions with several representatives of Coastline BMW in combination with experiences and interpretations from interacting
with these individuals. Instead of using predominantly quantitative results from tests, this researcher believes it is more relevant and important to observe and interpret how people chose to describe their own personal traits and in particular how they chose to describe the personal traits of their colleagues.

The management at Coastline BMW focuses on employing individuals who will fit well within their organisation. Some of the individual traits that are appreciated are positiveness, goal orientation, professionalism, competence, accountability, and the individual’s social competence and ability to fit in with the rest of the group. All individuals were highly professional, showed high social competence and a high level of integrity. The staff at Coastline BMW describes their colleagues as committed, hard working, competent, positive, and with some level of prestige.

5.3.8 The Entrepreneurial Orientation of Coastline BMW

This Section is provided for two reasons. One is to provide an abstract of the discussions presented more fully earlier in this case study presentation. The other is to provide an example of how the application of a set of business-relevant questions relates to the overall knowledge about the situation at Coastline BMW. By engaging the set of four questions presented in the previous case study with the information collected and displayed in the situational model showing the entrepreneurial situation of Coastline BMW, the answers will collectively and qualitatively project the entrepreneurial orientation of Coastline BMW. Consequently, some Sections and content below are deliberately extracted from the Sections earlier in this case study presentation. In summary, the main reason the answers to these four questions are repetitive in nature to what has been discussed above is to establish that the information gathered from applying the proposed framework for assessing and addressing the entrepreneurial orientation of Coastline BMW is relevant, significant and sense making enough for providing meaningful answers to these four imperative questions.
1. Does Coastline BMW continuously seek, create, and implement competitive advantages?

The result of the QMA was a well-coordinated and prioritised effort of the whole dealership that exploited available opportunities for improvement and established a sustained level of cooperative improvement. Through the QMA project, Coastline BMW transformed itself into a much more effectively organised operation. There is now an understanding within the dealership that work-flow processes need to be detailed, consistent and understood. A firm base for an ongoing quality system has been established. There is now a genuine enthusiasm among the employees to see the business succeed. Job satisfaction has increased to an impressive level, and the financial profitability of Coastline BMW has also increased significantly.

Participants in this case study agree that QMA boosted their sense of accountability. The participation process endorsed by the QMA project raised their job satisfaction. The extensive documentation and improvements of business processes have increased internal efficiency, which has improved communication and understanding between different internal departments of the organisation.

While constructing the new organisation, the senior management saw the opportunity to create a competitive and positive corporate culture. QMA provided a tactical vehicle for this change. QMA has changed the foundation and inspiration of the strategic mindset of the organisation and has essentially increased the level of self-confidence within the organisation. Management evaluates potential opportunities in a manner not seen before the QMA project. One good example of this is the commitment to include and launch the BMW Motorcycle range during 2002, which will be an operation completely new to the Sunshine Coast region.

The QMA project has clearly increased Coastline BMW’s propensity to act entrepreneurially and thus affected the entrepreneurial posture of the company in a positive way. The senior management of Coastline BMW gives the impression of being
prepared and appreciate the need to continuously act more entrepreneurially, i.e. to seek and create more competitive advantages than before the QMA project. It has been difficult to assess the changed level of risk propensity. It has, however, been much easier to observe that the organisations’ propensity to act entrepreneurially has been boosted by the success and increased level of confidence resulting from the strategic success of the QMA project that eventually led to a BMW Quality Partner accreditation for Coastline BMW in the 2000.

2. Does Coastline BMW build and sustain an entrepreneurial culture with supporting norms and values?

The management’s focus on job satisfaction seems to have been an important prerequisite in building the current corporate culture that is clearly empowered, positive, committed, efficient, staff-oriented, customer-focused and result-driven.

There is a strong sense in the organisation that everyone shares in the success of the business. This stakeholder perception supports the family feeling within BMW, which is referred to by many in the organisation. The employees are proud of “their” company and the loyalty expressed to the owners who operate the business is significant. Several key employees who have worked in the business for more than five years would not even consider leaving Coastline BMW.

The positive attributes of the corporate brand name “BMW” that Coastline BMW represents are clearly a positive source of energy for all individuals in the organisation, including the senior managers. All individuals who were involved in this case study spoke of the positive characteristics of their business, closely associated with their description of the positive attributes of “BMW” as a brand name. The people working at Coastline BMW are proud of the company and the brand name they represent. It is easy to appreciate how these common feelings have enforced their sense of corporate belonging. The way work is undertaken, especially since the QMA project, has enforced the sense of belonging and a perceived family feeling is widespread within Coastline

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BMW. The sense of participation is equally high and everyone expressed a feeling of being important to the company. Many referred to the term “team spirit” to best describe the atmosphere with Coastline BMW, i.e. a team of dedicated professionals who depend on each other, appreciate each other, work hard and probably most important of all, work in the same direction. The feeling of job satisfaction in combination with respect and loyalty for the senior management and the sense of team spirit have clearly boosted the level of accountability within Coastline BMW. The level of accountability comes across as perhaps the strongest asset within the corporate culture. An important catalyst for decentralising the decision structure and making individuals more accountable has been to communicate well-defined areas of responsibility and to visualise the work-flow processes that were established by the whole organisation in the QMA project. These well-documented processes have made the individuals in the organisation comfortable within their own areas of responsibility. This level of comfort has also benefited the level of job satisfaction and accountability.

The management formally supports creativity among organisational members on an overall level. However, there are no specific measures in place to actively promote or facilitate such creativity, such as rewards or financial incentives. The organisational team members are nevertheless well aware that it is much appreciated, well received, and seen as a sign of commitment and engagement, to actively come forward with opinions and suggestions. Many share the view that what you say as an individual in the organisation is listened to and consequently there is a common feeling that there is an approved space for exchanging opinions and ideas.

The individuals in the organisation appear to be well informed about the progress of many ongoing issues in the company. Since the management only focuses on providing formal information regarding financial developments, the level of informal information and communication must therefore be high. One common explanation given for this is that information is easily shared and spread in an organisation the size of Coastline BMW and that this is why everyone is well informed about objectives and progress.
The management approves of the high level of informal information flow. The level of speculation among the employees seems to be correspondingly low. It seems that the employees appreciate and respect this high level of informal information flow and therefore act responsibly to preserve it. This has most likely also benefited and enforced the trust and understanding between organisational members and departments.

The organisational boundaries at Coastline BMW are presented as relatively informal. Even if the organisational hierarchy is not perceived as rigid, everyone knows exactly who decides what. Individuals in the organisation give the management credit for focusing on the personal development of individuals, understanding that it shows faith in the organisation and in each organisation member.

3. **Does Coastline BMW develop a leadership style that embraces an innovative and proactive approach to new business opportunities?**

The most striking aspect of the management behaviour at Coastline BMW is its focus on the employees and the understanding that job satisfaction is a strategic success factor. Second, customer orientation is a profound part of the strategic management behaviour. The recognition by BMW headquarters in Germany that Coastline BMW provided the best customer service (customer orientation) of all BMW dealerships in the world in 2001 strongly supported this view. In brief one can summarise the strategic management behaviour as a reflection of the QMA philosophy, as in Figure 5-4 above. The senior management at Coastline BMW has adapted this philosophy.

This “QMA” philosophy behaviour as strategic management behaviour, in combination with a high level of commitment and energy, seems to provide the right formula for supporting and fostering a corporate culture within BMW that is oriented towards staff, customers and performance. The leadership style can be described as decisive, attentive, coaching, committed, staff-oriented, customer-focused, and performance-driven.
The senior management (i.e. owners) does not embrace the involvement of their staff in the strategic decision making, and implicitly communicates to the organisation that the owners exclusively decide the strategic agenda of the business. In this sense, the individuals in the organisation are highly dependent on the focus and objectives set by the owners. The employees at Coastline BMW do, however, show trust and loyalty to the owners i.e. the senior management, and the situation of an owner-managed organisation seems to be beneficial to the overall commitment and empowerment of individuals in the organisation. The owners have been very committed to ensuring a high level of job satisfaction among the employees and this successful focus has resulted in employees’ strong sense of loyalty and appreciation of the owners as the senior managers. As with many other owner-managed businesses, the decision-making process is perceived by the organisation to be short. At the same time, the QMA provided extensive work-flow documentation that focuses on clarifying responsibilities and mandates to make decisions. This has led to a high level of comfort within the organisation where, for example, different responsibilities for particular job descriptions are well documented. This leadership in Coastline BMW has put the staff very much in focus. Many employees share the opinion that the management focuses on letting him or her know that every single individual is an equally important member of the team. The perception at staff level is that management focuses on the personal development of every individual. Many staff commented that the management shows faith in them and that this has supported the fact that many feel equally important. There seems to be a shared view within the organisation that the level of staff satisfaction has increased over the past two years.

As a conclusion to the above discussion, the owners and managers display an entrepreneurial orientation. The managers have been able to improve several important areas of the operation, including building a highly efficient organisation. There is, however, an important distinction between the entrepreneurial orientation of the senior management and that of the organisation as a whole, the organisation as a whole does not display the presence of specific entrepreneurial attributes. Coastline BMW today employs about 25 individuals. As long as the owners, Dean and Robert Kurz, operate the business, the entrepreneurial orientation will most likely persist on the same high level as it is
today. However, changes in the senior management could shift and jeopardise the current entrepreneurial orientation of BMW.

4. **Does Coastline BMW engage with and lead talented individuals, and focus their skills, traits, energy, motivation and creativeness into a direction beneficial to themselves and to the organisation?**

The management at Coastline BMW focuses on employing individuals who will fit well within their organisation. Some of the individual traits that are appreciated are positiveness, goal orientation, professionalism, competence, accountability and the individual’s social competence and ability to fit in with the rest of the group. All individuals were highly professional, and with a high level of both social competence and integrity. The staff at Coastline BMW describes their colleagues as committed, hard working, competent, positive, and with a low level of prestige.

**5.3.9 Presentation of Operational Analysis**

This Section gives an overview and introduction to the operational analysis for this case study. Details of the complete operational analysis are presented in Appendix 7 to this thesis, in order to make this Chapter more accessible for the reader.

This Section provides one extracted example of the operational comparison by analysing the “Norms and Values” in the environmental dimension of the conceptual model of corporate entrepreneurship with the corresponding concepts in the situational map, mapped from Coastline BMW.

This Section concludes with a table summarising the complete data analysis, which is presented as an appendix due to its repetitive nature and size. The summarising Table 4-2 addresses each main Section separately.
5.3.9.1 Extraction from the Data Analysis, an Introductory Example

This Section gives an overview and introduction to the operational analysis. The framework for the operational comparison/analysis is unchanged from the research design and protocol used in the case study 1 at Modern insurances. The example presented in this Section is extracted from Appendix 7 to this thesis and forms a part of the complete operational analysis. It is presented here to develop understanding of how the operational analysis has been conducted.

Figure 5-1, below, displays the cluster of norms and values allocated in the environmental domain of the conceptual map of corporate entrepreneurship.

**Figure 5-1 Cluster of the Norms and Values**

- 32 Norms supporting information sharing between individuals and groups regardless of organisational position
- 35 Norms supporting the implementation of innovations regardless of the individual or group involvement
- 28 Values for innovation as a practice and source of competitive advantage
- 33 Norms that promote tolerance for failure
- 29 Norms encouraging creativity among organisational members
- 30 Norms encouraging search for innovation opportunities from external sources
- 34 Norms encouraging openminded consideration of new ideas and projects
- 31 Norms and values of groups and individuals in corporate settings
- 36 Norms that facilitate resource support for innovative ventures

Source: Figure 3-7
Each concept in Figure 5-1 will be engaged in an operational comparison with the situational cluster of shared norms and values displayed below in Figure 5-7, which is allocated in the environmental domain of the situational cognitive map. The environmental domain is divided into two separate clusters as a consequence of the discussion in the Section “Corporate Culture, Values and Norms”. Consequently, this first cluster in the environmental dimension of the situational map, with concepts collected from the interviews at Coastline BMW, addresses the shared norms and values of the organisational members at Coastline BMW.

**Figure 5-5 Cluster of the Shared Norms and Values as Shown in the Situational Map of Coastline BMW**

- 57 For us everything is about customer satisfaction
- 14 Too competitive narrows the focus
- 100 We are constantly thinking of how to improve things that came out of the QMA project
- 54 If you’re honest, display loyalty, the company will be very understanding of your needs
- 23 Now if any one needs help, anyone will bend over backwards to help that department
- 96 Norms and values within Coastline BMW
- 140 The sense of accountability is high
- 141 We have a short decision process
- 95 Strong commitment to ones own task, before this was not the case
- 51 It’s a family company, you will get well looked after and you will probably earn great money
- 86 Happy people shows on the bottom line

Source: Analysis of collected field data, Case study 2, Appendix 7.
1. List of the relevant concepts found in the situational map believed to be associated with the norms supporting the implementation of innovations regardless of the individuals or groups involvement (Concept 35, Figure 5-1).

23. Now if anyone needs help, anyone will bend over backwards to help that department

100. We are constantly thinking of how to improve things that came out of the QMA project

140. The sense of accountability is high

141. We have a short decision process

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirability</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>23, 100, 140, 141</td>
</tr>
<tr>
<td>Low</td>
<td></td>
</tr>
</tbody>
</table>
2. List of the relevant concepts found in the situational map believed associated with the norms supporting information sharing between individuals and groups regardless of organisational position (Concept 32, Figure 5-1).

- None Found!

Comment: The conceptual model of corporate entrepreneurship suggests that it is desirable to have norms that encourage the support of information sharing between individuals and groups. The operational situation does not show or support the presence of such norms.
3. List of the relevant concepts found in the situational map believed associated with the norms encouraging creativity among organisational members (Concept 29, Figure 5-1).

23. Now if any one needs help, anyone will bend over backwards to help that department
51. It’s a family company, you will be well looked after and you will probably earn great money
95. Strong commitment to one’s own task, before this was not the case
100. We are constantly thinking of how to improve things that came out of the QMA project
140. The sense of accountability is high
141. We have a short decision process
142. We only have two management levels

Desirability

<table>
<thead>
<tr>
<th></th>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High</strong></td>
<td>23, 51, 95, 100, 140, 141, 142</td>
<td></td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. List of the relevant concepts found in the situational map believed to be associated with norms that promote tolerance of failure (Concept 33, Figure 5-1).

14. Being too competitive narrows the focus
23. Now if anyone needs help, anyone will bend over backwards to help that department
51. It’s a family company, you will be well looked after and you will probably earn great money
54. If you're honest, display loyalty, the company will be very understanding of your needs
100. We are constantly thinking of how to improve things that came out of the QMA project
142. We only have two management levels

Desirability

<table>
<thead>
<tr>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td></td>
</tr>
</tbody>
</table>
5. List of the relevant concepts found in the situational map believed to be associated with norms that encourage open-minded consideration of new ideas and projects (Concept 34, Figure 5-1).

14. Being too competitive narrows the focus
23. Now if anyone needs help, anyone will bend over backwards to help that department
51. It is a family company: you will be well looked after and you will probably earn great money
57. For us everything is about customer satisfaction
86. Happy people shows on the bottom line
100. We are constantly thinking of how to improve things that came out of the QMA project
140. The sense of accountability is high
141. We have a short decision process

Desirability

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirable</th>
<th>Undesirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>14, 23, 51, 57, 86, 100, 140, 141</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

214
6. List of the relevant concepts found in the situational map believed to be associated with norms that facilitate resource supports for innovative ventures (Concept 36, Figure 5-1).

23. Now if any one needs help, anyone will bend over backwards to help that department

51. It’s a family company, you will be well looked after and you will probably earn great money

100. We are constantly thinking of how to improve things that came out of the QMA project

140. The sense of accountability is high

141. We have a short decision process

142. We have only two management levels

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirability</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Desirable</td>
</tr>
<tr>
<td></td>
<td>Undesirable</td>
</tr>
<tr>
<td>Low</td>
<td></td>
</tr>
</tbody>
</table>

Low Desirability

23, 51, 100, 140, 141, 142

215
7. List of the relevant concepts found in the situational map believed to be associated with values for innovation as a practice and source of competitive advantage (Concept 26, Figure 5-7).

100. We are constantly thinking of how to improve things that came out of the QMA project

**Comment:** Even though only one relevant concept variable was found within the situational map, improving operational practices to create competitive advantages is very much an important and consistent understanding throughout the Coastline BMW organisation.
8. List of the relevant concepts found in the situational map that are believed to associated with norms encouraging search for innovation opportunities from external sources (Concept 30, Figure 5-1).

- None found!

Comment: The conceptual model of corporate entrepreneurship suggests that it is desirable with to have norms that encourage searching for innovation opportunities from external sources. The operational situation does not show or support the presence of any norms present that encourage search for innovation opportunities from external sources.
5.3.10 Summary of Operational Comparison / Data Analysis

Table 5-2 below, shows the 23 concept variables that have been engaged in an operational comparison (data analysis) using the EDI matrix.

Table 5-2: Summary of the Operational EDI Comparison, Case Study 2

<table>
<thead>
<tr>
<th>EDI-Compared Concepts / Key Elements</th>
<th>Main Concept Variable</th>
<th>Matching Concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactiveness</td>
<td>Strategic management behaviour</td>
<td>9</td>
</tr>
<tr>
<td>Risk taking</td>
<td>Strategic management behaviour</td>
<td>4</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>Strategic management behaviour</td>
<td>9</td>
</tr>
<tr>
<td>The need for achievement</td>
<td>Individual traits</td>
<td>4</td>
</tr>
<tr>
<td>Internal locus of control</td>
<td>Individual traits</td>
<td>2</td>
</tr>
<tr>
<td>Goal orientation</td>
<td>Individual traits</td>
<td>6</td>
</tr>
<tr>
<td>Desire for autonomy</td>
<td>Individual traits</td>
<td>5</td>
</tr>
<tr>
<td>Risk taking propensity</td>
<td>Individual traits</td>
<td>None found</td>
</tr>
<tr>
<td>Supporting implementation of innovations</td>
<td>Norms and values</td>
<td>4</td>
</tr>
<tr>
<td>Innovation as a practice and source of competitive advantage</td>
<td>Norms and values</td>
<td>1</td>
</tr>
<tr>
<td>Facilitate resource support for innovative ventures</td>
<td>Norms and values</td>
<td>6</td>
</tr>
<tr>
<td>Encouraging open minded consideration of new ideas and projects</td>
<td>Norms and values</td>
<td>8</td>
</tr>
<tr>
<td>Encouraging creativity among organisational members</td>
<td>Norms and values</td>
<td>7</td>
</tr>
<tr>
<td>Encouraging search for innovation opportunities from external sources</td>
<td>Norms and values</td>
<td>None found</td>
</tr>
<tr>
<td>Supporting information sharing between individuals and groups regardless of position</td>
<td>Norms and values</td>
<td>None found</td>
</tr>
<tr>
<td>Tolerance of failure</td>
<td>Norms and values</td>
<td>6</td>
</tr>
<tr>
<td>Management support</td>
<td>Corporate culture supportive of innovation and entrepreneurial behaviour</td>
<td>11</td>
</tr>
<tr>
<td>Increased participation in the decision process</td>
<td>Corporate culture…</td>
<td>8</td>
</tr>
<tr>
<td>Perception of organisational boundaries</td>
<td>Corporate culture</td>
<td>8</td>
</tr>
<tr>
<td>Autonomy and work discretion</td>
<td>Corporate culture</td>
<td>8</td>
</tr>
<tr>
<td>Appropriate use of rewards</td>
<td>Corporate culture</td>
<td>None found</td>
</tr>
<tr>
<td>Informality of communication</td>
<td>Corporate culture</td>
<td>None found</td>
</tr>
<tr>
<td>Organisational structure</td>
<td>Corporate culture</td>
<td>None found</td>
</tr>
</tbody>
</table>

Source: Data analysis detailed in Appendix 7 to this thesis
5.3.10.1 Comments on the Analysis of the Corporate Culture

The operational comparison between the conceptual model of corporate entrepreneurship and the situational context model representing the situation at Coastline BMW suggest the presence of a corporate culture that can be associated with:

- Management support that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (Concept 23 Figure 3-3),
- Increased participation in the decision-making process that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (Concept 65, Figure 3-3),
- The perception of organisational boundaries that promote a corporate culture supportive of innovation and entrepreneurial behaviour (Concept 27, Figure 3-3),
- The autonomy and work discretion that promote a corporate culture supportive of innovation and entrepreneurial behaviour (Concept 26, Figure 3-3).

The operational comparison does not suggest the presence of a corporate culture at Coastline BMW that can be associated with:

- The appropriate use of rewards that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (Concept 22, Figure 3-3),
- The informality of communication that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (Concept 57, Figure 3-3).

The conceptual model of corporate entrepreneurship suggests that it is desirable to have a corporate culture that displays an appropriate use of rewards that promote a corporate culture supportive of innovation and entrepreneurial behaviour (Concept 22, Figure 3-3). The conceptual model also suggests that it is desirable to have informality of communication that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (Concept 57, Figure 3-3). The operational situation at Coastline
BMW does not support the presence of such cultural characteristics. It is therefore recommendable to address some strategic decisions to initiate and develop such characteristics of corporate culture at Coastline BMW.

5.3.10.2 Comments on the Analysis of Norms and Values

The operational comparison between the conceptual model of corporate entrepreneurship and the situational context model representing the situation at Coastline BMW suggests the presence of norms and values in the organisation that can be associated with:

- Norms supporting the implementation of innovations regardless of individual or group involvement (Concept 35, Figure 3-3)
- Norms and values for innovation as a practice and source of competitive advantage (Concept 28, Figure 3-3),
- Norms that facilitate resource supports for innovative ventures (Concept 36, Figure 3-3),
- Norms encouraging creativity among organisational members (Concept 29, Figure 3-3),
- Norms that encourage open-minded consideration of new ideas and projects (Concept 34, Figure 3-3).

The operational comparison also suggests the absence of norms and values in the organisation that can be associated with:

- Encouraging search for innovation opportunities from external sources (Concept 30, Figure 3-3),
- Supporting information sharing between individuals and groups regardless of organisational position (Concept 32, Figure 3-3).

The conceptual model of corporate entrepreneurship suggests that it is desirable to have the presence of shared norms and values that encourage searching for innovation
opportunities from external sources (Concept 30, Figure 3-3). The conceptual model also suggests that it is desirable to have norms and values supporting information sharing between individuals and groups regardless of organisational position (Concept 32, Figure 3-3). The operational situation at Coastline BMW does not support the presence of these norms and values. It is therefore recommendable to address some strategic decisions to initiate and develop such norms and values at Coastline BMW.

5.3.10.3 Comments on the Analysis of the Strategic Management Behaviour

The operational comparison between the conceptual model of corporate entrepreneurship and the situational context model representing the situation at BMW suggests the presence of strategic management behaviour that is believed to be associated with:

- Proactiveness as a strategic management behaviour that supports an entrepreneurial posture (Concept 20, Figure 3-2),
- Risk taking as strategic management behaviour that supports an entrepreneurial posture (Concept 18, Figure 3-2),
- Innovativeness as strategic management behaviour that supports an entrepreneurial posture (Concept 19, Figure 3-2).

The owners and managers of Coastline BMW are very aware of the risks they take, and their overall behaviour can be summarised as displaying a well-calculated risk-taking propensity.

It is important to remember that when analysing the strategic management behaviour at Coastline BMW, the context and meaning of “innovativeness” does not require that ground-breaking inventions need to be developed every consecutive quarter. The more realistic and valuable context of “innovativeness” means an incremental but continuous improvement of processes and services in order to enhance the overall corporate performance. This includes smaller, well-considered changes and improvements that do not have to be radically different to previous operations. As a conclusion, the difference
between “creative change” and “innovativeness” can be subtle, and a distinction can and should be made between “creative changes” and “innovativeness” in a contextual process model of corporate entrepreneurship based on explanation of why the “creative change” should be implemented and what strategic effect it seeks to bring.

5.3.10.4 Comments on Analysis of the Individual Traits

The summary of the operational analysis of the individual dimension performed for this case study, which is attached as an appendix to this thesis, suggests the presence of individual traits that are believed associated with:

- The need for achievement (Concept 52, Figure 3-4),
- Internal locus of control (Concept 54, Figure 3-4),
- Goal orientation (Concept 53, Figure 3-4),
- Desire for autonomy (Concept 51, Figure 3-4).

The operational comparison also suggests the absence of individual traits in the organisation that can be associated with “Risk-taking propensity” (Concept 50, Figure 3-4). The conceptual model of corporate entrepreneurship suggests that risk-taking propensity is a desirable personal trait. The situational context model of Coastline BMW does not support the presence of such individual traits. Although risk-taking propensity was not observed as a common trait among the individuals at Coastline BMW, the owners and managers of Coastline BMW are very aware of the risks they take, and their overall behaviour can be summarised as displaying a well-calculated risk-taking propensity. Since strategic decision-making involving risk taking is usually left with the managers, one might consider it to be adequate to state that the trait of risk-taking propensity is present among the individuals in the organisation. It is therefore important to remember that there is a distinction between risk-taking propensity as strategic management behaviour and risk-taking propensity as an individual personal trait. A collective behaviour, such as management behaviour, is the result of collaboration, reasoning, and the balancing and evaluation of involved resources and expected outcome.
factors. A personal trait on the other hand is an individual characteristic carried by all people in the organisation, affecting the corporate culture and the strategic management behaviour. Because of this distinction, it is recommendable for Coastline BMW to heighten the awareness of the relative importance of risk-taking propensity of individuals and its relationship to the entrepreneurial orientation of the organisation as a whole.

5.3.11 Findings and Reflections from Case Study 2

Conducting the case study at Coastline BMW was rewarding since it provided a relevant and important contribution to this research project. A combination of feasible research design and sincere interest in the research topic on the part of management at Coastline BMW provided this research project with explicit insight, relevant data and valuable experience.

The case study at Coastline BMW was the second completed case study within this research project. Topics discussed and presented under this Section should be interpreted as an expression of what was learnt from this case study. This Section ends with a summary of this case study.

5.3.11.1 Increased Confidence in the Conceptual Model

The Conceptual Model of Corporate Entrepreneurship continues to show great promise for the purpose and continuation of this research project i.e. to find meaningful answers to the research themes stated in Chapter 1.

A contextual process model of corporate entrepreneurship seems to be a valuable sense-making tool and/or assessment framework as well as a rational, relevant and effective approach and technique for organisational stakeholders who are challenged with trying to understand and assess the entrepreneurial orientation of the organisation.
A clear objective of this research project is to develop a contextual process model of corporate entrepreneurship and evaluate to what extent such a model can be used when assessing the interacting strategic organisational processes that develop and support entrepreneurial orientation within an organisation. The main purpose of the operational analysis in this case study has therefore been to evaluate and understand the usefulness of the theoretical framework. At the same time it is within the stated purpose of this research project to reflect upon the extent to which such a framework can be used in understanding and learning about the level of the entrepreneurial orientation within an organisation and how one can improve it.

An important leap in confidence in the cognitive mapping approach and the conceptual model was achieved through this case study. The conceptual model of corporate entrepreneurship provides relevant guidance and opportunity for an enquirer to project questions about the entrepreneurial situation that is being studied. The enquirer is offered an explicit, holistic, yet simple and structured framework for engagement with a specific organisational situation for understanding and assessing the nature of the entrepreneurial orientation within that situation. This framework is meaningful and the information mapped into a situational model is relevant because the conceptual model is constructed by relevant and theory supported components that affect and support the entrepreneurial orientation of an organisation. The two case studies presented so far have confirmed the relevance and usefulness of the construction of the conceptual model as a structure and format for making sense of the organisational situation. These case studies have also confirmed the relevance of using a cognitive mapping approach. The cognitive mapping approach allows for structuring complex qualitative data to be visualised and analysed in an effective way. Cognitive mapping is a valuable technique since it manages to capture and display people’s state of mind. This approach allows for the researcher to develop a “feel” for a specific situation in a more relevant and valuable way than any mechanical survey would allow. These convincing results indicate that a contextual process model of corporate entrepreneurship may prove to be meaningful and useful to organisational stakeholders. At the same time, it is relevant to point out that it is the approach, technique
and process by which the information is collected and mapped into the contextual process model that provide the valuable insight into the organisation studied.

The contextual process model of corporate entrepreneurship offers relevant guidance on where to look for meaningful and relevant information about the situation, just as a well drawn map can help one to interpret terrain and provides information and enhances confidence about which direction to choose.

The practical benefits of this approach seem to stretch beyond the mere assessment of the entrepreneurial orientation of an organisation. The approach used in this research project may present a relevant opportunity to address strategic changes affecting the entrepreneurial orientation of an organisation. Since the second research theme, stated in Chapter 1, asks to what extent this framework (i.e. cognitive mapping + conceptual model of corporate entrepreneurship) can be used to address, assess and improve the entrepreneurial orientation, the next case study will focus more on providing a meaningful answer to this question.

5.3.11.2 Implications of Case Study 2 for the Research Design

No alterations in the research design were implemented as a result of the first case study. After Case study 2 as well, no alterations are suggested in the research design. The research design proved to be feasible for drawing meaningful conclusions relevant to the research themes stated in Chapter 1.

5.3.11.3 Implications of the Process of Innovation

A separate analysis was performed on the process of innovation at Coastline BMW (see Appendix 2 to this thesis), similar to the one conducted in the first case study. The analysis of case study 2 showed that the process of innovation presented in the conceptual map describes well the different components and steps of the real-life situation observed at Coastline BMW. The purpose of constructing a conceptual map that includes the
process of innovation seems very beneficial. The process of innovation can be used to
provide a tangible infrastructure that projects a complete value system of corporate
entrepreneurship. Such a value system can then be used to express relevant concepts
within the three different domains of corporate entrepreneurship and ultimately express
the specific processes that support and initiate entrepreneurial actions within an
organisation. In the case of Coastline BMW, the QMA project provided an important
opportunity for organisational change and progress, and the QMA project acted as a
strategic vehicle that also carried other strategic objectives such as changing the corporate
culture.

In the case of Coastline BMW, the match between the conceptual model and the
situational model proved to be high, but with one interesting exception. The operational
comparison suggested the absence of any precipitating event at Coastline BMW that
could match the suggested precipitating events presented in the conceptual model. The
implication of this is discussed below.

One could argue that the strategic agenda supporting the QMA initiation matches the
precipitating event “Development of New Procedures” (Concept 46, Figure 3-5) in the
conceptual model. At the same time, it is interesting and important to recognise that
“stakeholder consideration” was actually the prime mover for the decision to launch the
QMA project. An argument following this might be not to call the QMA project an
entrepreneurial decision or entrepreneurial action. The level of proactiveness is justifiably
questionable, i.e. whether the QMA was an action-oriented decision or a reaction-
oriented decision. However, there was clearly strategic intent to address, revise and
improve the current procedures and most aspects of the operation of the organisation,
from recruitment to customer service and from spare parts ordering to changing the
carpet in the showroom. To address and improve all these issues more than creativeness
was needed, also and especially innovativeness and proactiveness was required, to
visualise and believe in the strategic importance of these changes. This strategic state of
mind qualifies the QMA project to be described and expressed by the process of
innovation.
The lack of a precipitating event in the conceptual model that could identify and correspond to the above situation required some contemplation on the analyst’s behalf. Therefore, while conducting the analysis the researcher consulted further literature and research studies. The answer became apparent to the researcher rather quickly as relevant research identified a “change in management” as a clear condition that often provides the impetus to initiate change and to behave entrepreneurially. It is important to remember that an important change in the ownership was made before the initiation of the QMA project. Just a short period before the initiation of the QMA project, Mr. Dean Kurz, the Dealer Principal’s brother, extended his ownership in the business and replaced the previous Operations Director.

As a consequence of the discussion above, “Change in Management” will be included as the tenth possible precipitating event in the conceptual model of the process of innovation.

5.3.12 Summary

The case study performed at Coastline BMW provided another valuable and important indication that the research design is feasible for this research project. It confirmed the establishment and use of a relevant operational protocol. As a consequence of this, no alterations are suggested to the research design as a result of this case study.

This case study also added significant relevance to the construction of the theoretical framework and usefulness of the contextual process model of corporate entrepreneurship as a language for making sense of and understanding the current state of an organisational context. This case study convincingly demonstrated that a cognitive mapping approach in combination with the contextual process model of corporate entrepreneurship can and will provide an enquirer with a relevant, structured and useful framework for understanding, addressing and assessing the entrepreneurial orientation of an organisation.
Importantly, the researcher’s confidence in the theoretical framework and operational protocol grew further during this case study. The practical benefits of this research approach seem to have great potential and may grow beyond the mere assessment of the entrepreneurial orientation of an organisation. The approach used in this research project may also present a valid opportunity to address strategic changes in order to affect the entrepreneurial orientation of an organisation. Addressing the development of an agenda aimed at addressing issues that affect the entrepreneurial orientation of an organisation will be an additional objective for the next case study.

As a consequence of the analysis of the QMA project at Coastline BMW using the conceptual framework of the process of innovation, an addition to the framework is suggested. The nine suggested precipitating events shown in the conceptual model of corporate entrepreneurship do not adequately describe the precipitating event initiating the implementation of the QMA project at Coastline BMW. Therefore, “Change in Management” will be included as the tenth alternative precipitating event in the conceptual model of the process of innovation. There is strong support for including this in current research as indicated in Chapter 2 “Setting the Theoretical Stage”. This recommended addition will be implemented in the third case study, which is presented in the next Section.
5.4 CASE STUDY 3 – A LARGE LOCAL GOVERNMENT IN SOUTHEAST QUEENSLAND

An in depth qualitative case study was conducted between June 2002 and August 2002 at a large local government in South East Queensland, Australia, which from here on is referred to as “the Local Government”.

A specific condition raised by this Local Government for it to participate in this research project was that it had to stay completely anonymous i.e. nothing was to be reported that could identify it by name. As a consequence of this condition, the level of detail reported in this case study is lower than in the previous two case studies. A concrete example of this condition is that no specific project, venture or activity has been mapped as a process of innovation into the situational model, the main reason for this deliberate exclusion has been to reduce the risk of possible identification of this particular local government. The reason for the Local Government to stay anonymous was explained as concerns that the findings and information reported from this case study could be used as a political weapon against the Local Government.

The overall purpose of this case study has been to confirm the relevance and usefulness of the developed theoretical framework and the operational protocol, including demonstrating to what extent the framework and protocol are effective as a tool to capture the entrepreneurial orientation of an organisation that displays few entrepreneurial characteristics. Importantly, a specific purpose has been to verify if a credible agenda of specific issues, such as strengths and weaknesses can be identified based on the understanding gained about the organisational context, thereby addressing the extent of the application of the theoretical framework and operational protocol and their operational relevance for the area of inquiry. Consequently this case study differs from the two previous case studies where evaluation of the relevance and usefulness of the theoretical framework and operational protocol was the primary aim. This case study has had a more facilitative purpose, focusing on how the theoretical framework and
operational protocol relate and perform in an organisational context that displays a low entrepreneurial orientation, thus demonstrating to what extent the theoretical framework and operational protocol can be applied for surfacing issues as a basis to focusing debate about purposeful and organised change.

The Section “Operational Relevance” justifies the inclusion of the Local Government as a case study in this research. The Section “The Local Government in Brief” introduces the organisation of the Local Government. The Section “Case Study Situation” discusses the organisational situation based on the detailed description which is included in Appendix 8, due to its large format.

The Section “Summary of Operational Comparison” presents a summary of the operational comparison that follows the same procedures as the two previous case studies. The complete operational analysis is included in Appendix 8, due to its repetitive nature and size. The final Section of this case study report, “Findings and Outcomes”, presents the findings and outcomes of this case study, and in particular, it offers some reflections on the implications of the findings and outcomes originating from this case study in relation to the overall research objects. A summary concludes this case study presentation.

5.4.1 Operational Relevance

This Section addresses the motives for conducting an in depth case study at the Local Government and it presents the justification for the operational relevance with regard to the objectives stated for this research and the purposes presented in the Section above.

As mentioned in the previous Section, this case study has had a more facilitative purpose, focusing more on the application of the proposed theoretical framework and operational protocol, and in particular how they relate and function in an organisational context that displays a low entrepreneurial orientation, thus with the intention to establish and verify their usefulness and relevance for addressing and assessing the entrepreneurial orientation
within a low entrepreneurial context. The Local Government was selected as a case study organisation since it was expected that it would show a low level of entrepreneurial orientation, i.e. it was expected to demonstrate less entrepreneurial characteristics in comparison to the two previous case study organisations included in this research project. The two previous case studies confirmed that it was feasible and relevant to engage the theoretical framework using the operational protocol in order to assess the entrepreneurial orientation within a private sector context and in particular the application of them to an organisational context that displays a high level of entrepreneurial orientation. A local government on the other hand, operates in a public sector context and its operations, strategies and primary objectives differ significantly from the two previous organisations studied. Local governments are according to the Australian Local Government Act of 1993, allowed to engage in commercial ventures and market related activities, although the funding alternatives for some purposes are regulated. In practice however, they are often restricted by influential stakeholders’ conservative views of local council operations and their risk involvement, and by individual councillors’ personal political agendas. These political agendas introduce at the same time a new perspective on the risk construct, “political risk”. Many times the public’s conservative views of the responsibilities and duties of local governments have shaped the perception of local government’s operational boundaries hence also affecting the perceived organisational context. Consequently, a local government operation presents a complex organisational context and operational boundaries with many influential stakeholders with conflicting interests, thus limiting the avenues for entrepreneurial behaviour, or at least this was the assumption at the beginning of the case study. By including this Local Government into this research it was expected that an operational analysis of the gathered information would provide insight in an organisational situation limited by few available avenues to choose in order to increase its entrepreneurial orientation. So in brief, the application of the theoretical framework and the operational protocol to an organisational setting characterised by a low entrepreneurial orientation provided the most important incentive to include the Local Government as the third and final case study in this research.
Furthermore, the inclusion of the Local Government which is a public and primarily a non profit oriented organisation would address the assumption of this research that it is feasible and relevant to approach, analyse, structure and communicate the entrepreneurial orientation of a public sector organisation in much the same way as that of a firm in the private sector, by engaging the same theoretical framework and operational protocol as in the two preceding case studies.

The main purpose of the information analysis in this case study has therefore been to establish the relevance and applicability of the theoretical framework and operational protocol in an environment that expresses few entrepreneurial attributes. Secondly, the purpose of the analysis has been to develop and to present an agenda of management recommendations that need to be considered and implemented in order to develop the entrepreneurial orientation of the Local Government. This purpose has also an obvious significance when ascertaining to what extent the framework and operational protocol are effective as tools to address, structure, communicate and develop the entrepreneurial orientation of an organisation.

The outcome of the above expectations and motives are discussed in the Section “Findings and Outcomes”.

5.4.2 The Local Government in Brief

Due to the restrictions in the reporting of details from this case study, as discussed above, only an organisational overview is presented.

This large Local Government is located in Australia’s fastest growing region, South East Queensland, and it has seen its number of constituents being doubled over the last 10 years and it is expected to double again within less than 10 years time. This growth and expected continued expansion has led to significant pressure upon this Local Government to be change oriented and to extend its provision of community services ranging from sports centres to necessary facilities such as water, sewage and local infrastructure in the form of building new local roads, all in a very rapidly changing environment.
The organisation has more than 500 employees and is divided into three major divisions where each division is managed by a Division Director. Each division has approximately five senior managers for different operational areas. The three Division Directors report to the Chief Executive Officer (CEO) forming a Corporate Management Team (the CMT). The CEO is solely accountable to the council elected by the community. The council is elected by its constituents (usually) every 4 years and acts as a sort of board of directors for the Local Government. It is relevant to point out that the Australian Local Government Act (1993) stipulates that the council can only delegate its powers to the CEO and not beyond.

5.4.3 Data Collection

The data collection methods engaged in this case study did not differ from the procedures used and described in the case study 1 and 2. As a point of origin for this case study a specific area was chosen, the well received long term corporate plan, a strategic document which was recently presented after extensive efforts and public consultation. The current strategic corporate plan also sets the operational agenda for each of the next five years’ tactical planning and budget and it especially focuses on outcomes, which is seen as a major improvement by most managers compared to previous corporate plans originating from this Local Government.

The benefit of this approach was that it made the interviewees and the researcher better focused. Even though the corporate plan was not studied in detail, it provided a clear focus for the discussions and interviews that were conducted with 12 senior managers, directors and the CEO within the Local Government. These interviewees represent more than 80% of the total number of senior managers at the Local Government. These individuals were chosen mainly because of the job position that they hold.

Primarily qualitative data were collected in this case study, but also some secondary data that is quantitative was included. Examples of secondary data sources that were used and studied to increase the researcher’s contextual understanding for this particular
organisational situation are economic printed information produced by the Local Government such as annual reports, corporate plans and policy documents, organisational charts, the Local Government’s own website and some other relevant presentation material.

As mentioned in the previous case studies, this research project is based upon the belief that direct and in-depth knowledge of a research setting is essential to achieve contextual understanding. Hence, the qualitative methods that were used are face-to-face contact with individuals in the research setting, primarily with verbal data and observation techniques.

5.4.4 Case Study Situation

A detailed description of the case study situation is outlined in Appendix 8, “Case study situation and data analysis of case study 3”, which follows the presentation format and structure in the two previous case studies. A discussion based on this organisational situation and that corresponds to the purposes stated in Section 5.4, is presented below.

5.4.4.1 The Entrepreneurial Situation within the Local Government

It is important to point out that no finding from this case study indicates other than that the Local Government is a very well functioning Local Government. The framework and approach used in this case study however revealed a complex situation within the Local Government in terms of an organisational context that is not supportive of an entrepreneurial orientation. The Local Government displays a strategic management behaviour which is very cautious and consultative. The organisational context presents a very risk adverse environment which enforces norms, values and behaviour that have a very low tolerance for failure and which inhibits innovative behaviour within the organisation.

The corporate culture can at best be described as untrusting and defensive. The organisation appears to have gone through a positive organisational development process
since the appointment of a new CEO a couple of years ago. A significant change is that planning processes and strategic considerations have been better established, accepted and developed and are now supporting the organisation to be more proactive rather than staying the predominantly a reactive organisation it was just a few years ago.

The biggest concern revealed by this case study was the common feeling of lack of accountability among the senior managers. This is discussed in detail in the Section “Accountability” (see Appendix 8). As that Section concludes, specific measures to address this issue seem to be imperative to reduce the increasing levels of skepticism and cynicism within the organisation which negatively affects the entrepreneurial orientation. Based on the presentation in Appendix 8, it is suggested that two major changes are considered. First, establishing commercial like agreements between the divisions, specifically at the time of the handover of projects is essential. A more commercial approach and treatment of internal relationships should improve the accountability among the managers. One example of this could be a more developed internal cost debiting practice. Secondly, as a result of this need for better integration within the organisation i.e. the three divisions, two way learning and best practice procedures should be considered to a larger extent than what is the case today. Job rotation programs within the divisions and also between the divisions may also help address the increasingly negative spiral of the “we and them” mentality that dominates the social atmosphere today. An expanded strategic focus, including a necessary allocation of resources to the ongoing corporate culture development process, is needed. A true and continued commitment to values based management strategies will likely provide a sense of accountability within the organisation for the corporate culture and its shared norms and values. As a consequence, the corporate culture will promote and reinforce positive behaviour that supports the entrepreneurial orientation.

The application of the theoretical framework and operational protocol have offered contextual understanding regarding several organisational issues that need to be addressed in order to develop the Local Government’s entrepreneurial orientation. Table 5-3, below, provides a summary of the most critical issues found and specifies a
corresponding agenda of recommended actions to strategically address these issues. These recommended actions have been raised with the senior management at the Local Government and have been given substantial support, thus increasing their validity.

Table 5-3 Summary of Recommended Actions in the Local Government

<table>
<thead>
<tr>
<th>CURRENT WEAKNESS</th>
<th>AGENDA OF RECOMMENDED ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of accountability among managers</td>
<td>An internal cost debiting structure. Commercial type checklist of acceptance at the handover of projects. Overview (and restructure) of Job classification procedures.</td>
</tr>
<tr>
<td>“We and them” mentality. Scepticism and cynicism present.</td>
<td>Cross divisional job rotation programs. Focus on two-way learning, cross divisional feedback and planning integration.</td>
</tr>
<tr>
<td>Untrusting and defensive corporate culture reinforcing negative norms and values</td>
<td>Strategic commitment to values based management practises. Ongoing focus and allocation of resources to culture development process.</td>
</tr>
<tr>
<td>Political power play and double agendas of councillors which undermines community understanding and attitude of Local Government proactive efforts</td>
<td>Include councillors in culture development process. Creating understanding and individual accountability among councillors towards Local Government organisation as a stakeholder of Councillors’ actions and decisions</td>
</tr>
</tbody>
</table>

Source: Developed for this research by the author
5.4.4.2 Contextual Boundaries of the Local Government

The Local Government has two major roles, provision of services and regulation within the community and regulation as they relate to these services. Consequently, the Local Government is a regulatory body as well as a service provider. Combining these two roles provides a substantial difficulty for the Local Government because one position (role) comes from being a service provider and many times from the other, regulatory position, which many times has a very black and white definitional approach that hinders certain activities because specific legislation. Therefore, the organisation is constrained because it is a regulator as well as a creator of services. This is perceived by the management as a major inhibitor for the Local Government to engage in traditional entrepreneurial ventures where economic outcome is the main driving factor. This is a strong reason for why the conservativeness in this particular Local Government is difficult to overcome, thus inhibiting an entrepreneurial orientation.

The Australian Local Government Act of 1993 offers local governments much broader avenues to engage in commercial activities and market related ventures compared to what had been the case prior to it. The Act opened up the realm for local governments to be involved in market related activities and to be accountable for them. At the same time this change also created many regulatory issues such as the introduction of the “IPA scheme”, i.e. the Integrated Planning Act, which is an act, imposed upon all local government authorities in Australia. The IPA scheme is part of the national competitiveness strategies. Prior to the IPA scheme local governments were completely autonomous in their planning areas. The regulations were very light in terms of what the state expected. Development outcomes were prior to the IPA scheme controlled and managed within the individual local government authority. Therefore the development outcomes prior to the introduction of the IPA scheme where therefore an explicit reflection of the opinion of the councillors and the local community. The IPA, in some important areas, supersedes the Local Government Act and can be seen as the next level above it and whilst it is only intended to be like a “skeleton” in terms of providing the basis for how local governments do their planning, it is the view of the management of this Local Government that it is actually quite prescriptive. In being prescriptive, it is perceived as
not being flexible and there is an expressed opinion among the management at the Local Government that individual local government areas do not have the same flexibility in their planning regime as they had prior to the introduction of IPA. The Queensland IPA has in fact not even been fully implemented in the Local Government and it will not be fully integrated in the majority of the Queensland local governments until another couple of years of implementation procedures and consultation processes with local governments around Queensland. However, all current long term development planning within the Local Government is already affected by the context and content of the IPA scheme.

One of the reasons for the introduction of the IPA Scheme in Australia was that if some provider of services or products from outside a state wanted to come into another state, such as from NSW (New South Wales) to Queensland, and conduct business operations there, this company would know what to expect in terms of local government rules and regulations. The IPA scheme was clearly brought in as a response to private sector demands and one senior manager at the Local Government said that the argumentation of the federal government at the time of its introduction was that “the current fragmentation of local government development planning is an inhibitor to national competitiveness”. The federal government wanted to open up regional areas so that these regional areas could not create their own barriers, barriers to entry and barriers to development. It is the view of the senior managers at the Local Government that the IPA scheme is enabling for actors, mainly large, in the private sector, but that it is at the same time constraining for the local governments to be flexible and to be responsive to the community. The IPA scheme creates a number of issues in terms of flexibility and ability for local governments to respond in a local way to their communities. Formally the IPA (-scheme) only applies to the local governments’ planning areas including the planning of the development of all capital works projects. In reality the IPA has overall implications on everything the Local Government want to engage in and apply.

The IPA example above provides a relevant illustration of how complex the operational conditions and boundaries are for the Local Government in terms of the issue of the entrepreneurial orientation construct and its application on the Local Government
situation. The Local Government clearly operates in an environment which presents contextual as well as operational boundaries which stimulate and support behaviour, attitudes and approaches that are not supportive of entrepreneurial activities, especially where there are economic risks involved. The conservative views of the Local Government constituents appear to support this behaviour. It is the view of this researcher that the organisational situation strongly indicates that the Local Government operates within an organisational context that does not foster, support nor stimulate an entrepreneurial orientation in terms of commercial like activities.

The difficult combination of being a service provider as well as a regulatory body, the IPA scheme legislative impact as discussed above and the absence of community support for economic risk taking is a reflection of and examples of the contextual boundaries within which the Local Government operates. Private sector operations many times also operate under certain constraints and negative stakeholder influences. In the case of this particular Local Government, expecting an entrepreneurial orientation that expresses itself through entrepreneurial venture engagements that involve any increased levels of risk would not be achievable. On a general level, the stakeholders of the Local Government fundamentally do not appreciate or accept that the Local Government engages in ventures that involve economic risk in order make financial gain. Added to this inhibiting stakeholder perception, are several legislative boundaries, just like the IPA scheme adds further restrictions to the type of operations and developments the Local Government can and should engage in. These contextual boundaries have implications on the issue of whether the local Government actually can or should develop its entrepreneurial orientation, as defined in Chapter 1. This issue is discussed in Section 5.4.6.1.

5.4.5 Summary of Operational Comparison / Data Analysis

Table 5-4 below, summarises the operational comparison of the situational context model and the conceptual contextual process model of corporate entrepreneurship. The complete data analysis is presented in Appendix 8.
Table 5-4: Summary of the Operational EDI-Comparison, Case Study 3

<table>
<thead>
<tr>
<th>EDI-Compared Concepts / Key Elements</th>
<th>Main Concept Variable</th>
<th>Matching Concepts</th>
<th>Non Matching Concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactivness</td>
<td>Strategic management behaviour</td>
<td>None found</td>
<td>8</td>
</tr>
<tr>
<td>Risk taking</td>
<td>Strategic management...</td>
<td>None found</td>
<td>8</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>Strategic management...</td>
<td>2 None found</td>
<td>None found</td>
</tr>
<tr>
<td>The need for achievement</td>
<td>Individual traits</td>
<td>5 None found</td>
<td>None found</td>
</tr>
<tr>
<td>Internal locus of control</td>
<td>Individual traits</td>
<td>3 None found</td>
<td>None found</td>
</tr>
<tr>
<td>Goal orientation</td>
<td>Individual traits</td>
<td>6 None found</td>
<td>None found</td>
</tr>
<tr>
<td>Desire for autonomy</td>
<td>Individual traits</td>
<td>None found</td>
<td>None found</td>
</tr>
<tr>
<td>Risk taking propensity</td>
<td>Individual traits</td>
<td>None found</td>
<td>None found</td>
</tr>
<tr>
<td>Supporting implementation of innovations</td>
<td>Norms and values</td>
<td>None found</td>
<td>7</td>
</tr>
<tr>
<td>Innovation as a practice and source of competitive advantage</td>
<td>Norms and values</td>
<td>None found</td>
<td>8</td>
</tr>
<tr>
<td>Facilitate resource support for innovative ventures</td>
<td>Norms and values</td>
<td>None found</td>
<td>None found</td>
</tr>
<tr>
<td>Encouraging open minded consideration of new ideas and projects</td>
<td>Norms and values</td>
<td>None found</td>
<td>7</td>
</tr>
<tr>
<td>Encouraging creativity among organisational members</td>
<td>Norms and values</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Encouraging search for innovation opportunities from external sources</td>
<td>Norms and values</td>
<td>None found</td>
<td>5</td>
</tr>
<tr>
<td>Supporting information sharing between individuals and groups regardless of position</td>
<td>Norms and values</td>
<td>None found</td>
<td>1</td>
</tr>
<tr>
<td>Tolerance for failure</td>
<td>Norms and values</td>
<td>None found</td>
<td>5</td>
</tr>
<tr>
<td>Management support</td>
<td>Corporate culture supportive of innovation and entrepreneurial behaviour</td>
<td>None found</td>
<td>13</td>
</tr>
<tr>
<td>Increased participation in the decision process</td>
<td>Corporate culture...</td>
<td>None found</td>
<td>4</td>
</tr>
<tr>
<td>Perception of organisational boundaries</td>
<td>Corporate culture</td>
<td>None found</td>
<td>5</td>
</tr>
<tr>
<td>Autonomy and work discretion</td>
<td>Corporate culture</td>
<td>None found</td>
<td>6</td>
</tr>
<tr>
<td>Appropriate use of rewards</td>
<td>Corporate culture</td>
<td>None found</td>
<td>None Found</td>
</tr>
<tr>
<td>Informality of communication</td>
<td>Corporate culture</td>
<td>None found</td>
<td>4</td>
</tr>
<tr>
<td>Organisational structure</td>
<td>Corporate culture</td>
<td>None found</td>
<td>4</td>
</tr>
</tbody>
</table>
The formal data analysis supports the observation that the Local Government displays an unfavorable and even undesirable situation in regards to conditions that supports the entrepreneurial orientation of an organisation. The strategic management behaviour and the corporate culture including its norms and values are significantly adverse for the Local Government to develop its entrepreneurial orientation. The characteristics and traits of the individuals in the organisations are at the same time are more supportive for the ability of the organisation to develop its entrepreneurial organisation.

5.4.6 Findings and Outcomes from Case Study 3

Based on the operational comparison (data analysis), summarised above including the insights gained from the case study situation presented in Section 5.4.4, this Section will discuss the findings of this case study in relation to the purposes stated in Section 5.4 and in particular address the implications on the applications of the theoretical framework and operational protocol in a low entrepreneurial context, thus establishing the major outcomes of this case study.

Following the definitions stated in Chapter 1 for this research project, entrepreneurial orientation refers to the strategic processes, managerial practices and decision-making activities that lead to new entry i.e. generates entrepreneurial activities. Entrepreneurial activity then refers to a venture that engages in at least one of Schumpeter’s (1934) five categories of behaviour:

1. Introduction of new goods (or services)
2. Introduction of new methods of production
3. Opening of new markets
4. Opening of sources of supply
5. Industrial reorganisation

As established in Section 5.4.4, the Local Government operates in a particular public sector context with several constraints and operational boundaries in terms of the
entrepreneurial orientation construct. This as created an organisational situation where only a few key variables, as in the contextual process model of corporate entrepreneurship, are present.

It seems clear that the Local Government is restricted to engage in several of Schumpeter’s five categories of behaviour, stated above. The Local Government is a provider of basic and important services, such as water, waste management, local infrastructure etc. These services and others are legislated services. In most cases the “market” for these services is exclusive to the Local Government, hence no commercial competition is present or allowed. As stated in the Australian Local Government Act of 1993, local governments are allowed to engage in commercial activities. The only true restriction for a local government is its lack of support from the constituents, in reality the councilors, which clearly affects the entrepreneurial orientation of the Local Government. In this case, the support from the council, i.e. the constituents, is very low for commercial activities being instigated and initiated by the Local Government. Consequently, since most potential commercial initiatives are viewed as negative, there are no or at least little stimuli to support the Local Government to strive for these types of actions either. Other local governments may enjoy a stronger community support for this commercial type of behaviour. So this research can not conclude, nor does it have the ambition, to exclude local governments to fit in to the first category of Schumpeter’s behaviour described above.

The second category of behaviour, according to Schumpeter, concerns the introduction of new methods of production. This is an interesting category for the Local Government, for it actually allows the Local Government to act “entrepreneurial”, in accordance with the stated definitions for this research, by for example developing and modernising the city’s water treatment facilities. Interestingly, the Local Government has Australia’s probably most advanced water management capabilities. This research has for obvious reasons not been occupied with comparing the level of different water treatment facilities in Australia. Just the fact that most other local governments in Australia come to visit and learn about the state of the art water management facilities of the Local Government,
strongly indicates that the Local Government in terms of a behaviour that benefits and supports the introduction of new methods of productions (Schumpeter’s category 2), has displayed a relevant example of an entrepreneurial orientation. Considering the operational context of the Local Government, a category 2 type of behaviour would arguably correspond to an outcome oriented approach, outcomes that benefit the community, the Local Government’s ultimate stakeholders. The Local Government also appears to display strong willingness and commitment to this type of behaviour, thus the entrepreneurial orientation construct as displayed in the contextual process model of corporate entrepreneurship presents several possible avenues to assess, address and improve the entrepreneurial orientation of the Local Government. This contributes in justifying the relevance and usefulness of the theoretical framework and operational protocol to this type of organisational contexts.

The question whether if the Local Government behaviour is relevant to category three and four type of behaviour, corresponds to a large extent to the discussion concerning the first category of behaviour. Added to this discussion, legislated restrictions such as the IPA scheme do restrict the Local Government to engage in some activities that can be classified under a category three type of behaviour. Changes in reality and in society may however promote new sources of supply from the Local Government such as has been seen in recent years in other industries with for example interactive digital TV etc. Ongoing developments in supply of complete systems and strategic alliances add further justification for this reasoning. Going into joint ventures with neighbouring local governments may provide opportunities for increased levels of organisational performance and community outcomes. Consequently this is definitely a category of behaviour open and accessible to the Local Government, which in turn provides opportunities that would enhance the level of entrepreneurial orientation.

Category number five, industrial reorganisation as a mean to express entrepreneurial orientation, may not be feasible in the strictly legislated operational boundaries of the Local Government. The industry in which the Local Government operates is in the view of the researcher best described as “community infrastructure”, i.e. to achieve what the
Local Government managers term “the triple bottom line”, economic, social and environmental outcomes. It is difficult to see or speculate in which ways the Local Government could reorganise its own “industry”. It is the opinion of the researcher that it is not feasible to apply the category five “industry” concept to a public sector context. In an “industry” you have market competition. In the public sector, most times, there is only the political competition, and that battle is effectively fought in public elections and not within the Local Government itself. One of the major responsibilities of a government, local or not, is to “govern”, and it can not be expected that a local government would engage in activities that relate to category five type of behaviour, since it operates under mandate provided from other government bodies.

This case study has shown that a public organisation displaying few entrepreneurial characteristics can and should implement a stance that a higher level of entrepreneurial orientation is beneficial, positive and relevant in a local government context, even taking into consideration its organisational boundaries, contextual limitations and specific objectives. The areas and type of behaviour that a public sector organisation can engage in to express its entrepreneurial orientation differs from private sector organisations which has other contextual boundaries and stakeholder perceptions about the organisational operations and expected outcomes. This case study has shown that the theoretical framework and operational protocol used for structuring the entrepreneurial situation of the Local Government allows for this variation of context. This indicates that the theoretical framework and operational protocol is as relevant in a public sector environment, and in particular, in a setting that displays a low entrepreneurial orientation, as in an organisational context that expresses entrepreneurial attributes and characteristics. Another justification of this finding is the reflection that the application of the entrepreneurial orientation construct in a public sector context has the same overall objective of creating value for the stakeholders i.e. the strive for corporate performance. In this regard, the essential meaning of corporate entrepreneurship is as relevant and as applicable in any organisational context, thus supporting the wide applicability of the theoretical framework in various organisational contexts.
In essence, the reality of corporate entrepreneurship as a phenomenon appears to have equal relevance and meaning, however expressed differently, to various organisational contexts, regardless of their entrepreneurial orientation. This supports the position that the theoretical framework and the operational protocol will provide necessary insight and contextual understanding in relation to the entrepreneurial orientation, regardless of the area of inquiry. This is a significant outcome of this case study.

This third and last case study within this research project has provided a valuable contribution to this research project in terms of ascertaining the relevance and usefulness of the theoretical framework and operational protocol. In particular it demonstrated the capacity to identify (surface) issues relevant to the entrepreneurial orientation and how these issues can be engaged into a debate about organised change. It can be concluded that the contextual process model of corporate entrepreneurship provides relevant guiding and opportunity for a stakeholder or enquirer to project questions about the entrepreneurial situation of a low entrepreneurial context. The enquirer is offered an explicit, holistic, yet simple and structured framework and format for analysing a specific organisational situation with the purpose of understanding and assessing the nature of the entrepreneurial orientation within that situation to the extent that relevant issues affecting the entrepreneurial orientation can be identified and used for initiate debate about purposeful changes to that context in order to improve the entrepreneurial orientation.

The three case studies have confirmed the relevance of the theoretical framework. The three studies have also confirmed the relevance of the use of a cognitive mapping approach in identifying, visualising and establishing the entrepreneurial situation within an organisational setting. These convincing results indicate that the theoretical framework should be viewed as meaningful and useful. At the same time, it is relevant to once again point out that it is the approach, technique and process by which the information is collected and mapped that provide the valuable insight into the organisation studied. The contextual process model of corporate entrepreneurship offers relevant guidance to where to look for meaningful and relevant information about the situation, just like a well drawn
map can help interpret the terrain and provide information and confidence about which direction to choose.

The third case study strongly indicates that the theoretical framework in combination with the operational protocol provides such contextual understanding about the organisational situation that the inquirer can draw meaningful conclusions of what specific strategical issues need to be addressed and changed in order to increase the level of entrepreneurial orientation. An explicit example of this contextual understanding is the management recommendation offered in Table 5-3.

5.4.6.1 Reflections and Implications on the Operational Protocol

The EDI-framework, as a part of the operational protocol, proved to be useful when validating the contextual process model of corporate entrepreneurship. The case study at the Local Government presented a complex contextual situation that appears to not support an entrepreneurial orientation. Even though the EDI-comparison procedure establishes and increases the awareness and understanding whether or not specific favourable preconditions that support the entrepreneurial orientation are present within the organisation, the EDI-comparison framework is not so useful to pick to what extent each concept matches the condition in the contextual process model. Where the contextual process model of corporate entrepreneurship provides detailed guidance to project questions to get an in-depth contextual understanding about the situation studied, the cognitive mapping technique then captures and displays in a detailed way a complex qualitative situation in a way which is relevant and meaningful. At the same time, the EDI-comparison procedure does not allow for the same feeling for the information and consequently the organisational situation. The framework for assessing and addressing the entrepreneurial orientation would benefit from an analysis technique that provides more distinctions rather than the just establishing if there is a match or not.

At the same time the EDI-comparison procedure is meaningful and relevant to the framework since it demands that the enquirer takes a position and evaluate the value each single concept in regards to the favourable preconditions in the contextual process model.
of corporate entrepreneurship. This means that the enquirer gains a much better insight and understanding about the organisational situation than what the EDI-comparison can present. This is a weakness to the operational protocol since it is dependent on the individual who applies it. Furthermore, the EDI-comparison technique is rather time consuming, due partly to its current single person format, which may further may limit its usefulness.

5.4.7 Summary

For the research purposes this case study has confirmed and subsequently added further relevance of the theoretical framework and operational protocol as an effective and useful tool to address and assess the entrepreneurial orientation in any organisational context. This case study has also demonstrated a successful application of the theoretical framework and operational protocol for engaging with complex areas of inquiry, consequently verifying that the application provides a relevant, structured and meaningful format allowing for a contextual in depth understanding about the entrepreneurial situation in a challenging context. This adds credibility to the claim that this is an appropriate language and format that offers explicit guidance for how to approach, analyse and communicate the occurrence of corporate entrepreneurial behaviour and what supports it.

In essence, the third case study established that the theoretical framework and operational protocol offers contextual understanding about low entrepreneurial organisational contexts as well as in highly entrepreneurial settings and the conditions that support their way of expressing an entrepreneurial orientation, subsequently providing the necessary insight for establishing a relevant agenda of specific strategic changes needed in order to affect and improve the entrepreneurial orientation regardless of the organisational context.
This Chapter has presented three case study presentations each of which offers its own summary. The findings and outcomes of these case studies are presented and addressed in the next Chapter, Chapter 6.
CHAPTER 6 FINDINGS AND OUTCOMES

6.1 Introduction

This Chapter summarises to what extent the two research themes, presented in Section 1.2.3, were managed to be addressed. In particular, the purposes of this Chapter are to:

- Summarise the conducted research, Section 6.2.
- Present the findings and outcomes from the research, Section 6.3.

A summary concludes this Chapter, Section 6.4.

6.2 Summary of Undertaken Research to Accomplish Research Objectives

The main objective of this research has been to develop a relevant theoretical framework and a useful methodology for addressing, assessing and improving the entrepreneurial orientation of an organisation, where the entrepreneurial orientation refers to the strategic processes, managerial practices and decision-making activities that generate entrepreneurial activities. To achieve this objective a contextual process model of corporate entrepreneurship was constructed in Chapter 3 including the development of 23 key concept variables (favorable preconditions) within the three strategic dimensions (individual, environmental and organisational). The contextual process model of corporate entrepreneurship incorporates a catalyst process called the process of innovation that was also conceptualised in Chapter 3.

A cognitive-mapping approach was proposed for capturing the mindset of the organisational members as social and intellectual entities in Section 1.2.2. Relevance for the application and in particular justification of the cognitive-mapping approach was further established in Section 4.5.1. Cognitive mapping was applied as an information gathering methodology and for structuring the analysis presentation in the three in-depth
case studies conducted in this research, which were presented and analysed in Sections 5.2, 5.3 and 5.4. Cognitive mapping provided a “sense-making” tool to visualise and understand the multidimensional aspects of the terrain of corporate entrepreneurship by capturing the complex real life organisational situations in a meaningful way.

The first of the two research themes presented in Section 1.2.3 was, **What is an appropriate language to discuss strategic organisational processes that exist in entrepreneurial firms that support and develop their entrepreneurial orientation?** This theme was addressed by the construction, development and application of the contextual process model of corporate entrepreneurship to real-life organisational contexts. This model is presented in Section 6.3.1 (Figure 6-2). One important objective of the analysis performed in Chapter 5 was therefore to evaluate and establish the relevance of the conceptual contextual process model of corporate entrepreneurship, presented in Figure 3-7.

The second research theme was presented as follows: **Is a cognitive-mapping approach and a contextual process model of corporate entrepreneurship effective as a tool to understand, assess and improve the entrepreneurial orientation of an organisation?** To address this theme, an interpretative data analysis methodology called “operational comparison”, which originates from the IS/action research discipline, was presented and justified in Section 4.5.2. This methodological approach was applied to seek understanding of the “gap” between the conceptual contextual process model of corporate entrepreneurship and the real-life situations displayed as cognitive maps constructed from interacting with the specific organisations.

The three in-depth case studies were conducted in three medium sized organisations, two in Australia and one in Sweden with the purpose of serially engage the proposed theoretical framework and operational protocol with a range of real life situations. Each engagement cycle generated learning about the theoretical framework and the operational protocol as well as the situation being studied. The main purpose of the first two case studies was to engage the theoretical framework with the situation studied in order to
make sense of the situation and to construct representative as well as useful cognitive maps (situational context models), thus establishing the framework as relevant for surfacing issues significant and meaningful for describing situation. The objective with the first two case studies was then to evaluate the relevance of the proposed theoretical framework developed in Chapter 3 and the methodology advocated in Chapter 4 and to demonstrate their usefulness as a basis for making sense and understanding of the entrepreneurial situation within an organisational context. The first two case studies provided confidence in the theoretical framework as being both “Desirable” and “Important”, i.e. determining, or at least clearly demonstrating, the theoretical framework to be relevant and meaningful for making sense of various contextual issues affecting the entrepreneurial orientation of an organisation. After having ascertained that the theoretical framework and operational protocol was relevant as a language for making sense of complex entrepreneurial situations in real life environments, the theoretical framework was then engaged in the third and final case study, with the objective to identify issues relating to and indicating the need for specific changes to the situation that would improve the entrepreneurial orientation. While the first two case studies presented evidence for the theoretical framework and operational protocol as a relevant for sense-making (situation surfacing) about corporate entrepreneurship, the final case study demonstrated that the theoretical framework could also be used to surface (identify) specific issues, such as strengths and weaknesses, in the same process (issue surfacing). The fulfillment of these objectives are further discussed and presented in the next Section, below.

In brief, this research has extended current academic theory in the area of corporate entrepreneurship. This extension of the theory has been carefully evaluated in the context of three organisations. This research has also developed and operated an operational protocol for applying this extended theory. The next Section will in detail present the findings and outcomes as a result of these achievements.
6.3 Findings and Outcomes

The findings and outcomes from this research are presented according to the FMA-concept shown in Figure 6-1 below. The application of the FMA-concept to structure aspects of engagement, comparison and learning in action research designs originates mainly from Checkland’s (1981) and Checkland and Schole’s research (1990, 1999) within SSM (Soft Systems Methodology), which originates from the academic discipline of Information Systems (IS). SSM is here defined as “a systemic process of inquiry structured round a comparison between a real-world problem situation and conceptual models of relevant systems of purposeful activity” (Checkland, 1991, p. 198).

Fig 6-1 The FMA Concept

The FMA-concept presented in Figure 6-1 consists of four elements - a framework of ideas (F) embodied in a methodology (M) of action, which is applied to an area of concern (i.e. area of inquiry, A). The enactment of FMA then creates a learning cycle that yields learning about each element (Ledington et al., 2002).
The three elements F, M and A are addressed separately below. The fourth element, “The learning about each element”, is addressed as an integrated subsection to each of the three elements.

6.3.1 Framework (F)

This research has constructed and applied a contextual process model of corporate entrepreneurship to real life organisational situations. Figure 6-2, below, shows the contextual process model of corporate entrepreneurship that was developed in Chapter 3. This model assumes that the “process of innovation” is the main driving force for the entrepreneurial processes in any organisational context. The “process of innovation” (Figure 3-5), is a facilitative process integrated in the contextual process model of corporate entrepreneurship. The contextual process model of corporate entrepreneurship is supported and affected by the 23 favourable preconditions (key variables) found in and manifested by the three interacting strategic dimensions, which are summarised in Table 6-1.

The contextual process model of corporate entrepreneurship represents the framework (F) in the FMA-concept (Figure 6-1, above).

This research argues that the “Process of innovation” originates from the entrepreneurial orientation of an organisation. In the contextual process model, any entrepreneurial activity results in corporate performance, whether it is a positive or negative, financial or non-financial performance. And the corporate performance, as a result of an entrepreneurial activity (i.e. new entry), will affect and reinforce the entrepreneurial posture, which represents the strategic mindset of the management expressing its intent and preparedness to embrace and support entrepreneurial actions as a strategic means to create competitive advantages. Entrepreneurial posture is also closely linked to the entrepreneurial orientation of an organisation, which corresponds to the tactical expression of the entrepreneurial posture. Entrepreneurial orientation then refers to the
managerial practices and decision-making activities that feed the process of innovation with the necessary decisiveness, energy and support to initiate the process and to keep it on track.

Figure 6-2 Contextual Process Model of Corporate Entrepreneurship

Table 6-1, below, summarises the 23 key variables of the contextual process model of corporate entrepreneurship that were conceptualised in Chapter 3. Table 6-1 also provides some general but still relevant guidelines of how to induce and incorporate these key variables in an organisational context. The provided guidelines were raised and developed in the context of the three case studies and were positively endorsed and supported by the senior management in these organisations. This research however, does not claim that these guidelines are supported by extensive field verification, they rather constitute an attempt to provide insight and raise confidence in the availability of sound
and logical implementation measures that can be adopted to change and improve the entrepreneurial orientation of any organisation.

Table 6-1 Key Variables Promoting the Entrepreneurial Orientation and Guidelines for inducing them into an Organisational Context

<table>
<thead>
<tr>
<th>Key Variables Promoting The Entrepreneurial Orientation</th>
<th>Catalyst</th>
<th>Guidelines for Inducing the Key Concept Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactivness</td>
<td>\textit{Organisational variables} - Strategic management behaviour</td>
<td></td>
</tr>
<tr>
<td>Risktaking (propensity)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovativeness</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decide and commit to the strategic importance of a strong entrepreneurial orientation, making it a strategic objective.

Establish to what extent the management is aware of its own behaviour and leadership style with regard to an entrepreneurial orientation and in particular proactivity, risk-taking propensity and innovativeness.

Define proactivity, risk-taking and innovativeness in measurable strategic terms and in relevance to the unique contextual setting of the organisation.

Incorporate the process of innovation in the strategic decision-making activities, actively seeking and capturing business opportunities.
<table>
<thead>
<tr>
<th>Management support</th>
<th>Environmental variables -</th>
<th>See Norms and Values below.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased participation in the decision process</td>
<td>Corporate culture supportive of innovation and entrepreneurial behaviour</td>
<td></td>
</tr>
<tr>
<td>Perception of organisational boundaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autonomy and work discretion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriate use of rewards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informality of communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norms supporting the implementation of innovations regardless of the individual’s or group’s involvement</td>
<td>Agree upon and communicate the strategic importance of a strong entrepreneurial orientation, making it a commitment and a strategic objective.</td>
<td></td>
</tr>
<tr>
<td>Values for innovation as a practice and source of competitive advantage</td>
<td>Allocate resources.</td>
<td></td>
</tr>
<tr>
<td>Norms that facilitate resource support for innovative ventures</td>
<td>Identify and communicate the current corporate culture including the shared norms and values of the organisational members in relevance to the suggested key elements.</td>
<td></td>
</tr>
<tr>
<td>Norms encouraging open minded consideration of new ideas and projects</td>
<td>Communicate and show true commitment to the new strategic objective.</td>
<td></td>
</tr>
<tr>
<td>Norms encouraging creativity among organisational members</td>
<td>Plan and launch a professional corporate culture development process.</td>
<td></td>
</tr>
<tr>
<td>Norms encouraging search for innovation opportunities from external sources</td>
<td>Involve all organisational members in the corporate culture development process.</td>
<td></td>
</tr>
<tr>
<td>Norms supporting information sharing between individuals and groups regardless of position</td>
<td>Give active feedback, be a sincere role model and learn to recognise and tribute positive behaviour and development.</td>
<td></td>
</tr>
<tr>
<td>Norms that promote tolerance for failure</td>
<td>Ensure ongoing focus, evaluate progress and communicate it.</td>
<td></td>
</tr>
<tr>
<td>The need for achievement</td>
<td>Individual variables - Individual traits of organisational members</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>---------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Internal locus of control</td>
<td>Commit to a strategic objective to hand pick professional individuals with the necessary characteristics, skills and traits and commit to keep them.</td>
<td></td>
</tr>
<tr>
<td>Goal orientation</td>
<td>Develop professional recruitment capabilities and communicate preferred traits to the organisation building understanding and support.</td>
<td></td>
</tr>
<tr>
<td>Desire for autonomy</td>
<td>Treat people with respect and dignity but be prepared to, and do, make strategic changes in your organisational team.</td>
<td></td>
</tr>
<tr>
<td>Risk taking propensity</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Process of Innovation (see Figure 3-5 below) is a facilitative process integrated in the contextual process model of corporate entrepreneurship (Figure 6-2). It expresses the process flow from the recognition of a potential business opportunity all the way to the specific entrepreneurial action taken within an organisation based on this recognised opportunity. This is represented by “New entry/entrepreneurial activities”, in Figure 3-5. The process of innovation is a structured way of describing how an organisation acts in an entrepreneurial way by visualising the process of capturing business opportunities, and how that capturing actually can be managed in order to create entrepreneurial activities.
The process of innovation, as shown in Figure 3-5 above, is incorporated in the construct of the contextual process model of corporate entrepreneurship in order to provide a tangible infrastructure that could project a complete value system of corporate entrepreneurship. This value system is used to express relevant concept variables (see Table 6-2) within the three strategic dimensions of corporate entrepreneurship and
ultimately expresses the specific processes that support and initiate entrepreneurial actions within an organisation. This construct includes three organic steps in the entrepreneurial process. According to Zaltman et al. (1973, these steps are conceptualised as occurring in three phases: initiation, development, and implementation. These steps also include resource availability and the committed allocation of them. The initial trigger to the process of innovation is the “precipitating event” which provides the impetus to behave entrepreneurially when other conditions are conducive to such behaviour, see Table 6-2 below.

**Table 6-2 Precipitating Events Inducing Entrepreneurial Opportunity Recognition**

<table>
<thead>
<tr>
<th>PRECIPITATING EVENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of new procedures</td>
</tr>
<tr>
<td>Environmental or organisational change</td>
</tr>
<tr>
<td>Instability of a firm’s market because of changes</td>
</tr>
<tr>
<td>Developments in the market that create new demands for a firm’s products</td>
</tr>
<tr>
<td>Threats to a firm’s mission through rivalry (competition)</td>
</tr>
<tr>
<td>Merger or acquisition</td>
</tr>
<tr>
<td>Change in consumer demand</td>
</tr>
<tr>
<td>Developments of new technologies</td>
</tr>
<tr>
<td>Economic changes</td>
</tr>
<tr>
<td>Change in management or ownership</td>
</tr>
</tbody>
</table>

Source: Developed by the author from this research project

The concept of the precipitating event also summarises the impact of the internal, but also and in particular the external, environment on the model. Relatively dynamic and complex environments seem to provide more precipitating events and therefore more potential opportunities for entrepreneurial behaviour, given the propensity of
entrepreneurial firms to search out such opportunities. Norms that encourage creative solutions by organisational members generate more ideas that are new and thereby also increase the identification of opportunities for entrepreneurial behaviour.

6.3.1.1 Learning about the Framework

The combination of a cognitive-mapping approach and a contextual process model of corporate entrepreneurship has successfully been applied in this research to address and assess the entrepreneurial orientation of three different organisational contexts, thus providing a useful operational protocol and language to approach, structure, express and assess this socially constructed corporate phenomena. Consequently, the research undertaken has shown that it is feasible and relevant to express the entrepreneurial processes in organisational settings according to the interpretative structure of a contextual process model of corporate entrepreneurship (Figure 6-2, above). This is an important finding of this research. This research has also shown that such a contextual process model in combination with a cognitive-mapping approach provides a sense-making tool and assessment framework that can act as a rational, relevant and effective approach and technique for organisational stakeholders who are challenged with trying to address and assess the entrepreneurial orientation of the organisation. This represents a significant outcome of this research.

This research has shown that entrepreneurial behaviour is manifested differently depending on the organisational context. This manifestation of entrepreneurial behaviour in different operational contexts represents an important learning and outcome of this research about the nature/reality of corporate entrepreneurship. Entrepreneurial actions will for example be expressed differently in public sector contexts than in private sector environments. The operational boundaries, stakeholder perception’s and influences affect how the entrepreneurial orientation may be articulated. It is at the same time important to point out that the assumption that entrepreneurial behaviour affect the corporate performance has been reinforced by this research and thus is something that needs to be pursued as an overall strategic corporate objective.
This research has established that by engaging the framework (F) with the methodology (M) presented in this research, an organisational stakeholder (inquirer) will gain contextual understanding about the conditions and prerequisites for an entrepreneurial orientation in a specific organisational situation, and equally important, gain implicit and to some extent explicit insight regarding what issues need to be addressed in the interest of and with benefit for the entrepreneurial orientation of that organisational situation. The cognitive-mapping approach acts as an interpretative “camera” that takes a qualitative and therefore meaningful “picture” of the entrepreneurial situation of an organisation. This “picture” of the real life organisational situation can then be interpreted (sense-making) by using the contextual process model of corporate entrepreneurship, as an interpretative structure. In brief, this operational protocol will act as a tool for making sense of the specific organisational circumstances and provide a “map” assisting the inquirer (organisational stakeholder) in interpreting and assessing the entrepreneurial terrain within a specific organisational context and guide the inquirer about which strategic direction to choose to improve the entrepreneurial orientation.

This research has further shown that the framework (F) in combination with the proposed methodology (M) also provides an opportunity for an inquirer to project questions about the entrepreneurial situation of the organisation that is being studied. The enquirer is offered an explicit, holistic, yet simple and structured framework and protocol for engagement with a specific organisational situation, with the purpose of understanding and assessing the nature of the entrepreneurial orientation within that situation. This framework is meaningful, and the information that is mapped into a situational context model is relevant, because the contextual process model of corporate entrepreneurship is constructed by relevant and theory-supported elements, including the 23 key variables, that affect and support the entrepreneurial orientation of an organisation. The data analysis in Chapter 5 confirms the internal validity of the construction of the contextual process model of corporate entrepreneurship. It is important to point out that this research does not suggest that all key variables (favourable preconditions) must exist simultaneously in an organisational context to stimulate an entrepreneurial posture and orientation. This research recognises that these preferred conditions are expressed
differently depending on the contextual setting and the (organisational) position of the observer, which is an important finding from this research.

The question of how to translate the entrepreneurial orientation definition (see definitions in Section 1.6) to meaningful operational definitions about an organisational situation has been a constant issue throughout this research process. This research suggests that the four questions below are relevant since they logically incorporate the operational expressions for defining the entrepreneurial orientation, i.e. the essence of the contextual process model of corporate entrepreneurship. Subsequently, this set of meaningful questions, presented below, may be engaged by any organisational stakeholder, in combination with a contextual process model of corporate entrepreneurship, then represent a useful checklist, acting as indicators of the entrepreneurial orientation within a specific organisation.

1. Does the organisation know how to continuously seek out and create business opportunities, and implement them to generate competitive advantages?
2. Does the organisation know how to build and sustain an entrepreneurial culture with supporting norms and values?
3. Does the organisation know how to develop a leadership style that embraces an innovative and proactive approach to new business opportunities?
4. Does the organisation know how to engage with, and lead, talented individuals, and focus their skills, traits, energy, motivation and creativity into a direction beneficial to themselves and to the organisation?

If an organisational stakeholder engages the above set of questions with the organisation of interest and finds a satisfactory answer to each question, then the organisation should express a strong entrepreneurial orientation. Thus, it holds great promise to direct these questions to the relevant information gathered and mapped into a situational context model (cognitive map) of an organisational situation. These operational questions also reflect the practical value and relevance of the development of a contextual process model of corporate entrepreneurship as a composition of a meaningful language to
articulate the occurrence of deliberate and purposeful entrepreneurial behaviour in corporate settings.

The structure of the contextual process model of corporate entrepreneurship provides guidance and focus when addressing the strategic organisational components that interact and lay the foundation for the entrepreneurial orientation in any organisation. After approaching and mapping the three strategic dimensions of an organisation in the way that this research has repeatedly done, the contextual process model can then be used as a framework for engaging in a discussion about strategic changes needed in the organisational context. This discussion would concern how to sustain and develop the entrepreneurial orientation of an organisation by addressing the above set of questions to the knowledge gained from the information-gathering process and the mapping of the three strategic dimensions of an organisation.

As supported by the data analysis in Chapter 5, entrepreneurial activities provide important opportunities for organisational change where the activity of innovation and entrepreneurial behaviour may act as a tactical vehicle that can also carry other strategic objectives such as, for example, a change of the corporate culture. This research indicates that incorporating the elements of the “process of innovation” in the strategic decision-making activities and actively seeking out and capturing business opportunities will impact positively on the awareness of the strategic and tactical importance of the entrepreneurial orientation. Thus, incorporating the different elements of the process of innovation in decision making practices increases the awareness of the relevance and importance of each element and will consequently be expressed by an organisational strive to instigate and pursuit opportunities that can generate competitive advantages. The discovery that the activity of capturing (by innovative entrepreneurial behaviour) a potential business opportunity can provide opportunities for addressing other strategic corporate objectives affecting the corporate performance, has implications on the second research theme which seeks a meaningful answer to the query if the contextual process model of corporate entrepreneurship is effective as a tool to improve the entrepreneurial orientation of an organisation. This discovery represents an important finding and gives
more credibility to the conceptualisation of the process of innovation and its close link to the management preparedness to embrace an entrepreneurial stance in their decision making style and practices. This research also confirms that as opportunity recognition increases, the number of new venture projects initiated also increases, all other factors remaining constant, as proposed by Russell (1999).

The contextual process model of corporate entrepreneurship developed in this research provides an important piece to the jigsaw puzzle of the study of corporate entrepreneurship. Even if further studies are needed to make the edges of this particular jigsaw piece fit in well within the overall perception of how to address, assess and in particular improve the entrepreneurial orientation of an organisation, it still constitutes a significant outcome from a contextual-process perspective. This contribution made by this research to the body of knowledge of corporate entrepreneurship is significant to the research community as well as to practitioners.

In summary, the contextual process model of corporate entrepreneurship developed in this research offers explicit guidance to contextual understanding about the entrepreneurial situation, just like a well drawn geographical map helps to interpret the physical terrain and provide relevant information and confidence about which direction to choose. The proposed methodology (M) then supports the decision-making process by compassing the bearing on the “map”. Importantly, such a sense making “map” and “compass” has not been available to the academic domain of corporate entrepreneurship prior to this research and therefore represents a significant outcome of this research. The framework developed in this research helps us understand entrepreneurial processes better and in particular why they are initiated, what supports them and what type of outcomes they provide. Furthermore, the developed framework provides a sound, sense making structure that focuses on the three most important areas of the multidisciplinary nature of the phenomenon of corporate entrepreneurship, i.e. the leadership style, individual characteristics and the corporate culture. This extension of focus is an important outcome of this research.
6.3.2 Methodology (M)

Since this research originates from the belief that the phenomenon of corporate entrepreneurship is best observed and analysed within its natural environment i.e. from actual operational organisations, a case-research approach was used. The research design was outlined and justified in Chapter 4. Within these in-depth case studies, non-participative observation techniques and activities were applied to gather the field information. The first two case studies focused on evaluating the conceptual contextual process model of corporate entrepreneurship as well as establishing the relevance for engaging it with the operational protocol to the area of inquiry (A). The third in depth case study had a more facilitative purpose, i.e. applying the framework (F), using the methodology (M), to a real life organisational context in order to establish its usefulness for identifying specific issues, such as strengths and weaknesses, affecting the entrepreneurial orientation. Consequently, demonstrating the potential of extracting relevant issues, as a basis for focussing debate about organised change within an organisational context.

The method chosen for information structuring and analysis presentation was “cognitive mapping”, which is based on Kelly’s (1955) theory of written or verbal accounts of problems. The professional computer software “Decision Explorer” was used to reduce the need for early data reduction and to efficiently structure the complex qualitative information gathered from the case studies. The use of Decision Explorer compelled the researcher to be explicit about the assumptions used to structure and analyse the data collected. The operational analysis of the mapped data included an operational comparison using the EDI-framework (Expectation, Desirability and Importance). These methods were presented and justified in Chapter 4, “Research Methodology”.

These three main research methodologies, i.e. the case research approach for relevant and meaningful information gathering, the cognitive mapping approach for the structuring of complex qualitative data and analysis presentation, and the EDI-operational analysis as an interpretive comparison approach, together constitute the
methodological framework, “M”, (in Figure 6-1) that was engaged in this interpretative research. The Methodology, “M” as presented above, is also referred to as “The operational protocol”.

6.3.2.1 Learning about the Methodology

The case research approach

The case research approach enabled this research to capture the “reality”, i.e. the operational context of the organisations studied and thus it provided an opportunity to study the socially constructed phenomena of corporate entrepreneurship in its natural setting. The use of an interpretative case research approach provided the necessary contextual in-depth understanding needed to address the stated research themes for this research.

The case research approach allowed for the use of qualitative methods and techniques for information gathering, which in turn provided meaningful and useful information to be analysed. Even though the case research approach also has weaknesses, it is for example not possible to generalise case-research findings statistically to a population, the case research approach enabled valuable access to relevant qualitative information which is essential for an exploratory and theory building study such as this.

The qualitative case research approach adopted in this research represents an emerging trend in the area of entrepreneurship research. Previously adopted research designs in this area have applied predominantly positivistic approaches. This research adds legitimacy to this emerging trend of approaching the socially constructed phenomena of corporate entrepreneurship with a qualitative methodology which is suitable and relevant for approaching it and in particular enabling a contextual understanding of it. Consequently, the case research approach applied in this research constitutes a valuable contribution to the study of corporate entrepreneurship.
Cognitive mapping

The main challenge of approaching and performing a qualitative information (data) analysis is to resolve how to reduce, structure and detextualise data. The cognitive mapping approach that was chosen for data structuring and data analysis presentation in this research met these three issues to an acceptable level.

This research verifies that a cognitive-mapping approach allows for structuring complex qualitative data to be visualised and analysed in an effective way. Cognitive mapping is therefore most relevant for allowing an in depth understanding of and for the structuring of a socially constructed phenomena such as corporate entrepreneurship. Cognitive mapping proved to be a valuable technique since it manages to capture and display people’s states of mind in relation to the context of the situation. This research has shown that a cognitive-mapping approach allows for a situational context model (cognitive map) reflecting the entrepreneurial situation of a specific organisation to be constructed in a meaningful way. This represents an important finding of this research and it also represents a valuable contribution to the study of corporate entrepreneurship. This research has shown that organisations can and should be regarded as intellective entities and that they are at the same time constructions by real-world individuals and managed by real-world individuals. The issue of intellective entity can subsequently not be limited to either the organisation or the individual manager, they converge somewhere in the middle. Thus, cognitive maps of corporate entrepreneurship provide a “sense-making” tool (method) to visualise and understand the multi-dimensional aspects of the terrain of corporate entrepreneurship.

The use of the professional cognitive mapping software “Decision Explorer” compelled the researcher (i.e. analyst) to be explicit about the assumptions used to structure and analyse the data collected. The use of a professional cognitive mapping software therefore increased the consistency, relevance, quality and structure of the information that was analysed. This is a positive confirmation of and a significant addition to the cognitive mapping approach advocated in this research and therefore represents a strong
support for that the cognitive mapping approach signifies an important finding with implications to the body of knowledge of corporate entrepreneurship. This research has consequently provided an important leap in confidence in the cognitive-mapping approach for capturing and displaying, hence establishing the entrepreneurial orientation of an organisation. The case research approach adopted in this research has also confirmed the relevance of applying a cognitive-mapping approach to the academic field of corporate entrepreneurship. This combination allows for a “feel” for a specific situation in a more relevant and valuable way than any mechanical survey would allow. At the same time, it is relevant to point out that it is the approach, technique and process by which the information is collected and mapped into the situational context model that provide the most valuable insight into the organisation studied.

The application of a cognitive mapping approach has yielded valuable learning about its usefulness as a qualitative method for studying the corporate phenomenon of corporate entrepreneurship. This represents an important contribution to the field of corporate entrepreneurship since no published research within this academic discipline has utilised the documented benefits of a cognitive-mapping approach used in other academic disciplines and applied it to the study of corporate entrepreneurship in real-life contexts. In particular, no research within this area has incorporated the cognitive-mapping approach in an interpretative framework for addressing and assessing the entrepreneurial orientation of an organisation. This advancement represents a significant finding and outcome of this research and an important contribution to the academic discipline of corporate entrepreneurship.

EDI-comparison

This research has adopted and applied this relatively new methodological framework originating from the Action Research/Information Systems discipline for analysing cognitive maps displaying the entrepreneurial situation of different organisations. This research suggests that the EDI-framework may successfully be used as a framework for analysing the situational map constructed from observing a specific organisational
situation. Consequently, the EDI-comparison framework provides insight into the strong and weak areas that directly affect the entrepreneurial orientation.

The use of the EDI-framework (presented and justified in Section 4.5.2) in the operational analysis in Chapter 5 proved useful when comparing concept variables in the conceptual map of corporate entrepreneurship with the corresponding concept variables in the situational context model, mapped from the situation observed in the different organisations.

This research has shown that the EDI comparison process, in particular using the EDI-framework when comparing the conceptual contextual process model with the situational context model, provides a valuable and important two-way feedback process. First, the real-life situations studied provide a relevant opportunity to evaluate and learn about the contextual process model of corporate entrepreneurship. Second, the contextual process model can be engaged in a meaningful analysis for understanding and learning about the entrepreneurial situation in the organisation that is being studied. This finding confirms the two-way learning, as suggested by Ledington et al. (2002).

This research shows that the EDI-comparison procedure increases the awareness and understanding whether or not specific favourable preconditions that support the entrepreneurial orientation are present within the organisation. At the same time the EDI-comparison framework is not so useful to pick to what extent each concept matches the conditions in the contextual process model. Where the contextual process model of corporate entrepreneurship provides detailed guidance to project questions to get an in-depth contextual understanding about the situation studied, the cognitive mapping technique then captures and displays in a detailed way a complex qualitative situation in a way which is relevant and meaningful to the inquirer. At the same time, the EDI-comparison procedure does not allow for an in depth feeling for the mapped information. The framework for assessing and addressing the entrepreneurial orientation would therefore benefit from an analysis framework that provides more levels of distinctions rather than just establishing whether there is a match or not. The EDI-framework was
expected to provide a better feel for to what extent the mapped concepts in the situational context model would match the “desirable” preconditions (key variables) in the contextual process model of corporate entrepreneurship. This was an unexpected discovery and should therefore be regarded as an important finding.

At the same time the EDI-comparison procedure was meaningful and relevant to the methodology since it demands that the enquirer takes a position and evaluates the value of each single concept in the situational contextual model with regard to the favourable preconditions in the contextual process model of corporate entrepreneurship. This means that the inquirer gains a much better insight and understanding about the organisational situation than what the EDI-comparison can reflect. This is, at the same time, a weakness to the methodology since the contextual understanding is dependent on the individual inquirer who applies it.

The application of the EDI-framework in this research can be viewed as an important advancement in the academic area of corporate entrepreneurship since no research in this field has included this methodological framework in any published research designs prior to this research.

### 6.3.3 Area of Inquiry (A)

Three in-depth case studies were conducted in three medium sized organisations ranging from 30 to over 500 employees. They included one progressive and successful insurance company in Sweden, a rapidly expanding family operated BMW dealership on the Sunshine Coast, Australia and a conservative large local government in South East Queensland, Australia’s most expansive region. The item “Area of inquiry”, (A) in Figure 6-1 above, represents these organisational situations.

The first objective of these case studies was to collect relevant and meaningful information and construct cognitive maps (situational context models) that could display the entrepreneurial situation within these three organisations in order to assess (verify) and develop the proposed contextual process model of corporate entrepreneurship. The
other main objective was to evaluate whether a cognitive-mapping approach and a contextual process model of corporate entrepreneurship can be used effectively as a tool to establish in depth contextual understanding about (A) in order to assess and improve the entrepreneurial orientation of an organisation. In other words, how well does (F) apply to (A) when engaging (M)? This question is addressed below.

6.3.3.1 Learning about the Area of Inquiry

The first two case studies displayed high levels of entrepreneurial orientations within the two organisations studied, which was expected. The majority of preferred preconditions in the contextual process model of corporate entrepreneurship supporting an entrepreneurial orientation were found in these two organisations. The first two case studies could therefore establish the relevance of the proposed favourable preconditions (table 6-2) supporting entrepreneurial behaviour in order to assess the entrepreneurial orientation within a private sector context. In brief, the first two case studies evaluated the relevance and usefulness of the proposed contextual process model of corporate entrepreneurship to structure and describe the entrepreneurial orientation of these two organisations, thus establishing the relevance of (F) as an appropriate language and articulation of the phenomenon of corporate entrepreneurship.

The third case study analysis of the Local Government situation showed, as expected, that there were very few favourable preconditions present within the Local Government context as defined in the contextual process model. However, as was discovered in this research, entrepreneurial behaviour is manifested differently depending on the organisational context. Entrepreneurial actions will for example be expressed differently in public sector contexts than in private sector situations. The application of the framework using the proposed methodology to the public sector organisation provided this insight. Therefore, the area of inquiry also assisted in challenging the desirability of the methodology and in particular the framework. Subsequently, the engagement of (F) using (M) enabled learning about (F), just like Figure 6-1 stipulates. This constitutes a positive and “healthy” relationship between (F) and (A) since the framework does not
attempt to dictate what is right or wrong, it does however enable meaningful contextual understanding about an organisational situation which is an obvious strength of the framework, and this is therefore an important finding of this research. As a consequence of this finding, this research provides strong support for the assumption that it is relevant and feasible to apply the contextual process model of corporate entrepreneurship to a public sector situation as well as to a private sector setting. The third case study confirmed that the framework and methodology applied in this research provides such contextual understanding about the organisational situation that the enquirer can draw meaningful conclusions of what specific strategical issues need to be addressed and changed in order to increase the level of entrepreneurial orientation. This represents an important outcome of this research.

Another reflection on the application of the entrepreneurial orientation construct in a public sector context is that corporate entrepreneurship, as defined in Chapter 1, has the overall objective of creating value for the stakeholders by the creation and renewal of organisations. In this regard, the essential meaning of corporate entrepreneurship is as relevant and as applicable in a public sector organisation as it is in any private sector context, profit oriented as well as non-profit oriented. This reasoning provides strong support for the view that an entrepreneurial orientation is a desirable strategic objective in all corporate contexts. Thus, this research argues that any organisation should implement a strategic view that a higher level of entrepreneurial orientation is beneficial, positive and relevant in its particular operational context, taking into consideration its organisational boundaries and the stakeholder objectives. Based on this recommendation, this research makes the distinction that that the areas and type of behaviour that a public sector organisation can use to express its entrepreneurial orientation differs significantly from private sector organisations, which has different contextual boundaries and stakeholder perceptions of the organisational operations and expected outcomes.
6.4 Summary

This Chapter has presented the major findings and outcomes as a result of this research. The Chapter was structured according to the FMA-concept, *Framework, Methodology* and *Area of inquiry*. The presentation of the findings and outcomes followed this structure and each element of the FMA-concept was addressed separately in regards to the yielded learning as an outcome of this research.

The next and final Chapter will present some important reflections on the overall research achievements. Importantly, the next Chapter will present the implications of the findings and outcomes on academic theory, on business practitioners and on the research methodology within the area of the corporate entrepreneurship. Chapter 7 will also discuss some of the limitations of this research as well as present guidelines for future research within this academic discipline.
CHAPTER 7 REFLECTIONS, IMPLICATIONS AND CONTRIBUTIONS

7.1 Introduction

This final Chapter originates from what was presented and established in the previous Chapter, “Findings and Outcomes”. This Chapter should therefore be regarded as an interlinked extension of that Chapter.

This Chapter will present some important reflections on the overall research achievements. This Chapter will focus on presenting the implications of the findings and outcomes, as presented in previous Chapter, on academic theory, on business practitioners and on the research methodology within the area of corporate entrepreneurship discipline. This Chapter will also address the limitations of this research as well as discuss relevant avenues for future research within this area. The Chapter will therefore be structured as follows,

- Reflections on the achievements of this research, Section 7.2
- Implications on theory, Section 7.3
- Implications on practitioners, Section 7.4
- Implications on methodology, Section 7.5
- Limitations of the research, Section 7.6
- Implications for future research, Section 7.7

While the FMA-framework (Figure 6-1) focused on the relationships within the theoretical framework, the research methodology, the area of inquiry and the learning produced by this research within these areas, this Chapter focuses on the contributions imposed by the FMA-outcomes and in particular the implications of these outcomes on the business community, the academic theory, the methodology and for future research within corporate entrepreneurship. To structure the discussions of these matters,
Figure 7-1, below, is offered to assist in understanding and structuring the relationships and impact of these interacting issues.

This research originates from particular academic motives that instigated the exploration of corporate entrepreneurship as a socially constructed phenomenon in corporate contexts. The item “Reality of Corporate entrepreneurship”, in Figure 7-1, represents these academic motives which are discussed in Section 1.1 “Background to the research”. Based on this reality, the research themes for this research were presented and justified in Section 1.2 and 1.3. Accordingly, the item “Justification and research objectives”, in Figure 7-1, corresponds to the content of these two Sections. Chapter 2 “Setting the theoretical stage” established the theoretical academic origin for this research. Chapter 3 “Developing the Theoretical Framework” facilitated this theory in terms of conceptualising a contextual process model of corporate entrepreneurship that represents a significant development and extension of current entrepreneurship theory and research. The element “Theories of entrepreneurship” in Figure 7-1 therefore represents the content of Chapter 2 and the item “Framework / contextual process model” represents (F) as presented in Chapter 6. The F, M and A-relationships were also established in Chapter 6 “Findings and Outcomes”, and which were visualised in Figure 6-1. Thus, the arrow “Methodology” in Figure 7-1 represents the case research approach, the cognitive mapping method and the EDI-comparison technique, that in combination corresponds to the operational protocol for applying the framework (F). The item “Area of inquiry”, in Figure 7-1, then represents the same “Area of inquiry“ as in the FMA-framework, i.e. the three case studies conducted in this research.
Accordingly, the element “Learning about setting of inquiry”, Figure 7-1, corresponds to the content of the Section “Learning about (A)” as presented in Figure 6-1.

The arrow “Learning about Methodology”, Figure 7-1, corresponds to content of the Section “Learning about (M)” as presented in Figure 6-1.

The framework (F), Figure 6-1, i.e. the contextual process model of corporate entrepreneurship, attempts to develop a meaningful and appropriate language and structure for exploring, explaining, assessing and addressing strategic organisational processes that promote the entrepreneurial orientation of an organisation. In other words, the contextual process model of corporate entrepreneurship tries to explain the socially constructed phenomena of corporate entrepreneurship in organisational contexts. It was previously established that this research was justifiably motivated to instigate the
exploration of the reality of corporate entrepreneurship as a social phenomenon in corporate contexts. Therefore, the gained knowledge about this reality, i.e. “What was learnt about (F)” (see Figure 6-1), achieved from the development and application of the contextual process model of corporate entrepreneurship has provided new and extended knowledge and insight about the reality of corporate entrepreneurship. As a consequence, the item “Learning about reality”, in Figure 7-1, corresponds to the content in “Learning about (F)” in Figure 6-1.

Theory relevant to the academic area of entrepreneurship provided the foundation for the development of the theoretical framework in Chapter 3. The theoretical framework was expressed as the contextual process model of corporate entrepreneurship, represented by F in Figure 6-1. The application of the proposed framework using the defined methodology into the specified area of inquiry has enabled learning in each of the three areas. In addition, the FMA framework also provides an important opportunity to reflect over what was learnt about the engaged theory and the implications this research has on academic theory and on entrepreneurship theory in particular. This is discussed in the Section “Implications for theory”, below, which integrates the issue of the gained knowledge about the theory as well as the implications on theory. Consequently, this Section addresses the items “Learning about theory” and “Implication and future direction”, as shown in Figure 7-1.

In addition to the Section “Implications for theory”, Section 7.3, three other important areas addressing the contributions of this research are addressed in the following Sections,

“Implications for practitioners”, Section 7.4, integrates the issue of what was learnt about the reality of corporate entrepreneurship i.e. implications of (F) as established above. This Section focuses on outcomes of this research that have implications on the business community, i.e. the practical benefits yielded by this research.
“Implications for Methodology”, Section 7.5, integrates what was learnt about the (M) and focuses on presenting the contributions from this research that have methodological implications.

The final Section 7.7 concerning “Implications for Future research”, indicates further relevant avenues for future research within the area of Corporate entrepreneurship.

In brief, the combined outcomes presented in these Sections collectively represent the essential and final contributions of this research, i.e. what was really gained! Their contributions affect and change the perception of corporate entrepreneurship by extending the perception of the reality of corporate entrepreneurship and advancing the theory that supports but also limits that perception. These advancements and contributions are represented by the feedback arrow from the element “Implications and future directions” to the element “Reality of Corporate entrepreneurship”, in Figure 7-1, above.

7.2 Reflections on the Achievements of this Research

As was established in Chapter 6, this research has achieved to extend current academic theory within the academic discipline of corporate entrepreneurship and to evaluate this extended theory in the context of real life organisational situations. In addition, this research has also developed and established an operational protocol for applying this theory. Before discussing these outcomes in regards of their implications, which will be discussed in the Sections 7.3 to 7.6, in accordance with the previous Section, and Figure 7-1 above, this Section will discuss the issues of the advantages and limitations of this extended theory and operational protocol. This Section will also address some relevant issues in using the operational protocol developed for applying this extended theory. The main purpose of this Section is thus to justify the significance of the outcomes presented in Chapter 6. Table 7-1, below, summarises the main advantages of the extended theory and the operational protocol as were discussed in Chapter 6. Importantly, these achievements represent the core contributions of this research.
### MAIN ADVANTAGES OF THE EXTENDED THEORY AND THE OPERATIONAL PROTOCOL

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Description</th>
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<tbody>
<tr>
<td>Expresses complex entrepreneurial process in the form of an multidimensional, interpretative structure which allows for an understanding of complex relationships and conditions</td>
<td>The adoption of a multidisciplinary focus, thus addressing the nature (reality) of corporate entrepreneurship in a more relevant and comprehensive way</td>
</tr>
<tr>
<td>Offers a sense making assessment tool for addressing and assessing the entrepreneurial orientation, consequently providing explicit guidance and a useful format for how to approach, analyse and communicate this occurrence</td>
<td>Recognises and incorporates ten specified precipitating events that initiate corporate entrepreneurial behaviour, thus offering explicit insight in what provides the impetus to behave entrepreneurially</td>
</tr>
<tr>
<td>Applicable and relevant in various organisational contexts, thereby extending its usefulness and relevance</td>
<td>Offers contextual understanding about organisational situations and the conditions that support their entrepreneurial orientation, subsequently providing the necessary insight establishing a relevant agenda of changes</td>
</tr>
<tr>
<td>Offers an appropriate, useful language and operational protocol for structuring and communicating the complex phenomena of corporate entrepreneurship, thus extending the current basis from which entrepreneurship studies is conducted</td>
<td>Supports the key assumption that entrepreneurial processes are manageable, hence putting the management in control of the entrepreneurial orientation</td>
</tr>
<tr>
<td>Proposes relevant actions for inducing the 23 recognised conditions that promotes the entrepreneurial orientation, thus indicating that logical and sound implementation measures are available for improving the entrepreneurial orientation</td>
<td>Source: Developed by the author from this research</td>
</tr>
</tbody>
</table>
Table 7-2, below, addresses some important issues, in particular, the weaknesses and limitations of the extended theory and the operational protocol applied in this research. The impacts of these limitations are also presented.

**Table 7-2 Issues and limitations of the extended theory and operational protocol**

<table>
<thead>
<tr>
<th>ISSUES AND LIMITATIONS OF THE EXTENDED THEORY AND OPERATIONAL PROTOCOL</th>
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<tbody>
<tr>
<td>Entrepreneurial processes are complex, consequently challenging the validity of the claim of the benefits of the holistic approach applied in this research</td>
</tr>
<tr>
<td>The adoption of a multidisciplinary focus requires skilled integration of knowledge from various academic disciplines, thus arguably limiting the value of this advocated approach</td>
</tr>
<tr>
<td>The application of the operational protocol is relatively time consuming for it to gain the necessary accuracy and may limit its usefulness</td>
</tr>
<tr>
<td>The operational protocol requires a considerable engagement by the information analyst with the particular organisational situation and is therefore currently limited by its single person format, possibly restricting its usefulness</td>
</tr>
<tr>
<td>The current operational protocol does not include an information analysis technique that promotes or establishes the significance of the detail of the gathered information, this in turn may lower the reliability of the analysis.</td>
</tr>
<tr>
<td>The proposed activities for inducing the recognised favorable conditions that promote the entrepreneurial orientation have not been explicitly supported by field verification, arguably limiting their significance</td>
</tr>
</tbody>
</table>

Source: Developed by the author from this research

These issues and limitations are acknowledged but they do not detract from the significance of the findings and outcomes previously presented.
7.3 Implications for Theory

This Section presents the contributions of this research in terms of theoretical implications. Much of the initial justification for this research presented in Chapter 1, Section 1.3 is revisited and discussed in relation to what extent this research has addressed these issues. Section 2.2 provided an overview of the historical development of the academic domain of entrepreneurship (Table 2-1), from the early dichotomies of the risk versus innovation-bearing propensity of an entrepreneur, advancing through the three disciplines of entrepreneurship, the economic, the behaviouralism and the management discipline. This overview highlighted that advancements over the last ten years in the field of entrepreneurship have taken the academic area into what many researchers now call the “entrepreneurship paradigm”. In essence, this has taken the area of entrepreneurship into a fourth discipline, i.e. “the corporate discipline”, where the management and employees form interacting and essential parts of an organisational (social) system/entity from which entrepreneurial actions are pursued, initiated and executed for the benefit of organisational performance and for individual development.

As was established in Chapter 2, this research has taken its stance from within the fourth independent discipline (the corporate discipline) of entrepreneurship, synonymously defined as the academic domain of “corporate entrepreneurship”. Ucbasaran et al. (2001) are among many that view the academic area of corporate entrepreneurship as young and therefore a relevant and justified area to focus on.

The entrepreneurial processes involving all the functions, activities and actions associated with the perception of opportunities and the creation of an organisation to pursue them has generated considerable academic interest, and today there is still considerable debate about the purpose and direction of entrepreneurship research (Davidsson, Murray & Wright, 2001). As intellectually stimulating as it may be to find out what motivates entrepreneurs and how they differ from ordinary mortals, the more critical question is how these individuals manage to create and sustain successful organisations, despite severe obstacles (Aldrich & Martinez, 2001). This research has provided some relevant answers to Aldrich and Martinez’s stated question by developing the contextual process
According to Shane and Venkataraman (2000) there is a recognised need to focus on the discovery and exploitation of opportunities as a key aspect of the entrepreneurial process, which includes consideration of the influence of the individual in this process. This research has involved the study of sources of opportunities, the process of discovery, the exploitation of opportunities and the characteristics of individuals in organisational settings who discover, evaluate, and exploit them. In particular the incorporation of the “Process of innovation” in the contextual process model of corporate entrepreneurship has addressed this issue in a meaningful way. Shane and Venkataraman (2000) also expressed the view that consideration of environmental factors is fundamental to an understanding of the generation of and action upon entrepreneurial opportunities. The process of innovation, conceptualised and incorporated in the contextual process model of corporate entrepreneurship, includes the important point of origin of entrepreneurial activity, i.e. the “precipitating event”. This is the initial trigger that provides the impetus to behave entrepreneurially when other conditions are conducive to such behaviour. This research has recognised and incorporated ten key precipitating events in the process of innovation, which recognises Venkataraman’s (1997) assessment that one of the most neglected questions in entrepreneurship research is where opportunities come from. These precipitating events are summarised in Table 6-2, presented in Chapter 6.

An additional issue raised by Shane and Venkataraman (2000) is the need for further understanding of the entrepreneurial processes by focusing on performance as an outcome of entrepreneurial behaviour and how it reinforces the entrepreneurial orientation. This research has addressed this need by extending the cognitive models of corporate entrepreneurship offered by Russell (1999). Russell’s models do not make a distinction between financial and non-financial as a result of the corporate performance, see Table 7-4, below. As displayed in Table 6-2, the contextual process model proposed in this research includes corporate performance and it also makes a distinction between financial and non-financial performance. Importantly, the contextual process model
developed in this research recognises that any entrepreneurial effort will affect the corporate performance, financial or non-financial performance, enforcing it or reducing it, and will as a result affect the entrepreneurial posture of the management which in turn reinforces the entrepreneurial orientation.

This research has provided an attempt to apply a multidisciplinary approach to addressing and assessing the phenomenon of entrepreneurship in organisational settings. It has included and integrated the three strategic dimensions (individual, organisation and environmental) believed necessary when addressing entrepreneurship at an organisational level. This research should therefore be viewed as complying with the search by Ucbasaran et al. (2001) for studies that attempt to integrate multidisciplinary dimensions for explaining contexts and processes associated with entrepreneurial behaviour. The work by Ucbasaran et al. implies that recognition of the multidisciplinary dimensions of entrepreneurship could add to our understanding of the phenomenon and that this strongly justifies research that investigates the entrepreneurial behaviour within different organisational settings. The findings from this research confirm this view. These findings are therefore important contributions the body of knowledge of corporate entrepreneurship.

This research has further attempted to address Brazeal and Herbert’s (1999) view that the field of corporate entrepreneurship is fragmented due to the growing need for, but lack of, “fit” between (a) the increasing amount of data and insights into the entrepreneurial phenomenon and (b) the central requirement for a fundamental mapping of entrepreneurial concepts. Incorporating sound and relevant literature and research in the conceptualisation of the 23 key concept variables in the contextual process model provided a projection of focus for contextual and process issues which in turn provided a relevant structure and language to improve the “fit” between them.

From an evolutionary viewpoint, process and context (strategy and environment) interact in a recursive continuous process, driving the fate of entrepreneurial efforts. Thus, integrating context and process into research designs remains a major challenge. Such
integration constitutes a necessary step to a more complete evolutionary approach and a better understanding of entrepreneurial processes (Aldrich & Martinez, 2001). This research has directed much of its focus and effort to applying an evolutionary approach. The contextual process model of corporate entrepreneurship developed in this research has endorsed the call by Aldrich and Martinez in 2001 for research designs that integrate context and process. The framework (F) and methodology (M) integrates context and process and are consequently relevant and valuable advancements to the body of knowledge of corporate entrepreneurship.

The cognitive-mapping approach that has been engaged in this research as a way of capturing and assessing the entrepreneurial situation and processes within an organisation has contributed to the need for research that can map and visualise entrepreneurial concepts as called for by Russell (1999). The cognitive-mapping approach has also met the need for cognition-based models of real life situations as sought by Kreuger (2000). In particular, this research complies with his raised need for cognition-based models with a comprehensive theory driven conceptual framework that can provide a tangible infrastructure to support the pursuit and implementation of opportunities.

The cognitive-mapping approach was strongly advocated by Russell (1999) to have substantial promise for the study of corporate entrepreneurship. Russell argued that cognitive mapping might provide a technique for modelling the relationships that create the organisational systems that drive intrapreneurial processes. This research has in many aspects been motivated by Russell’s approach. This research has extended Russell’s research in several areas. Table 7-3, below, summarises these advancements.
Table: 7-3 The Extensions of Russell’s (1999) Research

<table>
<thead>
<tr>
<th>Russell (1999)</th>
<th>The Extension of this Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russell’s cognitive models were not supported by field verification at the time of publishing.</td>
<td>This research has collected and analysed empirical data from organisations in order to evaluate and establish the relevance of the contextual process model of corporate entrepreneurship.</td>
</tr>
<tr>
<td>Russell’s models do not incorporate a catalyst process that focuses on the recognition and capturing of entrepreneurial opportunities.</td>
<td>The contextual process model developed in this research incorporates a catalyst process called “the process of innovation”. This research has extended Russell’s research by conceptualising, applying and validating a contextual process model of corporate entrepreneurship that recognises the need to focus on the discovery, capturing and exploitation of business opportunities as a key aspect of the entrepreneurial process. In brief, the process of innovation is a structured way of describing how an organisation acts entrepreneurially by visualising the process of capturing business opportunities and how that capturing actually can be strategically managed in order to initiate and launch entrepreneurial activities.</td>
</tr>
<tr>
<td>Russell’s cognitive-mapping approach focused mainly on the organisational characteristics, even though he recognised the environmental and individual characteristics influencing the entrepreneurial processes. Russell also acknowledged the need for closer integration of these two dimensions in his construct.</td>
<td>The contextual process model developed in this research has included and integrated all three strategic dimensions believed necessary (individual, organisation and environmental), when addressing entrepreneurship at an organisational level.</td>
</tr>
</tbody>
</table>
Russell’s research excluded the individual dimension. Although acknowledging that the individual aspects of human beings are of greatest importance to understand and explain entrepreneurship in organisational settings, he admitted it to be too large an area to cover and include in his model.

This research has incorporated the individual dimension, i.e. individual traits, in the contextual process model of corporate entrepreneurship.

Russell’s process model did not make a distinction between financial and non-financial performance as a result of the corporate performance.

The contextual process model proposed in this research includes corporate performance but makes a distinction between financial and non-financial. Importantly, the contextual process model developed in this research states that any entrepreneurial effort will affect the corporate performance, financial or non-financial performance, enforcing it or reducing it and will consequently affect the entrepreneurial posture of the management, which in turn reinforces the entrepreneurial orientation.

Source: Developed by the author from this research project

These extensions of Russell’s research should be viewed as significant advancements to the academic field of corporate entrepreneurship.

In summary, this research has provided several important contributions and advancements to the academic field of corporate entrepreneurship in the form of relevant and important theoretical implications as addressed above.
7.4 Implications on Practitioners

By addressing the two research themes stated in Section 1.2.3, this research has contributed to answering the underpinning question of practical interest that this research addresses and that has motivated this researcher in conducting this research study:

“How do you build an organisation and an organisational culture that proactively seeks out and creates business opportunities with leaders who understand how to foster and manage such an organisation, and who engage with and lead and develop individuals who promote an entrepreneurial orientation that can generate competitive advantages?”

The framework (F) and the methodology (M) developed in this research have several obvious practical benefits for practitioners. Any organisational stakeholder will benefit from a holistic, yet simple and relevant approach that can provide better insight and practical help to better understand, assess and improve the entrepreneurial orientation of a specific organisational situation. This research further advocates that it is relevant and meaningful to apply the same theoretical framework and operational protocol in private sector as well as in public sector organisational contexts. The findings and outcomes of this research presented in Chapter 6 allows for a better insight into how entrepreneurial processes can be understood, explained and communicated in an organisational context. This insight provides explicit and implicit avenues and opportunities for organisational stakeholders seeking to improve the entrepreneurial orientation of an organisation that can positively affect corporate performance.

Importantly, this research has addressed the assumption that entrepreneurial processes in corporate settings are manageable and therefore something that can be learnt, taught and implemented, hence putting the management in control of the entrepreneurial orientation and creation of entrepreneurial activities within the firm that can generate competitive advantages. The most important implication of this research for the business community
is that the findings from this research support this as a relevant and justified assumption. This represents a significant contribution of this research.

**7.5 Implications for Methodology**

As stated in Chapter 2, there is still no overall accepted definition or description of “entrepreneur” or “corporate entrepreneurship”, despite decades of research in the field (Garland et al. 1984, Bygrave 1993, Wickham, 1998). The on-going discussion of the different theoretical approaches to studying entrepreneurship and small firms’ performance identifies and underlines the fundamentally multi-disciplinary nature of the topic. This argument can be taken further and it has been suggested that the study of entrepreneurship may be an emerging “science” in its own right. This has important implications for empirical methodologies and the process of theory construction in the study of entrepreneurship. As a consequence, the research design presented and justified in Chapter 4 was constructed with regard to the objective of further laying the foundation for relevant and accurate theory building within this multi-disciplinary field of corporate entrepreneurship.

The research design in this research adopted and applied two relatively new methodological approaches to the study of corporate entrepreneurship. The first is the cognitive-mapping approach to collect and structure the qualitative data from real-life situations. The second relatively new methodological approach used in this research is the EDI-comparison framework, presented in Section 4.5.2 “Framework for Operational Analysis”.

Furthermore, this research verifies that a cognitive-mapping approach allows for structuring complex qualitative data i.e. for complex qualitative data to be visualised and analysed in an effective way. The use of a professional cognitive software such as Decision Explorer, compels the analyst to be explicit about the assumptions used to structure the collected data, thus increasing consistency, relevance, quality and structure of the analysed information. The use of a professional cognitive software represents an
important advancement in the field of corporate entrepreneurship. Cognitive mapping proved to be a valuable technique since it manages to capture and display people’s states of mind in relation to the context of the situation, which is essential since it has been established that corporate entrepreneurship may or even should be viewed as a socially constructed corporate phenomena. This research has verified that a cognitive-mapping approach allows for a situational context model reflecting the entrepreneurial situation of specific organisation to be constructed in a meaningful way.

The applied methodology (M) integrated a contemporary methodological tool to the study of corporate entrepreneurship, originating from the Action research /Information Systems discipline for analysing a cognitive map displaying the entrepreneurial situation of different organisations, called the EDI-framework. This research suggests that the “Expectation, Desirability and Importance (EDI)-framework” may be successfully used as a framework for analysing the situational contextual model (map) constructed from observing the specific organisation using a case research approach. As a result, the EDI-comparison framework provides relevant insight into the strong and weak areas that directly affect the entrepreneurial orientation.

In summary, two relatively new methodological approaches were engaged in this research: cognitive mapping for capturing and displaying complex qualitative data and the EDI-comparison framework that was used for the qualitative data analysis. Both methodological approaches represent significant methodological progress in the academic field of corporate entrepreneurship. These advancements provide interesting opportunities for future research, which is the topic discussed in the final Section 7.7.

7.6 Limitations for the Research

Section 1.7 has previously outlined the major delimitations that were a deliberate part of this research. This Section discusses other limitations that became apparent during the progress of the research.
A discussion concerning the important issues of validity and reliability was presented in Section 4.6.1.

This research has deliberately focused on entrepreneurial organisations in order to evaluate and establish the relevance of the conceptual model of corporate entrepreneurship conceptualised in Chapter 3. Conducting three in-depth case studies in Australia and in Sweden constrained the research design adopted in this research to not include more than one organisation for focusing on ascertaining to what extent relevant issues, indicating needed change, could be identified in a low entrepreneurial context. An inclusion of more of such units of analysis may have increased the reliability of the proposed theoretical framework and the operational protocol further.

These limitations are acknowledged but they do not detract from the significance of the findings. The strengths of this research remain for the limitations stated in this Section or in Section 1.7, and do not detract from them but merely provide a platform for future research.

7.7 Implications for Future Research

This research acknowledges the historical and gradual development of study of entrepreneurship as a challenging but necessary journey, including its shifts and turns into other well-defined academic sciences such as economics, sociology, psychology etc. It is important that researchers within the academic domain of corporate entrepreneurship know their heritage well so that no wrongful claims are made. Researchers within this academic domain that are confident and aware of the origin of their predecessors will be more likely to incorporate important knowledge from other sciences, acknowledging them as important contributions rather than having weak self confidence and being reluctant to respond to external influences. This is one of the future challenges within this fourth discipline of entrepreneurship i.e. corporate entrepreneurship, as discussed in Section 2.2. For any research that is undertaken in the area of entrepreneurship, the background and mix of several other sciences, including the historical development of the
notion of entrepreneurship, is imperative, as the academic area of entrepreneurship now justifiably stands on its own.

Establishing casual relationships between the 23 proposed key variables presents a valuable avenue for future research projects within this area. For this reason, quantitative research methods should provide further generalisability to the contextual process model of corporate entrepreneurship presented in Section 6.3.1.

As noted in Section 6.3.3 this research focused deliberately on entrepreneurial organisations in order to evaluate and to establish the relevance of the conceptual contextual process model of corporate entrepreneurship developed in Chapter 3. Conducting three in-depth case studies in Australia and in Sweden constricted the research design adopted in this research to exclude large numbers of less entrepreneurial firms. An inclusion of such units of analysis may have further increased the reliability of the findings. Therefore, applying the suggested framework (F) and the methodology (M) for addressing and assessing the entrepreneurial orientation of an organisation developed in this research could be adopted and engaged to various contextual settings that include lesser entrepreneurially oriented organisations. This variation of application would provide several opportunities for valuable interpretative research to further develop the contextual process approach to corporate entrepreneurship to the context of different organisational situations and contexts. Another prioritised avenue for future research is to develop and apply action research designs in order to develop comprehensive ways to implement the key concept variables suggested in this research.

Importantly, further research designs incorporating alternative data analysis techniques, instead of the EDI-framework adopted in this research for operational comparison, are necessary to further develop and establish the suggested potential of the operational protocol as a meaningful methodological approach for analysing cognitive maps as proposed in this research.
In essence, this research has addressed the need for, and contributed with, meaningful theory development in the academic field of entrepreneurship. The extended theory and operational protocol developed in this research provides an important incentive for future researchers to adopt a continued contextual process approach for further progress in the converging multidisciplinary scientific paradigm now justifiably termed *corporate entrepreneurship.*
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Appendix 1 Copy of “Ethics Approval” for this research project given by the Human Research Ethics Committee
Appendix 2 Contextual process model of corporate entrepreneurship
Appendix 3 Situational context model
developed from case study 1
Appendix 4 Situational context model
developed from case study 2
Appendix 5 Situational context model
developed from case study 3
Appendix 6 Data analysis of case study 1
Appendix 7 Data analysis of case study 2
Appendix 8 Data analysis of case study 3
Appendix 9 Interview Guide / Indicative Questions