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A detailed description of the case study situation is outlined in this appendix. A discussion based on this organisational situation is presented in Chapter 5, Section 5.4.4. The format of the case study description follows the presentation of case study 1 and 2. Adapted to this appendix, the structure therefore be as follows;

- Strategic management behaviour
  - Accountability
  - Risk taking propensity
  - Proactiveness
  - Innovativeness
- Corporate culture, Norms and Values
- Individual traits supporting an entrepreneurial culture

The complete data analysis in this appendix is conducted using the methodological framework presented in Chapter 3 “Research Methodology”, Section 3.5 “Analysis”. The summary of the data analysis presented in Chapter 5, Section 5.4.5 is thus based on the data analysis conducted in this appendix. The data analysis in this appendix comprises the second step of the analysis, as the first step is expressed through the visual display of the cognitive map (situational context model) including the clusters of the three strategic dimensions, also referred to as “domains” in this appendix. The situational context model of case study 3 is presented in appendix 5.
Strategic Management Behaviour

This Section addresses the strategic management behaviour within the Local Government. As expected the Local Government displayed a complex contextual situation which is discussed below.

This particular Local Government is viewed by most managers as a well functioning local government. It is important to point out that no indications found in this case study supports otherwise. The reason for this is that by the end of the day the final verdict of the Local Government’s performance rests with the constituents, and the public opinion genuinely appears to strongly support that this Local Government is performing well. An explanation for this seems to be that this Local Government has a stable and therefore constructive political climate, especially compared with neighbouring local governments. As a result this relatively stable operating environment has made it possible for the Local Government to streamline its organisation. This Local Government operates with a significant lower ratio of staff per constituent compared to most other similar councils. This is for many managers a sign of best practise and it may well be.

The management and the strategic management behaviour at the Local Government have undergone a positive transformation during the last few years. The appointment of an experienced and change oriented CEO a few years ago seemed to have sparked several constructive changes to the ways the organisation was managed and operated. One of these important changes was the introduction of the “client-provider model”, which is discussed in the sub-section “Accountability”, below.

Since the instalment of the new CEO, there has been an intentional strategic recruitment of experienced private sector senior managers. This indicates and supports the view that the CEO has made it a strategic management objective to change the corporate culture and managerial practises by introducing individuals with diverse thinking capabilities and with a mindset that could challenge the norms and values of the traditional Local Government apparatus. These recently appointed private sector managers have a strong
opinion that “the system” of the Local Government needs to be challenged and changed and there is a strong impetus among them to accomplish this. Other managers with a few years of experience from working within the Local Government sigh and comment that “the system will take them down eventually”. This supports the general view that there is a lot of frustrated energy present among the managers and that there is both an opportunity and a potential threat in this. One good example of a situation that feeds the frustration of managers and other staff members is the job classification system within the Local Government. In brief, all job positions are classified from 1 to 8 and the classification number is accompanied by a Queensland state set salary. Each individual is classified as well. For a directors’ position, which is classified as a level 8 position, the individual positioned must be classified as an “8” as well. Much negative energy and frustration is found in the fact that a single manager is not allowed to reclassify his staff members. Instead a committee of randomly chosen staff members was to evaluate if this single individual is capable and competent enough for the tasks provided by the employee’s manager. One manager expressed this as “It is like having the inmates giving out the rewards” whereas another senior manager said that “the classification system should be knocked down by a sledge hammer”. Another perspective on this was stated as “As far as I am concerned, it sucks that I as a manager can not decide what to pay my staff”. Another senior manager commented “As a manager I am not even allowed to evaluate or to set up the criteria of a work position”. These negative feelings concerning basic (in the private sector) managerial principles must be given adequate attention as they negatively affect managers’ impetus to take their own initiatives, being proactive, staff oriented or acting creatively. These observations strongly suggest that these circumstances are detrimental to crucial aspects of the strategic management behaviour affecting the entrepreneurial orientation of the organisation in a negative way. The avenues to address these issues may be limited in this particular public sector context, nevertheless, the change oriented CEO is clearly faced with an inhibiting and an outdated approach to manage an organisation in this regard and should take an informed decision and present the council with recommendations on how to address this issue. If legislation hinders ways to overcome this, many managers still seem to need adequate support from
their directors on this matter on how to deal with this unappreciated and counterproductive situation.

On a general level the managers at the Local Government all seem to have a solid understanding of local governments, which is positive since a public sector organisation does have a legislated purpose to serve the community, its ultimate stakeholders. This solid in depth understanding of local governments goes hand in hand with a professional attitude among all managers and there is a general perception among them that change is a very positive thing and that their organisation should have the ability to improve its entrepreneurial orientation and that this would be beneficial to the community as well.

The following sub-sections further address the strategic management behaviour in the Local Government in terms of “Accountability”, “Risk taking propensity”, “Proactiveness” and “Innovativeness”.

Accountability

As a result of a major organisational restructure a few years ago, which was brought about by the, at the time, newly appointed and experienced CEO, a new organisation was introduced. This new organisation was introduced to work in a “client-provider” relationship within the organisation i.e. setting up virtual relationships to increase professionalism and commercial type behaviour. An important addition to this model was that the organisation was, at the same time, supposed to work “in partnership” with each other, i.e. a very contradictory arrangement.

Many Australian local governments work in accordance with this model and in theory the client–provider set up makes a lot of sense, attempting to create a virtual competitive environment in a commercially restricted public context. It seems clear that this change was positive to the organisation at the time, however many thought it was somewhat rushed in, as it in many cases stimulated planning and particular operations to be more proactive to foresee the needs of its stakeholders. However, today, a couple of years
after its introduction, it seems that the client-provider model within the organisation urgently needs to be addressed as it appears to inflict serious problems on fundamental organisational issues that directly and indirectly affect the entrepreneurial posture and consequently the entrepreneurial orientation.

Most managers at the Local Government express dissatisfaction with the client-provider model. The reasons for this dissatisfaction appear to be originating from the issue of accountability or to be more specific, lack of accountability. Managers repeatedly mention their sense of lack of control over the outcome of their own performance as the major reason for their sense of feeling lack of accountability, i.e. how they feel about the work that they are formally responsible for. A representative example of this lack of accountability can be displayed in the following example;

The division of strategic planning recently proposed to the council their visions of how a recreation area would best meet the needs of the community. The building of this recreation area was proposed on an overall level within the annual budget, based upon the corporate plan originating from the strategic planning division, which was then approved by the local council. I.e. primary funding for this particular project was allocated, but the council restricted the requested funding with approximately 70%. The proposal which was put forward was accompanied by a fairly realistic cost estimate from the strategic planning division and the executive office. However, in order to accommodate the many interests put forward to the council, this particular proposal, and many other proposals like it, received a conditional approval from the council. In brief, in this particular example, the condition was that the funds allocated for the project was given with a 70% reduction of what were budgeted in the proposal. The program management division then became directly responsible for the operational planning to build this recreational area within the boundaries of allocated but reduced funds.

As the practical reality of the project became clear during the rigid operational planning process within the program management division, they could confirm that the primary funding only covered about a third of what it was estimated to actually cost to build this
recreational area within the specifications i.e. the visions provided by the strategic planning division. No specifications were altered after the reduction in funding. In theory one may expect that the council should have been held accountable for not allocating more funds at this point in time or for the strategic planning division to adjust the visions (i.e. specifications). However, in the present organisational situation it is not customary to go back to the council to request more money as political prestige and personal agendas prioritise to what extent the funds have been allocated in the budget for the whole year in the first place.

Now, this is where the system starts to go wrong. Instead of resisting the conditional approval given by the council the client-provider model does not require that the strategic planning division should oppose the council’s decision. Most times any approval, conditional or non conditional, is viewed as a successful decision. In reality what happened is that the program management division received an under funded mission to accomplish a task within a budget that was too narrow and therefore the outcome became a compromise between what was envisioned by the strategic planning division and what was feasible with the allocated resources provided. The strategic planning division may have realised that the restriction in funding made the project unrealistic, but since it is sometimes customary with additional internal funding from discretionary resources to “support” under funded projects, this particular project received some added “internal” funding (not allocated by the council). This secondary funding helped adding much needed resources to the project. However, the project was still not adequately funded to meet the vision presented by the strategic division, consequently adding ongoing friction between the strategic planning division and the program management division. In addition, the program management division do not exercise any formal or practical cost control over the actual building of the recreation area. This lack of cost control in these types of situations, where the program management division is formally responsible for the budget, is perceived by most managers as frustrating and it clearly adds to their sense of lack of accountability. This particular project came in approximately 15% over budget from the service division, i.e. provider. It is important to point out that even the service division was only provided with a budget, a time table and project objectives for the
recreational park from the program management division. This indicates that the service division sometimes needs to cut corners, potentially affecting quality, due to an unrealistic planning and budget process. As a consequence, the service division does not feel accountable either for what is “dumped in their laps”, and the program management division consequently attempts to apply pressure on the service division to achieve the best possible outcome with a fundamentally under funded project.

This particular project eventually had an acceptable outcome only because the client – provider model in reality was circumvented by most involved parties on several and crucial issues: The secondary funding which was introduced from “discretionary” resources is not customary or feasible in a true commercial setting. The original specifications from the strategic planning division was not entirely met either, the best possible outcome considering available resources and circumstances was met instead. A true “client” would most likely not have accepted such a compromise from its original specifications. In this case the client i.e. the strategic division does not really control the funds, which is a situation which does neither simulate nor stimulate professional client (-provider) behaviour. A similar situation also occurred between the program management division and the service division. The provider, i.e. the service division, can not effectively challenge the financial feasibility of the given task and is expected to accept responsibility for a project where they have little or no say in the program management’s planning or budget process. At the same time the program management division has no means of controlling the expenses, there are no effective means to treat the service division as an external vendor such as in a true client – provider relationship. As a result, it is almost impossible for the council and in particular for the CEO to hold anyone accountable for budget overdrafts, which in this Local Government seem to further stimulate the council’s non commercial behaviour of under funding projects. It should be noted that most managers expressed the view that the Council also feel frustrated about this situation where they can not hold any one accountable. Now it is important to remember that according to the Australian Local Government Act, The CEO is solely accountable to the council. It seems like the mandate invested in the CEO by the Australian Government Act should provide a strong enough incentive for him to address
and implement the necessary changes needed in the current practise of the client provider model. These changes should at least include an overview and adjustments of the planning process including an implementation of synchronised efforts between the divisions before approaching the council with proposals and a focus on two-way learning between divisions and constructive feedback after and during projects. A stronger accountability within the organisation and especially on the management level will indirectly enforce the CEO’s position to the council which will give him added leverage to address other strategic issues as well.

A consequence of the current practise of the client–server model is that the accountability of managers within the Local Government is significantly lower than what should be expected and even accepted. Many managers hold the opinion that the current client-provider model is adversary to management in the Local Government. A level of cynicism among managers has been observed, which most likely originates from the lack of accountability in the organisation. This level of scepticism and cynicism should seriously concern the council and in particular the CEO and that this situation should be responded to in a swift and appropriate way.

The above example points out some severe weaknesses in the current service-provider model. Even though the intentions have been good and the outcome has improved over the last years, the current situation is that the Local Government has a “bastard version of the client – provider model”, as expressed by one of the senior managers. Succeeding in creating a competitive environment in “partnership”, which has been advocated by the CEO, is a contradiction in itself. It appears virtually impossible, or at least extremely difficult to accomplish such a partnership in an attempted competitive setup of virtual relationships, especially in a public sector context. In order to govern that the project’s allocated funding and other critical specifications are realistic and also viewed so by the responsible receiver, the terms and conditions must be agreed upon by the involved parties on a commercial basis. One example of this could be commercial like Service Level Agreements (SLA’s). This would certainly have impacts on how the planning processes are executed and where the accountability lies in every step of the process.
Furthermore, the Local Government has no established form of internal cost debiting structure. This further inhibits individual managers to feel or to be held accountable for the outcomes of their performance. This research project has not attempted to find solutions on how to improve the current weaknesses in the client-provider model. It has however in this case study been indicated that the lack of accountability affects the entrepreneurial orientation in a negative way as it undermines individual managers’ initiatives of creative and innovative actions, as well as it clearly lowers their proactiveness and risk-taking propensity.

What is clearly recognised is that this organisation has an overall lack of accountability. An internal cost debiting structure may add to the level of accountability and increase the level of a commercial decision making. Conditional approvals from the council should perhaps be appointed an interimistic status until the program management division and the service division verifies and accepts the feasibility of the project. Furthermore, a focus on two-way learning between the divisions seems imperative. For example, the provider, i.e. the service division gains and holds much valuable operational knowledge and experience that is clearly underutilised in the planning process, especially within the program management division. To address this, representatives from the service division should participate to a larger extent than what is presently the practise in the operational planning process that takes place in the program management division. A cross divisional job rotation program may address this issue.

**Risk taking propensity**

The context in which the Local Government operates is risk adverse. The most obvious reasons for this can be found in the councillor’s reluctance to engage in ventures involving risk that could jeopardise their position among their constituents. The tolerance for failure is consequently remarkably low throughout the Local Government. Political risk is therefore a major influential factor in the decision making process. Less obvious reasons for the unwillingness for councillors to accept risk can probably be explained by many councillors’ lack of business management experience and skills from equivalent
sized private organisations where risk is a recognised, accepted and managed factor. A senior manager expressed this as “only if the councillors’ own homes were put up as collateral, then they would take commercial decisions. That is the political animal we work with”. Or as another senior manager put it “We make political decisions. If the decision is political survival or economic prosperity, we would choose political survival every time”.

The political power play which is present in the decision making process is the most logical and obvious explanation to why the management style within the Local Government is expressively and extensively consultative, consequently fostering cautious behaviour from managers as well as staff members. This consultative management style can be linked to strong political influences and councillors’ reluctance to accept commercial risk. It seems evident that this cautious leadership style has affected the risk taking propensity of individual managers in the Local Government. One manager expressed this as “we operate in a low risk environment”, another as “there is no forgiveness among our stakeholders if we take a risk and fail”. There is a widespread opinion among the managers that “we [would] rather have a lower return if this can lower the risk”. According to some managers this low risk mentality seems to be supported or even appreciated by the Local Governments’ constituents. An additional reason for the low risk taking propensity stated by many senior managers is that the constituents hold the view that the Local Government should not compete for jobs that could benefit the private sector. This could partially explain why most managers that were interviewed feel that local governments generally do not recognise commercial opportunities. It is this researcher’s opinion that this Local Government instead deliberately chooses not to recognise and act upon commercial opportunities because of the no risk milieu in combination with a history of cautious private sector intervention. The current public opinion seems to reinforce that this particular Local Government should avoid taking commercial risks. This may present potential problems for the future in an important area such as the funding of land acquisition. As the local infrastructure and community services need to be expanded the Local Government will have to bid for properties and land on a commercial basis. The funding for this future land acquisition may present a
large potential problem which needs to be seriously addressed as the current financial situation does not cover such a shift in “strategic expenses”. Land development is at the same time the most apparent area where proactive, even speculative investments are made by the Local Government. One reason for this particular speculative behaviour is by the lack of opposition from the constituents for these types of ventures.

On an overall level, it is the view of this researcher that the Local Government including the council as its board of directors must treat the constituents like true (commercial like clients), clients that are intelligent and that one must assume would be perceptive to logical arguments for why they need to consider and accept their Local Government to increase the level of entrepreneurial orientation. This also underscores one of the most important issues to a leadership which embraces change and opportunities and that would likely reinforce the public’s support for a higher level of entrepreneurial orientation. That is managers and councillors who are individually prepared to fight and take the consequences in order to change the current system, a system and an attitude that does not stimulate nor support managers that try to integrate risktaking, proactiveness and innovativeness in their management practises.

**Proactiveness**

Once again the nature of the Local Government’s context has fostered and established a mix of both proactive and well as unwanted reactive behaviour. There is an agreement among the managers that the reactive type of behaviour has been reduced significantly from previous “catastrophic” levels of reactive actions to the present situation where many managers appreciate and perceive the proactive approach as a future critical success factor for the whole organisation and its mission. There is also an agreement that an extended proactive approach to most operational and strategic areas would benefit the overall performance and improve the working conditions for managers. This was explained by one senior manager as “we are very much a reactive organisation, trying to come up with a solution as a result to a failure in the system”. Another manager explained it as “we need to chase our tail less, proactive planning rather than reactive
the key”. At the same time much proactive management is executed within the Local Government. A typical example of this is the master planning of different geographical locations, where mainly future local infrastructure is planned. Based on master planning outcomes informed decisions can be processed and proposed to the council. However, master planning in general can be a politically difficult issue since much community consultation is included in a master planning process. This community involvement leads to expectations from the constituents; expectations that are very much based on the communicated visions of individual councillors, not approved decisions. One may think that by explaining this in a better way to the public the expectations could be lowered, instead this reflects on another systemic complexity in the Local Government decision making structure. The Local Council, which may be compared with a board of directors in a private firm, consists of 12 councillors where each councillor is elected on the basis of his or hers geographical area and many times directly because of his or hers prioritised issues in that particular area. However, when a councillor gets elected he or she does not any longer represent just the geographic area that elected him or her; legislation demands that this councillor makes decisions that are in the best interest of all constituents of the Local Government. This reveals that many councillors operate with a double agenda: one personal agenda, so that he or she can be re-elected within his or her geographical area, and one overall agenda that includes the broader interests of all constituents. This constitutes and focuses on an interesting dilemma which this research does not attempt to find a solution to. It can however be stated that the master planning process is a relevant example of an important, mainly strategic and proactive behaviour that most times are to the benefit of organisational performance and community communication i.e. stakeholder interaction.

As commented by many managers, there is a strong incentive for proactive behaviour since the region is expanding so rapidly. In order to respond to this rapidly changing operational context (compare: market in the private sector), proactive behaviour may truly be the “key” to the future success of this particular Local Government. However, the current situation also presents examples that discourage proactive behaviour. One manager expressed this as “I get these comments from councillors, what is this manager
doing without consulting us?” True creative and proactive managers then has to
circumvent the system and go for what they believe can get them a favourable decision,
as illustrated by this comment, “When I see something that I believe can be developed
into something positive, I circumvent the system and engage in political lobbying”. Many
managers expressed a concern “that the politicians [councillors] do not favour us, the
bureaucrats, to come up with good ideas. The councillors are supposed to do that”. One
manager summarised this discussion with the following comment, “in brief, you could
say that we are only proactive in the areas were the councillors would support it”. This
also indicates that the perceived level of autonomy is low. The issue of autonomy is
further addressed in the Section “Corporate culture, Norms and Values”, below.

**Innovativeness**

When reflecting on the issue of innovativeness as an integrated part of the strategic
management behaviour of the Local Government it seems clear that the low risk taking
propensity, as discussed above, of the management has directly affected the level of
innovativeness in a negative way.

The main explanation for this can be found in the Local Government’s corporate culture
which does not support individual innovative behaviour, neither among the staff nor the
managers. Once again there are several aspects to this reflection. Most managers hold the
opinion that what they say or present is truly listened to. At the same time many agree
that “you are told very quickly if you are out of your boundaries”. The underpinning
perception is that “we do business by the book”. Some managers clearly see this as a
positive challenge and as a way to distinguish him or her self and that is a good sign.
Innovativeness as a behaviour is informally appreciated. One manager expressed this as
“if you present a good idea, it is welcomed but not supported with necessary resources,
you have to do it yourself, which acts as an inhibitor”. Being innovative is in this
researcher’s view the next level of being change oriented. The Local Government seems
to embrace a change which is controlled and not to fast. Innovativeness also holds aspects
of creativeness and may involve risk. This has implications considering the following
comment from of the senior managers “the politicians hate failure, they do not care how long it takes, just don’t make a mistake”. This mentality inhibits an innovative mindset as a mean of strategic management behaviour. This has led to creative behaviour by some managers with a strong impetus to overcome and challenge the system. They work on individual ideas without formal approval, they themselves evaluate the feasibility of their idea, package the idea up to the stage where as much risk as possible is eliminated from the proposal and then circumvent the system, i.e. engage in informal contacts with councillors who they believe would support the idea. This behaviour indicates that many managers would like to integrate a more innovative approach in their management behaviour. This behaviour also indicates that the organisational context does not support or embrace innovativeness as an appreciated quality of management behaviour. But it also indicates that since change is now openly supported and accepted, the corporate culture including its norms and values appears to be ready to evolve in regards of supporting innovativeness as an essential characteristic of strategic management behaviour within the Local Government.

**Corporate Culture, Norms and Values**

This Section addresses the corporate culture and shared norms and values within the Local Government.

Based on the discussion of corporate culture and norms under Section 2.4.1, (Chapter 2), an adequate objective for this research project is to understand and consider to what extent different specific values and norms are present at the Local Government, and in particular if any of these shared norms and values within the organisation support, amplify or hinder a corporate culture within Local Government that is supportive of a corporate entrepreneurial behaviour.

As was discussed in the previous Section, “Strategic Management Behaviour”, the provided examples highlighted that the management in general refer to the Local Government’s decision making structure as overly reluctant to accept risks in any way,
which has the effect that it also slows down the decision making process. It also seems to affect the type and level of support the council expresses for certain opportunities. Furthermore, the lack of accountability within the organisation has led to an overly cautious and consultative type of individual behaviour and a leadership style that strongly inhibits proactive and innovative behaviour within the Local Government. This situation has affected the corporate culture including its norms and values, making it a culture that is not supportive of entrepreneurial behaviour. In brief, the corporate culture and its norms and values does not support nor stimulate the entrepreneurial orientation.

The corporate culture within the Local Government can best be described as an untrusting and defensive culture. Explanations for this can be traced to all the issues discussed above. A significant reason seems to be that the links are not strong enough between the divisions and the council. Many managers agree that information sharing is being held back by some as a mean of systematic power play adding further distance between the organisational levels and areas. There is at the same time a lot of scepticism and cynicism directed by the management towards the council and the council’s focus on political gains rather than on a commitment to what is best for the Local Government, which in their view is ultimately providing the outcomes for the constituents. This strongly indicates that a more genuine understanding and acceptance needs to be developed between the Council and the Local Government organisation as well as between the three divisions. The CEO who represents the most obvious and critical interface between the Local Government and the council, needs to seriously consider how to overcome this protective corporate culture and this “we and them” mentality. Considering also that most managers comment the CEO as running the organisation as a ship and only steering it from the bridge, and that he is never being seen around the ship, indicates some avenues for the required change.

The management informally supports creativity among organisational members. However, no specific measures taken to actively promote or facilitate such creativity were observed, such as rewards or financial or non financial incentives. The staff members seem to be well aware that it is much appreciated and well received by their (3rd
level) managers, and that it is even a sign of commitment and engagement, to actively come forward with opinions and suggestions. This is a good sign which shows that many individuals and managers hold own values and norms that could and should become more recognised, utilised and beneficial to the organisation.

The individuals at Local Government appear to be well informed about the progress of many ongoing issues in the organisation. Since the management mainly focuses on providing formal information regarding community outcomes, the level of informal information and communication must be high. One likely explanation for this is that the management style is consultative, and that many managers talk informally with each other. The individual operational teams seem to enjoy a high level of exchange of information and ideas within their group. These group teams give a distinct impression of being very productive and goal oriented. The low staff-constituent ratio supports this. At the same time the level of speculation in all levels of the organisation appears to be high. The reason for this may once again be found in the weak linkages between the divisions and on the senior management level and on a poor overall communication practise within the organisation. This has most likely also worsened the level of distrust and understanding between organisational members and between the three divisions.

Interestingly no single individual that was interviewed mentioned the word job satisfaction, however many did express a strong sense of job satisfaction. The common theme for their job satisfaction was that they feel that they are an important part of and also directly affecting and shaping the future of their own community. This is probably one of the most important assets for the Local Government, having staff members that also perceive themselves as stakeholders of the organisation. This could be facilitated as a major theme that could be an important corner stone in building better understanding, acceptance and eventually higher levels of accountability between the council and the Local Government and between the three divisions of the Local Government organisation. These organisational boundaries in the Local Government are presented and perceived by most managers as rigid and very formal. The organisational hierarchy is at
the same time not viewed by managers as complex, everyone knows exactly who decides, and that is the CMT, i.e. the three division directors and the CEO.

The organisational hierarchy is also supported and reinforced by extensively developed and documented processes for planning activities and the decision making procedures that follows. The corporate governance Section within the strategic division has implemented, and as the name suggests “governs”, a rigid administrative infrastructure for the processes involving planning and decision making that appears to support the processes in an effective way. However, since the processes are very formalised, this also acts as an inhibitor for change oriented efforts and it definitely lowers the strong impetus observed in some individuals. This rigid administrative infrastructure is certainly a major part of the “system” that many refer to as almost a living object that “takes people down eventually”, as expressed by a senior manager. Since most managers are afraid of failure, much time and consequently Local Government resources is spent on creating procedures and systems which primary purpose is just to protect the back of some single department (i.e. manager). Many senior managers confirmed this and, one added “I even try to hide my mistakes”. Or as expressed by another, “The new director positively surprised me when he managed to shuffle funds to cover up my miscalculation”.

In a situation where cynicism and scepticism is present it seems essential for the CEO to clearly identify to people what their jobs are and to reinforce it. This comment from a senior manager supports this observation: “We are not education or welfare, we are roads, rubbish and rates, most people go beyond their mandate which is detrimental to the organisation”. Another manager said “Too many people in the organisation are interested in social justice rather than organisational performance”.

As a summary, the corporate culture at the Local Government struggles with many negative influences that reinforce unconstructive norms and values. A true commitment from all managers to agree upon and communicate the strategic importance of norms and values that not only support risktaking, proactiveness and innovativeness but that also support commercial decision making, diverse thinking and a tolerance for failure, is
essential. Only when this commitment becomes a strategic objective truly supported by
the council and the CEO in particular then there is a substantial opportunity to affect and
improve certain areas of the corporate culture within the Local Government. In order to
affect and change the corporate culture and its norms and values it is essential that
adequate resources are allocated. It is at the same time imperative that the present norms
and values are openly identified and communicated in relevance to the suggested key
elements that need to be introduced. An important task for all managers is to
communicate and show true commitment to the new strategic objective which is to plan
and launch a professional corporate culture development process. It is necessary to
involve all organisational members in the corporate culture development process. Factors
such as active feedback, managers being sincere role models in important situations are
crucial for the organisation to learn to recognise and tribute the right positive behaviour
and development. It is also imperative to ensure an ongoing focus on the corporate
culture development program including the evaluation of progress and to communicate it
extensively and in a professional manner. The Local Government has engaged in some of
these issues over the last 18 months, i.e. much of the ground work has already been done.
This indicates that there is or at least has been an awareness and support for this line of
strategic thinking. The necessary work and challenge still ahead for the Local
Government is to ensure an ongoing focus on the committed norms and values, and for
the managers to receive true and meaningful support from their managers so that the
management as a whole can behave as influential culture carriers and as agents of
change.

**Individual Traits Supporting an Entrepreneurial Culture**

This Section addresses the individual traits observed at the Local Government.

As discussed in the two previous case studies, 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 the Local Government in combination with experiences and interpretations from interacting with these individuals. Instead of using predominately quantitative results from tests, it is this researcher’s view that 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 Local Government has a focus on employing individuals who will fit well with their organisation. The most important individual traits that are appreciated are positiveness, goal orientation, professionalism, competence in their field, and the individual’s social competence and ability to fit into the rest of the group.

It is this researcher’s opinion that all individuals that participated in the study were highly professional, showed high social competence, and that they displayed many of the qualities described as preferred above. The staff at Local Government describes their colleagues as committed, loyal, hard working, competent, positive and professional.

Comparing the observed traits of the individuals within the Local Government with the traits that are stated in the contextual process model of corporate entrepreneurship, there is no clear match between the proposed traits in the model and what was observed in the Local Government. In particular, there is a low risk taking propensity among most of the individuals interviewed in this case study. It is however difficult to make a distinction whether the corporate culture and the strategic management behaviour have made the individuals adverse to taking risks or if the individuals personal traits and characteristics have affected the corporate culture and the strategic management behaviour to such an extent that the entire organisational system has become risk adverse. Considering the discussions in the previous Section, this researcher is more prone to adhere to the belief that the individuals in the Local Government are not less risk taking than any other work group, hence focusing the status of risk taking propensity of the organisation on the organisational structure and context.
Many individuals express a strong need for achievement, many are “doers” and consequently goal oriented. The need for autonomy as an individual trait has not been observed. The perception that a Local Government does not leave much room for individuality seems to be a general opinion. It is possible that this condition attracts individuals whose need for autonomy is lower than in private sector organisations.

The majority of managers are described as “Eagles”, individuals who are independent, that know where they are going and have strong views about things. At the same time managers are described as more process and outcome focused than on peoples skills, intuition and sensing different situation. The main theme for describing the managers’ characteristics and traits was that the Local Government does not have many “relationship based managers”.
OPERATIONAL COMPARISON / DATA ANALYSIS

Based on the framework developed in Chapter 3, Section 3.5, the situational model (appendix 3) will be analysed in the following order.

1. Comparison between the environmental domain in the situational map and the Environmental domain presented in the conceptual model of corporate entrepreneurship. This comparison will be divided into two parts, the first addressing “Norms and values” and the second addressing the “Corporate culture”.

2. Comparison between the individual domain in the situational map and the individual domain presented in the conceptual model of corporate entrepreneurship.

3. Comparison between the organisational domain in the situational map and the organisational domain presented in the conceptual model of corporate entrepreneurship.

For each comparison, the relevant part (cluster including concepts) of the conceptual contextual process model is displayed following the presentation of the corresponding part of the situational map.

Note: The number shown in front of each concept is provided by the professional software application used for the first step of the analysis, Decision Explorer. Each individual number has no specific meaning other than to provide an easier identification and cross-referencing between concepts and models and into the individual comparison.
Operational Comparison of the Environmental Dimension, Part 1 Norms and Values

The cluster below displays the cluster of norms and values allocated in the environmental domain of the conceptual map of corporate entrepreneurship.

Figure 1 Concept Variables Relating to the Norms and Values


Each concept in Figure 1 will be engaged in an operational comparison with the situational cluster displayed below, Figure 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 because of the discussion raised under the Section “Corporate Culture, Norms and Values”. Consequently, this first cluster in the Environmental Domain of the situational map will address the norms and values at the Local Government.

**Figure 2 Norms and Values as Shown in the Situational Map of Case Study 3**

Source: The situational map of case study 3 (the Local Government), Appendix 5
1. List of the relevant concepts found in Figure 2 believed associated with the norms supporting the implementation of innovations regardless of the individuals or groups involvement (concept 35, Figure 1).

134 There is no forgiveness among our stakeholders if we take a risk and fail
161 We have to do business “by the book”
173 I would not promote a good idea if it was not political feasible
175 I work in a no mistake environment, I try to hide my mistakes
176 The politicians hate failure, they do not care how long it takes or how inefficient it is, just do not make a mistake
177 Politically it is unacceptable for bureaucrats to come up with good ideas so incentives for good ideas is out of the question
223 Our community our very conservative towards our tasks and duties

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Desirable</th>
<th>Undesirable</th>
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<tbody>
<tr>
<td>High</td>
<td>134, 161, 173, 175, 176, 177, 223</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td></td>
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</table>
2. List of the relevant concepts found in Figure 2 believed associated with the norms supporting information sharing between individuals and groups regardless of organisational position (concept 32, Figure 1).

Information sharing is being held back by some as this is a mean of power

<table>
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<th>Expectation</th>
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<tbody>
<tr>
<td>High</td>
<td></td>
<td>210</td>
</tr>
<tr>
<td>Low</td>
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3. List of the relevant concepts found in Figure 2 believed associated with the norms encouraging creativity among organisational members (concept 29, Figure 1).

134 There is no forgiveness among our stakeholders if we take a risk and fail;
161 We have to do business “by the book”;
163 Good ideas are always listened to;
173 I would not promote a good idea if it was not political feasible;
175 I work in a no mistake environment, I try to hide my mistakes;
176 The politicians hate failure, they do not care how long it takes or how inefficient it is, just do not make a mistake;
177 Politically it is unacceptable for bureaucrats to come up with good ideas so incentives for good ideas is out of the question;
204 We employ people that are innovative keen and full of energy, but the system brings them down;
208 We do not have a competitive environment;
210 Information sharing is being hold back by some as this is a mean of power;
223 Our community our very conservative towards our tasks and duties;

Desirability

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<th>Desirable</th>
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<tbody>
<tr>
<td>High</td>
<td></td>
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<td>Low</td>
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</table>
4. List of the relevant concepts found in Figure 2 believed associated with norms that promote tolerance for failure (concept 33, Figure 1).

134 There is no forgiveness among our stakeholders if we take a risk and fail
161 We have to do business “by the book”
175 I work in a no mistake environment, I try to hide my mistakes
176 The politicians hate failure, they do not care how long it takes or how inefficient it is, just do not make a mistake
223 Our community our very conservative towards our tasks and duties

![Desirability Table]

Desirable

Undesirable

134, 161, 175, 176, 223
5. List of the relevant concepts found in Figure 2 believed associated with norms that encourages open minded consideration of new ideas and projects (concept 34, Figure 1).

161 We have to do business “by the book”
163 Good ideas are always listened to
173 I would not promote a good idea if it was not political feasible
175 I work in a no mistake environment, I try to hide my mistakes
176 The politicians hate failure, they do not care how long it takes or how inefficient it is, just do not make a mistake
177 Politically it is unacceptable for bureaucrats to come up with good ideas so incentives for good ideas is out of the question
210 Information sharing is being hold back by some as this is a mean of power
223 Our community our very conservative towards our tasks and duties

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6. List of the relevant concepts found in Figure 2 believed associated with norms that facilitate resource supports for innovative ventures (concept 36, Figure 1).

- None found

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<tbody>
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<td>None found!</td>
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<tr>
<td>Low</td>
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</tbody>
</table>
7. List of the relevant concepts found in Figure 2 believed associated with values for innovation as a practice and source of competitive advantage (concept 26, Figure 1).

134 There is no forgiveness among our stakeholders if we take a risk and fail
161 We have to do business “by the book”
175 I work in a no mistake environment, I try to hide my mistakes
176 The politicians hate failure, they do not care how long it takes or how inefficient it is, just do not make a mistake
177 Politically it is unacceptable for bureaucrats to come up with good ideas so incentives for good ideas is out of the question
204 We employ people that are innovative keen and full of energy, but the system brings them down
208 We do not have a competitive environment
223 Our community our very conservative towards our tasks and duties

Desirability

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<tr>
<td>High</td>
<td>134, 161, 175, 176, 177, 204, 208, 223</td>
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<td>Low</td>
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</table>
8. List of the relevant concepts found in Figure 2 believed associated with norms encouraging search for innovation opportunities from external sources (concept 30, Figure 1).

161 We have to do business “by the book”
177 Politically it is unacceptable for beaurcrats to come up with good ideas so incentives for good ideas is out of the question
204 We employ people that are innovative keen and full of energy, but the system brings them down
210 Information sharing is being hold back by some as this is a mean of power
223 Our community our very conservative towards our tasks and duties

Desirability

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<th>High</th>
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<tr>
<td>161, 177, 204, 210, 223</td>
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Expectation
Summary of the Operational Comparison of the Environmental dimension, Part 1 Norms and Values

The operational comparison between the conceptual contextual model of corporate entrepreneurship and the situational process model representing the situation at The Local Government suggest that there are not presence of norms and values in the organisation that can be associated with;

- Norms supporting the implementation of innovations regardless of the individuals or groups involvement (concept 35, Figure 1).
- Norms and values for innovation as a practice and source of competitive advantage (c.26, fig.1).
- Norms that facilitate resource supports for innovative ventures (c.36, fig.1).
- Norms encouraging creativity among organisational members (c.29, fig.1).
- Norms that encourages open minded consideration of new ideas and projects (c.34, fig.1)
- Norms encouraging search for innovation opportunities from external sources (c.30, fig.1).
- Norms supporting information sharing between Individuals and groups regardless of organisational position (c.32, fig.1).

The conceptual model of corporate entrepreneurship suggests that it is desirable with the presence of such norms and values. The operational situation at The Local Government does not support any presence of these norms and values. It is therefore recommendable to address some strategic decisions to initiate and develop such norms and values at The Local Government.
Operational Comparison of the Environmental Dimension, Part 2 Corporate Culture

The cluster below displays the corporate culture and is allocated in the environmental dimension of the contextual process model of corporate entrepreneurship.

Figure 3 Concept Variables Relating to the Corporate Culture

Source: The contextual process model of corporate entrepreneurship, Appendix 2.

Each concept in Figure 3, above, will be engaged in an operational comparison with the relevant concepts in the situational cluster displayed in Figure 4, below.
The cluster below displays the cluster of the corporate culture and is allocated as the second major cluster in the environmental domain of the situational cognitive map. The environmental domain is divided into two separated clusters as a consequence of the discussion raised under the Section “Corporate Culture, Values, Norms and Brand Name”. Consequently, this second cluster under the Environmental Domain will address the corporate culture at The Local Government.

**Figure 4 Concept Variables of the Corporate Culture as Shown in the Situational Map of Case Study 3**

Source: The situational map of case study 3 (Local Government), Appendix 5
1. List of the relevant concepts found in Figure 4 believed associated with management support that supports a corporate culture supportive of innovation and entrepreneurial behaviour (concept 23, Figure 3).

149 The culture does not support individual entrepreneurial behaviour
159 The accountability is low between the divisions
178 We have an untrusting and defensive culture
181 We do not really have a client-provider model we have a bastard version of it
184 Our strict class system, unionism, does not nurture creativity and innovativeness
189 A lot of people are more interested in social justice than stretching the boundaries
207 There is no feedback i.e. two way learning in our current organisational structure
208 We do not have a competitive environment
217 The linkages are not strong enough between our divisions
221 We have a poor moral
222 There is a lot of frustrated energy present
225 If you present a good idea, it is welcomed but not supported with added resources, you have to do it yourself, which acts as an inhibitor
226 You are told very quickly if you are out of your boundaries

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<tbody>
<tr>
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<tr>
<td>(149, 159, 178, 181, 184, 189, 207, 208, 217, 221, 222, 225, 226)</td>
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37
2. List of the relevant concepts found in Figure 4 believed associated with the appropriate use of rewards that are supportive of a corporate culture supportive of innovation and entrepreneurial behaviour (concept 22, Figure 3).

- None found
3. List of the relevant concepts found in Figure 4 believed associated with increased participation in the decision process and that supports a corporate culture supportive of innovation and entrepreneurial behaviour (concept 65. Figure 3).

178 We have an untrusting and defensive culture
180 I think we have a dysfunctional organisational structure
222 There is a lot of frustrated energy present
226 You are told very quickly if you are out of your boundaries

Desirability

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<tr>
<td>High</td>
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<td>178, 180, 222, 226</td>
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4. List of the relevant concepts found in Figure 4 believed associated with the perception of organisational boundaries and that supports a corporate culture supportive of innovation and entrepreneurial behaviour (concept 27, Figure 3).

178 We have an untrusting and defensive culture
180 I think we have a dysfunctional organisational structure
181 We do not really have a client-provider model we have a bastard version of it
182 We have a lot of confusion about the client provider model, it was rushed in
217 The linkages are not strong enough between our divisions

Desirability

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<tr>
<td><strong>High</strong></td>
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<td>178, 180, 181, 182, 217</td>
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<td><strong>Low</strong></td>
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5. List of the relevant concepts found in Figure 4 believed associated with the informality of communication that supports a corporate culture supportive of innovation and entrepreneurial behaviour (concept 57, Figure 3).

178 We have an untrusting and defensive culture
217 The linkages are not strong enough between our divisions
221 We have a poor moral
226 You are told very quickly if you are out of your boundaries

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<td><strong>Desirable</strong></td>
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| High
| Low

41
6. List of the relevant concepts found in Figure 4 believed associated with an organisational structure that supports a corporate culture supportive of innovation and entrepreneurial behaviour (concept 25, Figure 3).

159 The accountability is low between the divisions
180 I think we have a dysfunctional organisational structure
208 We do not have a competitive environment
217 The linkages are not strong enough between our divisions

Desirability

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<tr>
<td>High</td>
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<td>159, 180, 208, 217</td>
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<td>Low</td>
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</table>
7. List of the relevant concepts found in Figure 4 believed associated with the autonomy and work discretion that supports a corporate culture supportive of innovation and entrepreneurial behaviour (concept 26, Figure 3).

145 Low autonomy among organisational members
149 The culture does not support individual entrepreneurial behaviour
178 We have an untrusting and defensive culture
221 We have a poor moral
222 There is a lot of frustrated energy present
226 You are told very quickly if you are out of your boundaries

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<th>Expectation</th>
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<tr>
<td>High</td>
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<td>145, 149, 178, 221, 22, 226</td>
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</table>
Summary of the Operational Comparison of the Environmental Dimension, Part 2 Corporate Culture

The operational comparison between the conceptual model of corporate entrepreneurship and the situational process model representing the situation at The Local Government suggests that there is no presence of a corporate culture that can be associated with;

- Management support that supports a corporate culture supportive of innovation and entrepreneurial behaviour (concept, 23 Figure 3),
- Increasing of participation in the decision process that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (concept 65, Figure 3),
- The perception of organisational boundaries that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (concept 27, Figure 3),
- The autonomy and work discretion that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (concept 26, Figure 3).
- The appropriate use of rewards that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (concept 22, Figure 3).
- The informality of communication that promotes a corporate culture supportive of innovation and entrepreneurial behaviour (concept 57, Figure 3).

The conceptual model of corporate entrepreneurship suggests that it is desirable a corporate culture these corporate cultural characteristics. The operational situation studied does not support any presence of such cultural characteristics. It is therefore recommendable to address some strategic decisions to initiate and develop such corporate culture characteristics at The Local Government.
Operational Comparison of the Organisational Dimension

The cluster below displays the cluster of the strategic management behaviour and is allocated in the organisational domain in the conceptual map of corporate entrepreneurship.

Figure 5 Concept Variables Relating to the Strategic Management Behaviour

Source: Identical with Figure 3-2 in the main document.

The concepts 18, 19 and 20 in Figure 5, above, will be engaged in an operational comparison with the relevant concepts in the cluster displayed in Figure 6, below.
The cluster below displays the cluster of the strategic management behaviour and is allocated in the organisational domain of the situational cognitive map of BMW.

Figure 6 Concept Variables Relating to the Strategic Management Behaviour as Shown in the Situational map of Case Study 3

Source: The situational map of case study 3 (the Local Government), Appendix 5
1. List of the relevant concepts found in Figure 6 believed associated with proactiveness as a strategic management behaviour that supports an entrepreneurial posture (concept 20, Figure 5).

143 Very little individual decision making power, leading to consultative, cautious behaviour
160 I would prefer a more proactive approach
166 We need to chase our tail less, i.e. proactive planning rather than reactive is the key
170 When I see something that I believe can be developed into something positive I circumvent the system and engage in political lobbying
174 In brief you could say that we are proactive in areas were the councillors would support it
191 We are very much a reactive organisation, trying to come up with a solution as a result to a failure in the system
192 I get this comments from councillors such as “what is this manager doing without consulting us”
214 There is a lack of creativity of new ideas

Desirability

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<tbody>
<tr>
<td>High</td>
<td>143, 160, 166, 170, 174</td>
<td>191, 192, 214</td>
</tr>
<tr>
<td>Low</td>
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</table>
2. List of the relevant concepts found in Figure 6 believed associated with risk taking as management behaviour and that supports an entrepreneurial posture (concept 18, Figure 5).

127 A lot of things are legislative, for us not to take unnecessary risks
130 We do not generally get involved in speculative ventures
131 We are generally risk adverse
133 We rather have lower return if this can lower the risk
135 The most entrepreneurial activity we engage in is land development which sometimes involve speculative investment, still with low risk taking
168 We make political decisions, if the decision is political survival or economic prosperity we would choose political survival every time
169 Only if the councillors own homes were put up as collateral then they would take commercial decisions that’s the political animal we work with
216 People are only partially responsible for outcomes

Desirability

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<td>High</td>
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</table>
3. List of the relevant concepts found in Figure 6 believed associated with innovativeness as strategic management behaviour and that supports an entrepreneurial posture (concept 9, Figure 5).

158 Change is a positive thing for the senior management today
167 Managers that are change oriented and challenge the system are recruited

Desirability

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<th>Desirable</th>
<th>Undesirable</th>
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<tbody>
<tr>
<td><strong>High</strong></td>
<td>158, 167</td>
<td></td>
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It is important to remember that when analyzing the strategic management behaviour at The Local Government, 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” rather hold the meaning of 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 from 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” based upon the reason why the “creative change” should be implemented and what strategic effect it seeks to bring. It is this researcher’s impression that the management at the Local Government, and the CEO in particular, integrates strategic incremental changes in the strategic management behaviour.
Summary of the Operational Comparison of the Organisational Dimension, Strategic Management Behaviour

The operational comparison between the conceptual model of corporate entrepreneurship and the situational process model representing the situation at The Local Government suggest that there is not a presence of a strategic management behaviour that is believed associated with

- Proactiveness as a strategic management behaviour that supports an entrepreneurial posture (concept 20, Figure 5),
- Risk taking as strategic management behaviour that supports an entrepreneurial posture (concept 18, Figure 5),

There are some indications that there are norms and values present within the Local Government that supports

- Innovativeness as strategic management behaviour that supports an entrepreneurial posture (concept 9, Figure 5).
Operational Comparison of the Individual Dimension

The cluster below displays the cluster of the individual traits and is allocated in the individual dimension in the conceptual map of corporate entrepreneurship.

Figure 7 Concept Variables Relating to the Individuals Traits

Source: Identical with Figure 3–4 in the main document

Each concept in Figure 7, above, will be engaged in an operational comparison with the concepts in the situational cluster displayed in Figure 8, below.
The cluster below displays the cluster of individual traits of an entrepreneur in a corporate setting and is allocated in the organisational domain of the situational cognitive map of the Local Government.

**Figure 8 Concept Variables Relating to the Individual Traits as Shown**

**In the Situational Map of Case Study 3**

![Diagram showing individual traits and their relationships](image)

Source: The situational map of case study 3 (the Local Government), Appendix 5
1. List of the relevant concepts found in Figure 8 believed associated with the need for achievement (concept 52, Figure 7).

141 People are personally committed
147 Some are ambitious
171 Many thrive on praise and recognition
196 My staff feel a strong need for achievement
212 Most people are doers

Desirability

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<th>Expectation</th>
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<tr>
<td>High</td>
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2. List of the relevant concepts found in Figure 8 believed associated with internal locus of control (concept 54, Figure 7).

144 People are loyal
146 People take great pride of their knowledge
171 Many thrive on praise and recognition
3. List of the relevant concepts found in Figure 8 believed associated with risk-taking propensity (concept 50, Figure 7).

- None found

Desirability

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<td>High</td>
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4. List of the relevant concepts found in Figure 8 believed associated with goal orientation (concept 51, Figure 7).

141 People are personally committed
147 Some are ambitious
171 Many thrive on praise and recognition
196 My staff feel a strong need for achievement
212 Most people are doers
227 People are goal oriented
5. List of the relevant concepts found in Figure 8 believed associated with desire for autonomy (concept 53, Figure 7).

- None found

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Summary of the Operational Comparison of the Individual Dimension

The operational comparison between the conceptual model of corporate entrepreneurship and the situational process model representing the situation at The Local Government suggest the presence of individual traits that is believed associated with

- The need for achievement (concept 52, Figure 7),
- Internal locus of control (concept 54, Figure 7),
- Goal orientation (concept 51, Figure 7),

The operational comparison also suggests that there is not a presence of individual traits in the organisation that can be associated with “Risk taking propensity” (concept 50, Figure 7) and “Desire for autonomy” (concept 53, Figure 7).