

**Entrepreneurial Behaviour amongst
Larger Companies in the New Zealand
Retail Sector – An Investigation into
The Value of Corporate Entrepreneurship.**

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ABSTRACT

Corporate entrepreneurship is the term used to describe entrepreneurial behaviour in an established, larger organisation (Burns, 2005), and incorporates an ambitious though simple objective to gain competitive advantage by encouraging innovation at all levels in the organisation. Corporate entrepreneurship is sometimes known as intrapreneurship, a term first espoused by Pinchot (1985) to describe a philosophy that tries to bring the external characteristics of entrepreneurs to bear inside a large corporate setting.

To focus on this important issue of intrapreneuring as part of corporate entrepreneurship practise the main aim of this research was to explore the ways in which large companies in the New Zealand retail sector value corporate entrepreneurship. To achieve this aim, qualitative data was collected through in-depth face-to-face interviews with eight people (mainly from top-management) from four larger companies in the Auckland region, New Zealand. The subsequent data analysis and discussion focus largely on key factors relating to the recognition of entrepreneurial behaviour within the organisation, the value of entrepreneurial behaviour to the organisation, and the outcomes which have already occurred because of such behaviour.

The findings suggest intrapreneuring is seen as a central part of corporate entrepreneurship practice and is widely recognised as important by organisations. The results also demonstrate that many large organisations value entrepreneurship, although to a varying degree. However, the majority of interviewees see themselves, as individuals, in a more entrepreneurial light than their organisations, suggesting that intrapreneurship may occur despite the organisation rather than because of it.

The implications of this research suggest that many large organisations do put value on intrapreneurship, and are equipped with the essential tools needed in order for it to flourish, but need to more proactively work towards fostering its introduction as a core competency within the firm. Academics and practitioners alike are encouraged to explore these issues more deeply, and the study concludes by suggesting a number of avenues for further research.

DECLARATION OF WORK

Name of the candidate: Therese Durkan

This research project is submitted in partial fulfilment of the requirements for the Unitec degree of Master of Business Innovation & Entrepreneurship at Unitec New Zealand, 2005. The regulations for the degree are set in the MBIE programme schedule and are elaborated in the course handbook. This research has been approved by the Unitec Research Ethics Committee.

Candidate's declaration: I confirm that:

- this research project represents my own work
- the contribution of any supervisors and others to the research and to the research project was consistent with the Unitec Code of Supervision.

Candidate:

Date:

Supervisors' declaration: I confirm that, to the best of my knowledge:

- the research was carried out and the research project was prepared under my direct supervision
- except where otherwise approved by the Graduate School Academic Committee of Unitec New Zealand, the research was conducted in accordance with the degree regulations and programme rules
- the contribution made to the research by me, by other members of the supervisory team, by other members of staff of Unitec New Zealand and by others was consistent with the Unitec New Zealand code of supervision.

The Principal Supervisor: Dr. Ken Simpson

Date:

The Associate Supervisor: K. Asoka Gunaratne

Date:

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CHAPTER 1: INTRODUCTION

Much of the earlier scholarly literature on entrepreneurship focused on the characteristics that define entrepreneurs and entrepreneurial talent. It was, however, the process of entrepreneurship, rather than the traits of entrepreneurs, which began to capture the attention of senior corporate managers as they became increasingly mindful of the need to infuse the company with innovative and entrepreneurial behaviours. This business concept is referred to as corporate entrepreneurship (Schindehutte, Morris, & Kuratko, 2000).

Corporate entrepreneurship has also been described as the ability to embed the attributes of the smaller entrepreneurial firm in the larger, more mature organisation (Kuratko, Hornsby, Naffziger, & Montagno, 1993). Larger firms have greater and more varied resources than smaller businesses. They have more aggregate knowledge. Larger firms have the financial strength, asset base, and people to undertake activities which smaller firms cannot (Barrett, Balloun, & Weinstein, 2000). “However, large organisations are more complex than small, and complexity impedes information flows, lengthens decision making and can kill initiative” (Burns, 2005, p.126).

While the idea of corporate entrepreneurship has been around for a number of years, large companies are looking anew at this concept, in their increasing search for real growth mechanisms (Thornberry, 2003). Four broad typologies or categories of corporate entrepreneurship have been identified in the literature. These are:

1. corporate venturing
2. intrapreneuring
3. organisational transformation
4. industry rule-breaking.

This research looks mainly at intrapreneuring as part of corporate entrepreneurship practice. Intrapreneuring was first espoused by Pinchot (1985), and is an attempt to identify and develop innovative and entrepreneurial behaviour within the framework of a large corporate establishment.

The intrapreneuring issue has been the subject of a number of debates in the research literature and among practitioners. Entrepreneurship is a highly misunderstood phenomenon with many stereotypes and oversimplifications related to it, leading not only to an abundance of different definitions, but also to scepticism of the application of entrepreneurship to large, established organisations (Morris & Kuratko, 2002). Dispelling these misconceptions is imperative for the successful implementation of entrepreneurship in a corporate context.

Corporate entrepreneurship requires the larger organisation to take a holistic view of its policies and procedures, in an effort to ensure that creative strategic processes become a core element of all aspects of its operations. In this sense, corporate entrepreneurship can be seen as a manageable process, consisting of specific stages, and one that can be applied in virtually any organisational setting.

There is a substantial volume of information and research available on what corporate entrepreneurship is and what it does, but current knowledge relating to how it is valued by the organisation remains limited. Furthermore, the vast majority of research on corporate entrepreneurship has been conducted in the United States, leading to a lack of diversity in the geographic scope of corporate entrepreneurship research. There seems to be virtually nothing from New Zealand, and this research aims to help fill that gap.

The intent of my research was therefore to discover the extent to which larger New Zealand organisations value entrepreneurship, and therefore be able to add a local perspective to the current body of knowledge. Hence, the key research question for this study is:

“To what extent do large retail companies in New Zealand value corporate entrepreneurship?”

To obtain insights into this area, four large companies in the Auckland region were chosen, and face-to-face interviews were held with two representatives from each organisation.

Qualitative data was collected and a number of key themes established using content analysis methods. The following description outlines how the arrangement of the study was conducted.

- **Chapter One** provides an overview of issues related to corporate entrepreneurship in general, and gives a review of previous research into corporate entrepreneurship to date.
- The literature review is followed by **Chapter Two**, outlining the research methodology that was used to answer the research question. The research approach, the sample, the data collection tool and the data analysis technique are the main focus of this chapter. The chapter ends by outlining how the data collected in the field was analysed.
- **Chapter Three** presents the results of the in-depth interviews.
- The key research findings are then interpreted and discussed within a framework of the relevant literature in **Chapter Four**.
- **Chapter Five** summarises the research findings and considers theoretical and practical implications of the findings to corporate entrepreneurs and theorists.
- Finally, **Chapter Six** concludes by providing recommended directions for follow-up research.

CHAPTER 2: LITERATURE REVIEW

CHAPTER OUTLINE

This chapter starts with an introduction to corporate entrepreneurship in order to give a broad overview of the topic. Then the key terms relating to the issue are defined. The chapter emphasises the importance of intrapreneuring as part of corporate entrepreneurship practice, discusses how corporate entrepreneurship is guided, encouraged and rewarded, looks at corporate entrepreneurship as part of the organisational culture, and finishes with some examples of barriers to effective corporate entrepreneurship.

INTRODUCTION TO CORPORATE ENTREPRENEURSHIP

The innovation of products, services and processes, and the formation of new business enterprises, are crucial to every economy. Innovation and new business development can be initiated by independent individuals or by existing enterprises. The latter is referred to as corporate entrepreneurship, and is ever more considered as a valuable tool for rejuvenating and revitalising existing companies. It is “brought into practice as a tool for business development, revenue growth, and profitability enhancement, and for pioneering the development of new products, services and processes” (Maes 2004, p.1).

The business environment today is all about change. Organisations are not static; they are continually changing in order to keep up in the marketplace. Corporate entrepreneurship represents a framework for the facilitation of ongoing change and innovation within established organisations. Research concerning corporate entrepreneurship has been rapidly increasing over the past few years. A variety of frameworks have been developed to contribute to the understanding of, and the accomplishment of, entrepreneurial activities inside an existing organisation.

So, these are the issues the literature review will explore:

- Corporate entrepreneurship as part of the organisational culture
- How corporate entrepreneurship is guided, encouraged and rewarded
- Barriers to effective corporate entrepreneurship
- The importance of intrapreneuring as part of corporate entrepreneurship practice.

DEFINING TERMS

Johnson (2001) tries to bring some understanding and clarity to the usage of the terms enterprise, entrepreneurship and innovation, as these terms are often used interchangeably but with very little understanding of what they imply. The author explores topics within these terms from the perspective of the larger organisation. He states that the current confusion and uncertainty leads to lower levels of competitive output. In order to fully understand the importance and thereby value of corporate entrepreneurship, it is first essential to understand the terms.

There are a number of working definitions for the key terms and concepts which will be used. They are as follows:

1. **Innovation** can be seen as “a process with distinct stages stretching from idea generation to implementation” (McAdam & McClelland, 2002, p. 88). Within this broad definition, Johnson (2001) has identified various forms of innovation, including R+D, product development, new usage of established products or services, changes in markets exploited, operational and logistical innovation, and business model innovation.
2. **Creativity** is considered “as that part of the process which leads to, and includes, the idea generation stage in the innovation process” (McAdam & McClelland, 2002, p.88).

3. **The entrepreneur** is, according to Johnson (2001), “an individual who takes agency and initiative; who assumes responsibility and ownership for making things happen; is both open to and able to create novelty; who manages the risks attached to the process; and who has the persistence to see things through to some identified end-point, even when faced with obstacles and difficulties” (p.137).
4. **Entrepreneurship** “in its narrowest sense, involves capturing ideas, converting them into products and/or services, and the building of a venture to take the product to market” (Johnson, 2001, p. 138).
5. **Corporate entrepreneurship** can be defined as “a process that goes on inside an existing firm and that may lead to new business ventures, the development of new products, services or processes, and the renewal of strategies and competitive postures” (Maes, 2004, p. 1). In other words, it can be seen as a process of organisational renewal.
6. According to Thornberry (2003) there are **4 categories of corporate entrepreneurship**. These are: corporate venturing, intrapreneuring, organisational transformation and industry rule-breaking.
 - **Corporate venturing** involves the starting of businesses within a business, usually emanating from a core competency or process.
 - **Intrapreneuring** is an attempt to take the mindset and behaviours that external entrepreneurs use to create and build businesses and bring these characteristics to bear inside an existing and usually large corporation setting.
 - **Intrapreneurs** are key individuals with the ability to identify opportunities and exploit the organisation’s resources to satisfy new needs and better satisfy existing needs (Pinchot, 1985).

- **Organisational transformation** involves “corporate renewal” or transformation. This type of entrepreneurship only fits the original Schumpeterian definition if the transformation involves innovation, a new arrangement or combination of resources, and results in the creation of sustainable economic value.
- **Industry rule-breaking** is a subset of transformation, but involves not only transformation of the enterprise but “also the competitive environment of the industry into something significantly different than what it was” (Thornberry, p. 330).

7. **Organisational culture** can be defined as “the deeply seated (often subconscious) values and beliefs shared by personnel in an organisation” (Martins & Terblanche, 2003, p. 65).

CORPORATE ENTREPRENEURSHIP AS PART OF THE ORGANISATIONAL CULTURE

Martins & Terblanche (2003) argue that organisational culture can stimulate or hinder creativity and innovation. “In attempting to create a culture supportive of creativity and innovation, it has been found that one of the best approaches to describe organisational culture is based on the open system approach” (p.80). This is because it offers a holistic approach that allows the investigation of interdependence, interaction and interrelationship.

According to Parsons (1991) innovative companies show three key characteristics:

1. They focus on customer value rather than technological advance or clever marketing.
2. They innovate across all their functions and innovate up and down the business system with their suppliers and distributors.
3. They further have higher output. They do more, faster, and more often.

La Vere & Kleiner (1997) attempt to reveal the successful practices of three unique retail operations, and conclude that: “All three organisations are different in their configurations of environment, historical evolution and merit structure, yet in their uniqueness they have similarities of visionary leadership, management that interfaces with leaders and workers on the front lines, empowerment to these workers, and practises of continually institutionalizing new approaches” (p.34). The enterprises reviewed are in a constant state of renewal and embrace rapid changes rather than resist them.

Thompson (2004) makes the point that successful enterprises and effective corporate entrepreneurship need ideas and people, not only new product development and processes of innovation, in order to be successful. Thompson states that it is debateable whether the same degree of attention is given to the people side of innovation as is given to the product development side of innovation. In order to understand our creative thinking processes we need to get “inside the mind” of the innovator.

Martins & Terblanche (2003), however, found that there is little agreement on the type of organisational culture needed to improve creativity and innovation. There also seems to be a paradox in the sense that organisational culture can stimulate or hinder creativity and innovation. However, as Martins and Terblanche conclude, it has been found that one of the best responses is based on the open systems approach.

According to Campell-Allen & Welch (2004) as “with all measurement systems, one designed to manage the innovation process must be firmly tied in and aligned to culture, mission and strategy” (p.6). Measuring the positive impact on the organisation determines whether an innovation has been a success or failure. The way this is defined will again depend on the nature of the innovation and on the organisation’s goals and objectives.

Ozomer, Calantone & Di Bonetto (1997) suggest that innovative firms are generally more successful in both industrial and consumer markets. However, factors that make firms innovative are often elusive and complex, as each firm adapts as necessary to intrapreneurship, and no set rules work for all firms.

To be sustainable, Morris and Kuratko believe that the entrepreneurial spirit must be integrated into the mission, goals, strategies, structure, processes, and values of the organisation, noting that “Entrepreneurial actions are recognized widely as the path to competitive advantage and success in organisations of all types and sizes” (p.355). It is believed that a lack of entrepreneurial actions in today’s global economy is a recipe for failure.

The particular challenge facing firms appears to be a conflict between a perceived need to have employees that “fit” the corporate mould versus having those that behave entrepreneurially (Morris & Kuratko, 2002). Morris and Kuratko believe that flexibility is necessary inside the organisation in terms of both the definition of entrepreneurship and success, arguing that there are two factors that have a direct effect in making firms more innovative-strategic posture and organisational structure. This is coincident with the beliefs of Martins & Terblanche (2003) who believe that a flat structure will best help promote innovation.

HOW CORPORATE ENTREPRENEURSHIP IS GUIDED, ENCOURAGED, AND REWARDED

Morris & Kuratko (2002) ask the question “what does it take to get people to act in an entrepreneurial manner”? (p.102), and conclude that two possible underlying theories should be considered:

1. That certain people are born to be entrepreneurial, that they are intended to become entrepreneurs, and that they will do so when they are prepared.
2. That everyone, or at least the majority of people, have inborn entrepreneurial potential. People simply need to realise and path that potential, and there are things that can be done to help them along the way.

These two theories result in very different implications for how an organisation can promote entrepreneurship.

With theory one, the company that wants to support entrepreneurship must go out and employ entrepreneurial people. Internally, senior management must, in effect, pick the winners, meaning they must try to identify the naturally entrepreneurial employees and then invest in or supply resources to those individuals. Alternatively, theory two suggests that the job of senior management is to generate a work environment that is highly susceptible to entrepreneurship and that employees will naturally “step up to the challenge”.

Morris and Kuratko (2002) believe that entrepreneurs are not necessarily “born” and that many of the key characteristics associated with entrepreneurial behaviour are a function of a person’s background and experiences. On the other hand, if exposed to an environment which provides the proper set of incentives, role models, resources, control systems and structures, entrepreneurs can blossom.

Echols & Neck (1998) closely examine the structural “support” needed to enhance corporate entrepreneurship. In other words, if it can enhance the entrepreneurial behaviour of its employees, the firm may increase its success with innovation. Echols and Neck suggest that by enabling employees to detect, facilitate and pursue opportunities, while fostering an organic organisational structure with shared vision and values, it will increase a firm’s breadth and depth of commercialized innovations.

In order for entrepreneurship to flourish it needs to be guided, encouraged and rewarded. There are however several ways of doing this. “Creative ideas can arise from anywhere, at any time, but if managers seek to harness creative individuals to foster innovation, they should not only provide an organisation structure in which innovative ideas are encouraged to appear but also ensure that an appropriate reward system is in place so that they continue to emerge” (Roffe, 1999, p.233).

Roffe also believes that the range of rewards that innovators are likely to value might be less obvious than just that of money. For example, recognition of achievement is a strong and important motivator and is often a complementary incentive sought after by innovators.

In support of this argument, Adair (1990) offers the advice that the content of reward packages might include one or all of the following:

- Stimulating contacts through colleagues able to provide intellectual stimulation
- Encouragement of creative individuals to take calculated risks
- The freedom to innovators to work in the broad areas that interest them, provided the organisation's mission is properly focused and communicated
- Recognition, since appreciation can be much more important to the individual than money

Morris & Kuratko (2002) go on to give some examples of what some companies are doing in regards to rewarding and encouraging entrepreneurial behaviour amongst their employees. Companies seem to be getting more and more creative, and are using incentives spanning from getting a share of stock to the use of recognition boards honouring people who have shown entrepreneurial spirit. Kanter (1994) notes the importance of emphasising success rather than failure. However, Pinchot (1995) believes that innovation cannot be achieved without risks and mistakes, and that the system needs to be set up to accept this.

La Vere & Kleiner (1997) provide some of the key success factors to practices of excellent companies in the retail industry in the United States and found empowerment and reward structures to be included in these factors. Reward structures common to the companies reviewed were profit sharing, benefits, and the autonomy to make decisions at the point of transaction with the customer. According to La Vere and Kleiner, these empowerment and reward structures may well have made a significant contribution to a history of success among the companies reviewed, and their well-established reputation for finding new ways to evaluate and value innovation.

Values and norms that guide and encourage innovation manifest themselves in specific behavioural forms that promote or inhibit creativity and innovation (Martins & Terblanche 2003).

There are many different elements which promote creativity and innovation in organisations and they include the way in which mistakes are handled, how mistakes are viewed, how success is rewarded, and the way in which failure is acknowledged. Further, risk taking and experimenting, support for change, tolerance of conflict in the way of understanding different ideas, as well as perceptions and ways in which information is processed and evaluated, are also factors which underpin innovation in an organisation.

However, Herbig, Golden & Dunphy (1994) say that a “positive structure alone is no guarantee for success for inspiring new ventures and entrepreneurs and a high tech innovative environment” (p.47). According to these authors, it is however certain that a negative structure is a guarantee of disaster, as this has been proven over and over again.

It is said that “you can lead a horse to water, but you cannot make him drink”, and the same is true for entrepreneurial conduct in organisations. An unsuitably designed work environment will definitely destroy the entrepreneurial spirit in companies, but a well-conceptualized environment does not guarantee that employees will act in an entrepreneurial way. Employees must recognize their own creative potential and then systematically manage that potential within the organisation (Morris & Kuratko, 2002).

BARRIERS TO EFFECTIVE CORPORATE ENTREPRENEURSHIP

“Many people who live and breathe large organisations carry the belief that once an organisation reaches a certain size, it inevitably loses its capacity to act entrepreneurially and to stimulate and foster innovation” (Johnson, 2001, p.136). This is a dangerous view to be held and one that needs to be challenged. Johnson believes that it is human frailty that in times of stress and crisis we tend to rely upon techniques, skills and abilities that have served us well in the past. This may in many cases achieve little more than a temporary stay of execution. However, those organisations who respond to challenge by proactively seeking new, different and alternative solutions stand most chance of survival in the long run.

However, according to Duncan, Ginter, Rucks & Jacobs (2001), there are few organisations that are genuinely committed to attracting staff, hiring, and developing the creative talent they will need in the future. They believe that many managers perceive creative people to be a “pain in the neck”. They disrupt the established order by asking questions and experimenting with new ways of doing things when well-established procedures are available to provide direction.

Osborne (1995) notes that “the increasing susceptibility of managers in large-scale companies to job loss creates an aversion to risk taking that is incompatible with new, environmentally driven strategies” (p.8). In such companies, managers are often hindered by internal issues of structural, managerial, and resource limits that are barriers to opportunistic action and hence entrepreneurship.

Kuczarski (1996) claims that most CEOs and senior managers are intimidated by innovation as they view it as a high cost endeavour that promises uncertain returns. But, because innovation represents challenge and opportunity, most CEOs deny their reluctance to embrace innovation. This can send mixed signals throughout the organisation, leading to reluctance amongst employees to take the risks that the successful development of new ideas demands. As a result, the desire to innovate diminishes. An answer to this problem, according to Kuczarski, could be that the CEOs must lead and be held accountable for successful innovation and must themselves be committed to and install in others a passion for innovation.

THE IMPORTANCE OF INTRAPRENEURING AS PART OF CORPORATE ENTREPRENEURSHIP PRACTICE

In order to understand the importance of intrapreneurial behaviours in larger organisations, it is first necessary to locate the concept of intrapreneurship within the larger framework of corporate entrepreneurship. The importance of this larger concept was originally identified by Drucker (1985), who stated that “entrepreneurial strategies are as important as purposeful innovation and entrepreneurial management” (p.233). Together, the three make up innovation and entrepreneurship. It is Drucker’s belief that entrepreneurial strategy has more chance of success the more it starts out with the user, their utilities, their values and their realities.

In other words, entrepreneurship should be an integral part of an organisation's strategy right from the start.

Dess, Lumpkin & McGee (1999) discuss corporate entrepreneurship's unique relationship to strategy, structure and process issues. They stress the point of understanding entrepreneurial processes and state that this has been a central theme in previous strategic management as well as entrepreneurship literatures. Further, they say that although the concept of entrepreneurship has been limited to new venture creation, corporate entrepreneurship may be viewed more broadly as consisting of two types of phenomena and processes; new businesses within existing organisations and the transformation of organisations through strategic renewal.

Lumpkin & Dess (1996) state that though earlier classifications and interchange perspectives of entrepreneurship have depicted differences in entrepreneurship as the result of various combinations of individual, organisational or environmental factors that influence how and why entrepreneurship occurs as it does, they have not led to any widely held agreement regarding how to characterize entrepreneurship. According to these authors, a distinction must be made between the concepts of entrepreneurship and "entrepreneurial orientation" in order to address this problem. When we can identify the characteristics of corporate entrepreneurship, it is easier to fully understand the significance of it.

Thornberry (2003) argues that, in good and bad economic times, innovation is a requisite for companies seeking to remain competitive, especially in uncertain and turbulent times. "Many organisations are increasingly looking to corporate entrepreneurship as a way of combating the lethargy and bureaucracy that often accompany size" (p.329). These actions can result in significant new value creation for the organisation.

Dess & Lumpkin (2005) look at the role of entrepreneurial orientation in stimulating effective corporate entrepreneurship. They state that "corporate entrepreneurship has two primary aims: the creation and pursuit of new venture opportunities and strategic renewal" (p.147). The key to successfully creating value is viewing every value chain activity as a source of competitive advantage.

In the same way, the effect of corporate entrepreneurship on a firm's strategic success is strongest when it animates all parts of an organisation. "It is found in companies where the strategic leaders and the culture together generate a strong impetus to innovate, take risks, and aggressively pursue new venture opportunities" (p.147).

There is also a significant demand-side force in operation here. Coulson-Thomas (1999) states that "customers are increasingly demanding tailored solutions and expect more imaginative responses to their particular requirements. In short, more entrepreneurial approaches are required" (p.258). According to Coulson-Thomas, companies want to retain entrepreneurial talent and aspiring entrepreneurs could benefit from the support corporations can provide. But although relevant tools are available, the encouragement of development of entrepreneurs and support for new corporate ventures are failing.

Lyon, Lumpkin & Dess (2000) go on to address the strengths and weaknesses of three approaches to measuring a firm's entrepreneurial orientation; managerial perceptions, firm behaviours, and resource allocations. Many companies regard entrepreneurial behaviour as essential if they are to survive in a world increasingly driven by accelerating change. "Despite general agreement on the effects of entrepreneurship, there is some debate regarding the definition and operationalization of entrepreneurship" (p.1). Hence, entrepreneurship is valued differently by different organisations.

Every organisation has key individuals, often referred to as intrapreneurs, who have some ability to identify opportunities, and exploit the organisation's resources, in a way that will satisfy new needs and better satisfy existing needs (Altinay, 2004). Pinchot (1985), one of the pioneering authors on intrapreneuring, argues that organisations are very much dependent on these individuals who take risks, and who champion new business ideas from development through to profitable reality. Because intrapreneurs continuously look for innovative solutions, they act as initiators of continuous change. In other words, "we have entered a world of constant change where certainties do not exist and productivity in innovation is becoming as important as productivity in production" (p.8). Companies who resist innovation will be left behind in an ever changing business environment.

Shatzer & Schwartz (1991) believe that “innovation must be a part of the survival and growth strategy of any mature business” (p.18). But these authors argue that mature businesses would be better served by including intrapreneurial efforts as part of a larger endeavour for innovation, which includes traditional research and development activities. This as opposed to relying solely on intrapreneurship, which these authors believe can be an incomplete and risky strategy. It is essential that intrapreneurship is adapted to the organisation’s culture in order for it to be successful.

However, Coulson-Thomas (1999) makes the point that not everyone will have what it takes to become an intrapreneur. People may lack motivation, inspiration and drive. “They may not be ready to think for themselves, make choices or take risks to the extent required by an enterprise culture” (p.260). This creates the need for training and development to retain entrepreneurial talent within the organisation and to build a corporate structure, as well as culture, to help them thrive. It is also essential that top management must lead and be held accountable for successful innovation, and must themselves be committed to and install in others a passion for innovation in order for it to take place

SUMMARY

Overall, the existing literature believes that innovation does happen in larger organisations and that an organisation can benefit from greater innovation and the creation of new ventures. The findings of research to date see corporate entrepreneurship as an important factor in order for an organisation to be innovative and as a vehicle to stimulate growth and development. In general, entrepreneurial actions are recognized widely as the path to competitive advantage and success in organisations of all types and sizes. However, to be sustainable, the entrepreneurial spirit must be integrated into the mission, goals, strategies, structure, processes, and values of the organisation.

CHAPTER 3: METHODOLOGY

CHAPTER OUTLINE

This chapter starts by explaining the research paradigm the study is based on, and then describes the qualitative research approach employed and the rationale for choosing face-to-face interviews as the main data collection tool. The chapter continues to identify the sample, and presents criteria for selecting the four companies that participated in the study. The chapter concludes with a description of the data analysis process and acknowledgements of limitations of the study.

RESEARCH APPROACH

A research paradigm gives the researcher a framework to follow when conducting the research. It reflects a basic set of philosophical beliefs about the nature of the world, and “provides guidelines and principles concerning the way research is conducted within the paradigm” (Ticehurst & Veal, 1999, cited in Cavana, Delahaye & Sekaran, 2001 p.8).

Positivist research is based on the assumption that there is a set of universal laws, out there waiting to be discovered, that can be used to predict general systems of human activity. The researcher is expected to remain distant and separate from the research subjects, to ensure total objectivity during data gathering and analysis. One major criticism of this framework is that “it fails to deal with the meaning systems of people; including the way they think and feel” (ibid. p.9).

Interpretivist research believes that it is more likely that people experience physical and social reality in different ways, and the interpretivist researcher assumes that the world is largely what people perceive it to be. Interpretivist research is interested in understanding the lived experience of human beings, and “presents a rich and complex description of how people think, react and feel under certain contextually specific situations” (ibid. p.9). This description allows others to understand the world of the subjects being investigated. One main criticism is that the interpretivist view is too subjective.

As this research leans more towards the interpretivist view, a qualitative research design was chosen to investigate the key research question:

“To what extent do large companies in New Zealand value corporate entrepreneurship?”

According to Ruyter & Scholl (1998) “qualitative research provides an in-depth insight; it is flexible, small scale and exploratory, and the results obtained are concrete, real-life like and full of ideas” (p.8). It can be said to be a questioning search and a search for questions at the same time.

Qualitative research can first of all be characterised by the use of small samples. “It offers an insight into questions that address the way people think about a certain subject and why they think that, it does not answer questions like how many people share a certain opinion” (ibid p. 8).

However, important insights may result from a small number of interviews with people. The usefulness of qualitative research is not determined by how many people say something but by *what* is being said and *how* it is being said. In the search for an in-depth insight into the subjects, it is not the power of the numbers that are important but the power of words and images. By offering respondents a creative setting, they can express their ideas in a manner that appeals more to the imagination.

Representativeness on the basis of a small sample is not possible. It is however not what qualitative research aims for. Representativeness of the results in accordance with the subject of investigation, not the research population, is what counts. In quantitative research it is attempted to use a sample that reflects the population adequately. In qualitative research, however, the issue is to cover the subject of study comprehensively.

According to Anderson & Arsenault (1998), “case studies are a qualitative form of inquiry that relies on multiple sources of information” (p.249), though the interview is often the prime source of data.

Case studies are a useful research approach for answering *why* and *how* questions, or when it useful to seek to understand a situation. An important strength of case study research is that it investigates a phenomenon in its context (Rowley, 2003), and this method was chosen as the most appropriate for an exploratory study of an unrehearsed topic.

Yin (2003) provides a technical definition of a case study. Yin says that a case study is an empirical inquiry that:

- Investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident
- Copes with the technical distinctive situation where there will be many more variables of interest than data points
- Relies on multiple sources of evidence, with data needing to converge in a triangulation fashion
- Benefits from the prior development of theoretical propositions to guide data collection and analysis

This research was **exploratory** in nature as opposed to descriptive or hypothesis testing. This research approach was selected on the basis that there is limited or virtually no information on entrepreneurial behaviour amongst larger companies in New Zealand. According to Davis & Cosenza (1993), exploratory research is advocated when the knowledge about the subject is limited, and its primary goal is to “increase the researchers’ understanding of the problem” (p. 130). This definition is also echoed by Sekaran (2003) who describes an exploratory study as research conducted “when not much is known about the situation at hand”, and all variables need to be explored so that a robust theory can be built (p.119).

Exploring multifaceted entrepreneurial behaviour in large organisations requires collection of rich qualitative data.

Face-to face, in-depth and semi-structured interviewing of an open-ended focused nature was chosen as a more favourable option than phone interviews or mail questionnaires, because of the complexity and depth of the research issue. In exploring the nature of entrepreneurial behaviour, short phone interviews or mail questionnaires would be more inclined to produce superficial data, and it is unlikely that rich, meaningful, qualitative information would be obtained through the use of these data collection tools.

Such personal and complex issues as entrepreneurial behaviour were best discussed in face-to-face prolonged interviews, because direct interviewing enables the researcher to minimise any misunderstandings, gives support in clarifying questions and queries more deeply into the subject (Grandi & Grimaldi, 2003).

The target population for this research was comprised of large companies chosen because they met three essential local conditions:

- They conformed with the New Zealand definition of a large organisation, one with 100 employees or more
- They needed to operate on a nationwide basis, because the intent of the research was to measure New Zealand attitudes as opposed to local or regional attitudes
- They should be New Zealand-owned and operated in order to capture the “kiwiness” that has not previously been investigated

As New Zealand is mainly a service economy, it soon became obvious that most of the companies who met the above requirements were located in the retail sector, and hence the retail sector was an obvious target environment in which to research.

Having chosen the retail sector as a research environment, the broad research question became the extent to which larger New Zealand organisations **in the retail sector** value entrepreneurship. However, because of convenience and cost factors, field work was carried out in the Auckland locations of these companies.

Although the location was restricted to the Auckland region, the answers to the research questions were expected to reflect the attitudes of companies with a nationwide approach to business. Consequently, 20 large companies in the retail sector were selected and approached for permission to conduct in-depth direct interviews. The criteria for selecting these companies were as follows:

- They employ 100 people or more in total
- They operate on a nation-wide basis
- They are majority New Zealand-owned and operated
- They are at the end of the distribution chain (that is, they sell products and/or services to the general public)
- They have an easily accessible Auckland operation

It was also desirable that companies were representing various segments of the retail sector. Finding and gaining access to such companies was not an easy task, mainly due to limitations in selection, absence of contact details and lack of response. In fact, out of the 20 organisations approached, only four senior managers agreed to participate in the research.

Even though this sample was randomly selected, it is an acknowledged limitation of the study that one of the companies included had less than 100 employees when the research took place. It was however important to find companies that were willing to share their thoughts and experiences on matters linking to corporate entrepreneurship and this company was therefore included. In addition, it is a company with fluctuating staff numbers due to seasonal demand, and has an entrepreneurial managing director with a strong knowledge base regarding the topic investigated.

The four identified companies were large companies operating in the New Zealand retail sector and with an easily accessible location in Auckland. Although they varied in both size and field of business, they all were believed to fit Allen's (1999) definition of an entrepreneurial organisation by being "innovative and growth-oriented" (p.8).

- Company A is a major department store retailer of a wide range of goods
- Company B is one of the market leaders in the supermarket industry
- Company C is has a nationwide chain of outlets in the wine and spirits sector
- Company D is a duty free store mainly aimed at the international visitor market

DATA COLLECTION METHODS

A broadly specified interview guide was used to gather rich and in-depth qualitative data on corporate entrepreneurship from respondents through individual face-to-face interviews. This ensured flexibility in terms of clarification, as the explanation given about the meaning and intent of the items and prompts was exactly the same for all respondents, resulting in minimal confusion regarding the intent of the study. The interview guide is included as Appendix 1.

The interview guide questions were developed on the basis of the existing literature on corporate entrepreneurship, and were designed to cover the key research subjects which together made up the research question. The guide was divided into four main areas of interest and was made up of 19 questions. The four main areas were;

- factual information (three questions)
- recognition of entrepreneurial behaviour in the organisation (nine questions)
- value of entrepreneurial behaviour within the organisation (four questions)
- outcomes of entrepreneurial behaviour within the organisation (three questions).

As an additional way of obtaining information on the respondents' personal views, feelings and experiences on corporate entrepreneurship, the questionnaire and a sheet of working definitions for key terms and concepts was distributed to the senior managers in the organisations in order for them to think about their answers in advance and/or obtain any relevant information they needed in order to answer the questions as thoroughly as possible.

This was also done in order to make sure that everyone was clear about what was meant by the terms discussed. This proved useful as it gave the respondents time to think about their answers and evaluate options.

Some of the questions included a rating scale made by the researcher, which asked the respondents to rate their behaviour. For example, on a scale from one to ten (one being lowest and ten being highest) the respondents were asked to rank how entrepreneurial they themselves were and how entrepreneurial their organisation was. This was done in order to place the answers as points along a continuum to better evaluate characteristics and to measure perceptions of how the respondents ranked themselves. According to Page & Meyer (2003) it is however important to note that, despite the researcher's best efforts, there may be a slight difference in what the researcher believes the scale represents and the perceptions of the respondents.

Before using the interview guide in the full-scale research, a pilot interview was carried out with a person known to the researcher. Subsequently, the questionnaire was improved and slightly modified. As a result, some questions were reworded and made clearer, and a few probing questions were added to facilitate gathering required information. For example, the phrase "what doesn't work in the organisation" was changed to "barriers in the organisation" as the latter term had a less negative implication. The questionnaire was also timed to make sure that there was little chance it would take more than the estimated 45-60 minutes originally estimated.

After the pilot interview, the owners or someone from top-management of the selected companies were contacted and interviewed one-on-one at their premises. At the end of the interview, the researcher asked to interview another member of the organisation as well, in order to get a clearer perspective of the attitudes of the company relating to corporate entrepreneurship. Ideally this second interviewee would be a front line manager with direct customer contact responsibilities. In total, eight interviews were conducted; each interview lasted approximately 45 minutes.

At the beginning of the interviews, respondents were asked to read the Participant Information Sheet (Appendix 2) and to read and sign the Participant Advisory Material (Appendix 3).

These documents gave the respondents information on the research subject and purpose as well as reassurance in relation to confidentiality matters. Further, the respondents were asked if they would approve of the interview being tape-recorded. All respondents, except for one, willingly agreed to the interview being recorded.

Tape-recording was regarded as important for accurate and complete capturing of the information given as well as a prevention of unnecessary distractions which might occur during note taking. Two members from each of the four organisations were interviewed individually, which enabled the researcher to collect extensive information from each individual and give various perceptions on matters relating to corporate entrepreneurship.

Wherever possible, more than one data-collection method should be used. This is commonly known as triangulation, that is, the use of more than one research method to provide convergent evidence. According to Page and Meyer (2000) “it strengthens your case if different sources of evidence suggest the same pattern, because this indicates a real effect rather than a chance effect” (p.44). The researcher did not triangulate by using a third source of evidence due to time and resource constraints. This is an acknowledged limitation of the study. However, it appears to be common practice to triangulate using just two data collection methods, as is the case here.

The second data gathering method used was document analysis. According to Gillham (2000), document search and analysis “epitomizes the case study research strategy” (p.43). The documents being searched must not be taken as representative of what actually happens-the informal reality-but they bear some relation to it and are therefore part of the evidence base. The researcher conducted a formal analysis and evaluation of the print and website material from the selected companies. This was done in order to appraise the wider context that the case inhabits. “Relevance” comes from weighing and assessing and selecting the evidence that does have a bearing on the research issues” (ibid. p.44). What weight was attached to them depended on their relevance to the research question.

DATA ANALYSIS

After conducting the interviews, all tape-recorded material was transcribed. Some tapes were rather long, and some were of poor sound quality due to disturbing background noises, so the decision was made to hire a professional typist to transcribe the tapes. This decision was also made on the basis of time constraints.

The two interviews which were not tape-recorded (one due to the respondent asking not to be recorded and one due to a technical error) were transcribed by the researcher, working from hand written notes taken during the interview. In order to maintain anonymity and in line with confidentiality issues, the participants' full names and names of the organisations were not used. The companies were assigned letters, and numbers were used in place of respondents' names.

The data was analysed using **content analysis**, or more specifically **informal content analysis**. According to Page & Meyer (2000) content analysis involves "analysing text with respect to its content, with the factors of interest most often relating to meaning, or how many times (the frequency with which) particular phrases/terms appear" (p.129). This form of analysis is useful when the research is qualitative and includes open-ended questions. "It is an extremely useful tool for adding depth and breadth to the research, and rigour to the method" (ibid. p.131). Informal content analysis can reveal key themes and concepts in the data which can lead to the opening of important avenues for research, or the identification of key variables for research.

As suggested by Jankowich (1995), the content of the interviewees' responses were systematically coded, described, and classified into different categories. Following the framework of Collis & Hussey (2003), the analysis included six major steps:

1. A theme was identified as a unit of analysis within the raw data;
2. A set of categories were defined for classifying units of analysis, derived from both the reviewed literature and the interview transcripts;
3. Utterances were coded and assigned to categories;
4. The data was organised in the form of tables;

5. The presented data was illustrated and provided verbal description. Selected verbatim quotations were taken from the interviews to support the findings;
6. The key themes which emerged from the data were discussed, analysed and interpreted in within the framework of the literature reviewed

LIMITATIONS OF THE RESEARCH

It is essential to recognise that all research has certain limitations. Some of the key limitations of this study are summarised below.

Face-to-face interviews are known to be prone to bias or inaccurate articulation, and are sometimes thought to be too subjective and having too little control (Hannabuss, 1996). To address this limitation, the researcher took every effort to word questions as clearly as possible during the interview process, and to rephrase interviewees' responses if it was necessary to clarify any important information. The fact that neither the people involved nor their organisations were previously known to the researcher should also minimise the risk of bias. However, it is important to note that the views expressed by the managers are based upon their own perceptions of the situation and are therefore subject to bias.

In addition to limitations that are typical to face-to-face interviewing, this study has several other shortcomings. Even though the companies were randomly selected, they are still, as mentioned earlier, something of a convenience sample. This fact, together with the low sample size and the fact that data gathering was restricted to the Auckland region is a constraint. The findings can therefore not be seen as being representative of larger organisations in general. In addition, this study focuses on the retail sector and the findings are not necessarily generalisable to organisations outside that sector. However, it can be seen as an indication of important aspects of human behaviour and beliefs (Hannabuss, 1996), and as identifying values and ideas in relations to corporate entrepreneurship practices in the New Zealand retail industry which may otherwise never have been discovered.

A further limitation was that two of the participating companies were franchises as opposed to company owned operations. Franchisee managers are often constrained and not always free to express themselves and make operational changes as freely as managers of other organisations. However, the franchisee managers in this study stated that they had freedom, within reason, to make such changes.

Another acknowledged limitation of the research is that even though a wide range of topics were studied, none of the themes were examined in-depth. However, as the research is exploratory in nature, its key purpose was to identify key re-occurring themes for further, more focused, and statistically rigorous research.

When it comes to participants, as mentioned earlier, one of the companies at present has less than 100 employees in total and therefore does not fit the criteria set to qualify as a large organisation. However, this is an organisation for which operation is highly dependent on season, so the number of staff is fluctuating. During their high season, their number of staff does however reach 67 and they are currently expanding to an even higher number of employees. The organisation was however included as the owner and manager has sound knowledge and experience in the field, and their input was therefore relevant and useful to the research.

SUMMARY

Based on an interpretive research paradigm and qualitative methodology a case study approach was employed to investigate the key research issue-the value of corporate entrepreneurship practice in the New Zealand retail sector. Face-to-face, in-depth interviews were conducted in order to collect rich qualitative data in regards to the studied issues. In total, eight participants from four randomly selected organisations located in Auckland were interviewed.

An interview guide on issues relating to corporate entrepreneurship was developed on the basis of the literature reviewed and used throughout the interview process. All except one of the interviews were tape-recorded and then transcribed.

After that, the collected data was analysed using content analysis looking for common themes. In order to triangulate, a document analysis was conducted. The following two chapters present a description and discussion of these research results.

CHAPTER 4: RESULTS

CHAPTER OUTLINE

The qualitative data acquired through face-to-face interviews revealed a great number of interesting, as well as some surprising insights, into how corporate entrepreneurship is valued by larger organisations. Use of the interview guide meant that it was possible to investigate several themes relating to corporate entrepreneurship, from the extent to which corporate entrepreneurship was recognised by the organisation, to outcomes which had occurred in the organisation because of corporate entrepreneurship. This chapter will describe the most interesting findings and observations that were discovered in the research.

The chapter starts with general **factual information** regarding the participating companies, and then proceeds to illustrate **different perceptions** of the term entrepreneurial behaviour. Further, issues regarding the **recognition** of entrepreneurial behaviour in the organisation, such as what the participants thought entrepreneurial behaviour was, if it was recognised by the organisation as being important, if and how it was encouraged and rewarded, what worked, and what barriers there were to hinder entrepreneurial behaviour from taking place. The remaining part of the chapter focuses on the **value** of entrepreneurial behaviour within the organisation and the **outcomes** of such behaviour as had already occurred. Key recommendations from the respondents on future corporate entrepreneurship practice follow, and the intended document analysis is discussed in the last section of this chapter.

FACTUAL INFORMATION

As previously mentioned, the study sample consisted of four companies from different segments in the retail sector.

These segments were:

- a major department store retailer
- a market leader in the supermarket industry
- a company with a nationwide chain of liquor outlets
- a company with several duty free stores

Two of these organisations were franchises and the range in employee numbers varied from 67 to over 2000.

Table 1 Respondent Data

Respondent	Company	Employer	Title	Gender	Age	Time in company	Degree	Other Duties
1	A	Retail store	General Corporate Affairs Manager	Male	30-40	3 years	Master degrees in Industrial Psychology and Economics	Member of the NZ executive team
2	A	Retail store	Buyer	Female	30-40	13 years	Bachelor degree in Law and Marketing	No
3	B	Supermarket	Owner, Operator	Male	40-50	6 years	No	No
4	B	Supermarket	Operations Manager	Male	40-50	4 years	No	No
5	C	Liquor outlet	Managing Director	Male	40-50	12 years	PhD., MBA, MSc., BSc.	Makes all the decisions
6	C	Liquor outlet	Store Manager	Male	20-30	2 years	Diploma in Electrics, Advanced Electric Technology CCNA	No
7	D	Duty free store	Owner, CEO, Managing Director	Female	40-50	10 years	No	No
8	D	Duty free store	Store Manager	Male	40-50	13 years	No	No

In total, eight people (two from each company) participated in this study. They included two owner/managing directors, two general managers, two store managers, an operations manager and a senior buyer. The gender composition of the respondents was unequal, six respondents being male and two female. Ages ranged from 30 to 50 years, with an estimated average of 45 years. In terms of respondents' educational background, four of the respondents had a university degree, whereas the others relied upon extensive management and/or retail experience. The range of how long people had been employed in the organisation varied from 2-14 years.

Five of the respondents said that they did not have any other responsibilities in the organisation other than what their title implied. The other 3 (or 37%) had various other responsibilities in the organisation, including being an executive member and basically "making all the decisions"! A summary of factual and demographic information regarding the participating respondents and their organisations are shown in Table 1.

DIFFERENT PERCEPTIONS

As mentioned earlier, there are many different definitions, as well as views, on the phenomenon of entrepreneurship. In order to clarify the term and avoid confusion, the participants were provided with a list containing key terms and concepts from the literature. However, it was crucial to elucidate what they individually understood by *entrepreneurial behaviour* in order for them to answer if such behaviour was seen as important by their organisation. In order to illuminate this, they were asked what the main characteristics of such behaviour were. Here are some of the characteristics given:

- Capturing ideas
- Giving people what they want
- Pooling of ideas
- Taking action
- Calculating mistakes
- Taking risks

- Catching dreams
- Taking a plunge
- Having a vision
- Being able to transform vision into action
- Having a passion
- Communicating effectively

As we can see, though the participants understood the term and its implications differently, the phrases *idea* and *vision* seem to reoccur frequently. It would therefore seem fair to say that most of the participants believed that entrepreneurial behaviour in some form was characterised by having an idea and, in order to have an impact, the idea must be wrapped in a vision. According to Allen (1999), it is commonly accepted in the literature that establishing clear directions, setting goals and creating vision are among crucial factors that enhances performance, and respondents' comments showed considerable support for that view.

RECOGNITION OF ENTREPRENEURIAL BEHAVIOUR

One of the major themes that has been explored in this study is how companies value corporate entrepreneurship. One way of trying to help answer this question is by looking at the extent to which entrepreneurial behaviour is recognised as important by the participating organisations.

All of the respondents said that entrepreneurial behaviour to some extent was seen as essential by their organisation, as Table 2 suggests.

Table 2 Entrepreneurial behaviour as part of Organisational Culture

Respondent	Company	Is entrepreneurial behaviour part of your organisation's culture?
1	A	Yes
2	A	Yes
3	B	No, but working on it
4	B	Yes

5	C	Yes
6	C	Yes
7	D	Yes
8	D	Is being developed now

However, in order for the entrepreneurial influence to fully work, there had to be appropriate structures and processes around it. Respondent 1 (Company A) gives a good example using rugby tactics to illustrate his point:

It's like, why are the Fijian rugby teams so good at the Sevens? Because they've got flair and they just do stuff, but it works when they play Sevens rugby. Why are they no good at playing 15-man rugby? Because they don't have structure and discipline around how they play the game with 15 people on the field and you've got to have that.

Being an individualistic culture, diversity and innovation has been part of the Fijian culture since the colonial days-as a community, the Fijian attitude appears to be to “live for the present and ignore the future”. Structure and discipline is not seen as imperative, mainly due to the country’s social constitution and the easy going and laid back nature of society in general. The same implications may hold true for the influence of organisational culture.

According to Burns (2005), “culture is an organisation’s basic beliefs and assumptions about what the company is about, how its members behave, and how it defines itself in relation to its external environment” (p.122). As mentioned earlier, there has been much debate in the literature as to whether organisational culture can stimulate or hinder entrepreneurship in an organisation. When asked if entrepreneurial behaviour was seen as important by the organisation, or more specifically, if it was part of their culture, six respondents (or 75%) said “yes”.

However, an interesting discovery was that two people from management in the same company had different views on the matter. Respondent 3 (Company B) said “we need it; the truth is we don’t have it, the challenge is to make it happen and that is where my head is right now”.

Whereas respondent 4 (Company B) said “Yes, we empower people to get out there and do things”. Cheney, Christensen, Zorn & Ganesh (2004) believe that as people become members of organisations for many different reasons, bring different skills and capabilities to their workplace, have different preferences, and pursue different interests and goals, it becomes increasingly difficult to maintain that organisational cultures are completely consistent. If organisations have inconsistent values and practises, how can their members be expected to share ideas about what their culture represents? Or as Morgan, 1986, (cited in Cheney et al, 2004, p.89) puts it; organisational culture is “a mosaic of organizational realities rather than a uniform corporate culture”.

If this sharing of ideas is to occur, and if entrepreneurship is to prosper, Morris & Kuratko (2002) believe that management has to act on two fronts simultaneously. One side of the battle involves offering incentives for entrepreneurial behaviour and making resources available, while the other side concerns reducing the costs of failure and making employees comfortable with trying things that have at least some chance of not working out.

Table 3 Policies and Processes

Most common policies/processes to encourage entrepreneurial behaviour
Freedom to make own choices
Accountability
“Open-door policy”
Brainstorming sessions

When asked what policies and/or processes, if any, the organisations had in place to encourage entrepreneurial behaviour, a number of different answers and examples were given by the respondents. One of the themes which seemed to reoccur was linked to giving people *freedom* to make their own choices (as long as it was in accordance with company policy). As respondent 2 from company A put it “we give our buyers freedom to go out and scan the world for wonderful good deals, whereas the vast majority of firms are far more traditional”.

Accountability was another theme which was seen as important by the organisations. As respondent 2 from company A put it “you are seen as accountable for your own area, you’re treated as though you’re a mini business on its own, you still have management that have stores and supply chain and marketing that they consult with, but at the end of the day the product that they buy is our decision so that’s reflected”. Further, having an “*open-door policy*” was seen as a significant way for employees to air their ideas. Respondent 3 from company B formulates it this way:

“we encourage that, I actually say at induction we have a best practice policy as a business, if you have any ideas at all my office door is open, I want to hear about them and if it’s off the track I’ll tell you why it’s off track and it might be that it’s not permitted under the franchise agreement or it doesn’t fit into the economic structure of the formula that makes our company successful”.

This was in accordance with respondent 4, also from company B, who thought that the company had such a policy in place. It was interesting to note that the two respondents, both representing management, who had previously had an inconsistent view on their organisational culture, agreed on this. The respondent gives an example of a staff member coming into their office and saying;

“I want a change to the ordering system, instead of it being on a Tuesday I want it to be on a Thursday” and we’d say “why, tell me the reasons why”, we’d never say “no, this is the way it’s done”. It’s because they can see, they’re closer to the shop floor than what I am and they can see a reason why and we’ve had a huge number of great ideas from the staff and they come up say “that was me that made that idea, I can do that, and I suggested that” and that’s fantastic”.

Respondent 5 from company C mentioned *brainstorming sessions* as another process to help encourage entrepreneurial behavior in their organisation. The respondent said that this is done in order to provoke new ideas, establish customer preferences and supply new products. This is one of the most widely used techniques for generating new ideas. According to Burns (2005) “the aim is to encourage the free flow of ideas-divergent thinking-and as many ideas as possible” (p.273). One of the main advantages of this technique is that it eliminates the fear of making “mistakes” or putting forward ideas which might not work.

During these sessions, this is not only acceptable, it is also encouraged. Further, there are no “bad ideas”. According to Burns all ideas are, at the very least, springboards for other ideas.

Respondent 5 from Company C gave a very specific example of a process the company had come up with in order to encourage the free flow of ideas.

I wrote a program called ‘Zero Defects’. Zero Defects is do it right the first time. We had a system where we had everyone employed sending ideas for zero defects to management and the manager has to act on those ideas within a certain period of time.

The use of appropriate reward systems has been identified by several authors as being central to the emerging of ideas in an organisation (eg, Roffe,1999; Morris & Kuratko, 2002). Morris & Kuratko believe that, traditionally, corporations do not necessarily reward (financially or otherwise) employees for being innovative. However, the companies which participated in the research used many different kinds of reward and incentive systems in order to encourage entrepreneurial behaviour. Some of these were:

- Recognition and compliments (both private and public)
- Appraisal for a job well done
- Best scan job person gets \$50 a week
- Employee of the week gets a \$100 bonus (anyone who has gone that little bit further for the customer or has had an idea)
- Wine and chocolates
- Dinner out with their partner
- Take in their suggestions
- Seeing end-result reward in itself

This is in accordance with the previously suggested creative and wide spanning examples of Morris & Kuratko (2002) in relation to what other companies are doing in regards to rewarding and encouraging entrepreneurial behaviour amongst their employees.

It seemed to be the case that all the participants thought that a reward of some kind was key to helping encourage entrepreneurial behaviour in their organisation. It was however interesting to note that, as illustrated above, only one of the companies used monetary incentives to help encourage innovative ideas.

The respondents were then asked if there were any barriers to effective corporate entrepreneurship practice in the organisation. Company *structure* and too many *policies* were mentioned. Several of the companies further put forward poor *communication* as well as interpersonal *misunderstandings* as some of the obstacles to effective entrepreneurship. Other factors mentioned were lack of *encouragement* to speak up, lack of *independence* and internal *conflict*.

Table 4 Barriers

Generic barriers	NZ “specific” barriers
Company structure	Society in general
Overload of policies	Negative perception and prejudice of entrepreneurs
Poor communication	“Tall poppy” syndrome
Interpersonal misunderstandings	Importance of the “Kiwi lifestyle”
Lack of encouragement to speak up	
Lack of independence	
Internal conflict	
Lack of appropriate training	
Fear of losing your job	

Also mentioned earlier, the lack of appropriate *training* due to limited resources in the training department was also acknowledged as a barrier. *Society* in general (though this concept was not clearly defined) and people’s negative *perceptions* and *prejudice* to entrepreneurs were further some elements mentioned. *The “tall poppy” syndrome* (a perceived tendency to cut down those who reach for the top) and the “*Kiwi lifestyle*” (entrepreneurship being seen as a change agent that threatens core New Zealand lifestyle values) were also barriers which came up during the interviews.

An unexpected finding was that some of the respondents thought that an important barrier to entrepreneurship was the *fear* of losing your job.

As respondent 4 from company B put it “Too many people are concerned about losing their jobs in a large organisation because they don’t know where to go from there”. The respondent stressed the point that this by and large concerned older people and especially lower levels of management.

VALUE OF ENTREPRENEURIAL BEHAVIOUR

The next main area of focus was related to how entrepreneurial behaviour was valued by the organisation, how this was made known, and possible advantages and disadvantages of valuing such behaviour. All the participants said that their organisations valued entrepreneurial behaviour, although respondent 3 from company B currently thought that they did not have enough people displaying such behaviour. They were however working on it. The same was mentioned by respondent 8 from company D, who said that the organisation was working on developing entrepreneurial behaviour at the moment.

When asked how this was made known by the organisation, many of the respondents believed that it was crucial that top management showed that they were committed to valuing such behaviour by showing *interest* in employee ideas, taking *action* when a good idea was put forward and showing everyone and every idea the same *respect*. Further, the *encouragement* to speak up was mentioned as a way top management could show their commitment to entrepreneurship.

Most of the respondents believed that there were advantages to be gained from valuing entrepreneurial behaviour. Some of the advantages mentioned were *respect*, entrepreneurial behaviour as a means to *competitive advantage* and *point of differentiation*. Further, some disadvantages were also mentioned. These included ideas that too much independence could lead to *chaos*, and constantly being new and innovative could make a company forget their *core* service/business.

Table 5 Value Influences

How management's commitment is made known	Advantages of entrepreneurial behaviour	Disadvantages of entrepreneurial behaviour
Management's interest in employee ideas	Respect	Too much independence can lead to chaos
Taking action when a good idea is put forward	Competitive advantage	Constant innovation can make you forget the core service or business
Showing every idea the same respect	Point of differentiation	

OUTCOMES OF ENTREPRENEURIAL BEHAVIOUR

In order to find out if the participants were aware of any outcomes that had already occurred because of entrepreneurial behaviour in the organisation, they were asked if they could think of any specific examples. Perhaps the clearest example came from respondent 1 company A. The respondent provided the following example of one individual taking full advantage of an opportunity:

The Company needed Easter eggs, and we sell the most Easter eggs-\$15-20million per annum-at Easter time. Cadbury's and Nestle weren't coming to the table. He [one of the people who helped start Company A] saw a factory down in Hamilton, thought up converting it to a chocolate factory, bought the factory, and is now the biggest producer of chocolate Easter eggs in the country.

Other outcomes mentioned were:

- Better deals, products and prices
- Improved internal processes
- Better customer service
- Company growth
- Contributed to the company's success
- Personal enjoyment

Table 6 Individual versus Organisational Entrepreneurial Behaviour

Respondent	Company	Individual rating	Rating of organisation
1	A	7	9
2	A	8	7
3	B	9	2
4	B	9	8
5	C	5	7
6	C	9	7
7	D	7	5
8	D	5	6

On a scale from 1-10 (1 being the lowest score and 10 being the highest score), the respondents were asked to rank themselves somewhere along the continuum, in order to help establish perceptions as to how entrepreneurial the participants perceived the organisation's staff to be compared to how entrepreneurial they believed their organisation was. The results were somewhat unexpected, with five out of eight respondents (63%) perceiving themselves to be more entrepreneurial than their organisation. Respondent 3 (Company B) was especially critical.

KEY RECOMMENDATIONS

As part of the interview process, respondents were asked to give some insights and recommendations on future corporate entrepreneurship practice. Top-management willingly provided opinions and suggested a number of valuable recommendations. Some of the advice provided is given below:

- “The challenge for entrepreneurs is getting money to capitalise, to get their idea off the ground, corporates provide access to that so that's a great way for it to start. But then you have to give them the freedom to get them out”
- “You have to have energy and vision, and you can motivate others with that energy, but you've got to have a love for what you're doing too”

- “You have to train your managers not to penalise people for trying and getting it wrong, so you encourage people to take initiative”
- “Manage your entrepreneurs into leadership roles”
- “Lead by example”
- “Entrepreneurship is not necessarily about having the idea yourself, but recognising somebody else’s idea and where it could go”

One particular challenge that was mentioned was the importance of appropriate communication. As respondent 1 from company A put it “where I think truly entrepreneurial people struggle in large environments is they can have ideas, they can execute them, but they don’t know how to sell them and communicate them in a way a corporate thinks”. The respondent suggests the use of incubators to help overcome this difficulty.

Further, the respondents touched on two important issues relating to corporate entrepreneurship-whether you can teach managers to become entrepreneurs and whether you can learn how to become an entrepreneur. It seemed to be the case that most of the respondents did not believe that one can teach managers to become entrepreneurs, nor that you can learn how to become entrepreneurial. The view seemed to be that you can teach people new skills and give them appropriate tools to help them, but you are not going to shift them fundamentally.

This observation supports Fiedler (1967) who believes that the vast majority of managers are incapable of changing their basic behavioural patterns or in other words, “the leopard can’t change its spots”. Fiedler’s contingency model assumes that leaders have relatively stable motives (or traits) and that these must be matched to certain situational characteristics for effective leadership (adapted from Cheney et al, 2002, p. 206). However, this is contradictory to the view of Shefsky (1994) who believes that entrepreneurs are made, not born, and of Morris & Kuratko (2002) who argue that, if exposed to an environment which provides the appropriate set of incentives, role models, resources, control systems and structures, people can and will flourish as entrepreneurs.

DOCUMENT ANALYSIS

As previously mentioned, it was intended that a document analysis be carried out in order to strengthen the researcher's case. A formal analysis and evaluation of the print and website material from the participating companies was to be conducted in order to appraise the wider context that the case inhabits. There were however some unexpected problems relating to this approach.

Only one out of the four organisations researched had an up and running web site at the time the research took place, and participants from all four companies said that, even when complete, their web sites would not contain any relevant information in regard to this study.

In addition, the majority of printed material provided was limited in scope and contributed little to the investigation-one company offered the researcher access to more in-depth material, but because of time constraints this was not investigated further. As a result, the research is handicapped by a lack of triangulation and this is an acknowledged limitation of the study.

SUMMARY

The research identified many valuable insights into how some larger companies value entrepreneurship and this chapter has described the most interesting findings revealed in this study. Factual information regarding the participating companies was presented at the beginning of the chapter, and the chapter then proceeded to describe different perceptions of entrepreneurial behaviour. Two themes which seemed to reoccur were idea and vision.

Further, recognition of entrepreneurial behaviour in the organisation was presented. In this regards, culture, policies and processes to guide, encourage and reward entrepreneurial behaviour were mentioned as some of the main influences. Different reward systems were described, and intrapreneurship was presented in the form of a table illustrating individual versus organisational entrepreneurial behaviour.

Some common barriers to effective corporate entrepreneurship practice were also mentioned. Then the value of entrepreneurial behaviour within the organisation was presented and outcomes which had already occurred because of such behaviour were put forwards. Lastly, some key recommendations from top-management were presented.

Overall, the research findings showed that the participants recognised entrepreneurial behaviour as being important to their organisation, and also valued behaviour of an entrepreneurial nature. However, this had happened to various extents, and this was shown by giving concrete examples of outcomes which had already taken place in the organisation. An important observation was that there was little difference in the perceptions and beliefs relating to the various topics between top-management and lower management. The next chapter will present a discussion and interpretation of the key research findings within the framework of the relevant literature.

CHAPTER 5: DISCUSSION

CHAPTER OUTLINE

This research set out to investigate entrepreneurial behaviour amongst larger companies in the New Zealand retail sector. This chapter presents a discussion of the key findings revealed in this research. It addresses three key research topics, namely:

- the recognition of entrepreneurial behaviour within the organisation,
- the value of entrepreneurial behaviour to the organisation and;
- the outcomes which have already occurred because of such behaviour.

Other relevant issues that were identified during this research are also discussed, and the chapter finishes with the researcher's own proposed model of intrapreneurial development (Fig. A).

ENTREPRENEURIAL BEHAVIOUR IN THE ORGANISATION

With regard to the recognition of entrepreneurial behaviour in the organisation, a number of themes were discovered in the data collected. As expected, participating organisations indicated that entrepreneurial behaviour was seen as important by their organisation. However, the different organisations placed uneven emphasis on its importance. This was emphasised by the ratings the organisations gave their company in terms of how entrepreneurial the company was (shown in Table 6). Company A was the highest ranking with a score of 9 out of 10, whereas company B was the lowest with a score of 2 out of 10. It was also revealed that, in order for such behaviour to be developed, there had to be appropriate structures and processes in place to support it.

This finding is in coherence with the view of Echols & Neck (1998); Roffe (1999); Ozomer, Calantone & Di Bonetto (1997); Morris & Kuratko (2002) and Martins & Terblanche (2003), who all believe that organisational structure and processes which help support entrepreneurship is vital to the organisation if it is to be successful. However, although the organisations realised the importance of structure and processes in order to stimulate entrepreneurial behaviour, practical application of the “theory” is not always easy often due to budget and resource constraints. For example, as mentioned previously, one of the respondents mentioned limited resources in the company’s training department, due to restructuring, as a limitation to the process of entrepreneurship.

Organisational culture

One common pattern that emerged from the data was the importance of an organisational culture which supported and embraced entrepreneurial behaviour. As stated earlier, a majority of the respondents believed entrepreneurship was part of their culture. It was however surprising to find that two people from different levels of management in the same company had conflicting views on whether or not entrepreneurial behaviour was in fact perceived as part of the company’s culture.

This finding is especially interesting because, in the words of Burns (2005), culture is a “pattern of taken-for-granted assumptions and beliefs shared by individuals collectively about how they are” (p.104). However, these observations clearly correspond with the literature noting the importance of an organisational culture which supports entrepreneurship, for instance Campell-Allen & Welch (2004) and Morris & Kuratko (2002). A suggested explanation for this conflict could be, as mentioned previously by Morgan, 1986, (cited in Cheney et al, 2004, p.89) that organisational culture can be viewed as “a mosaic of organizational realities rather than a uniform corporate culture”.

However, Martins & Terblanche (2003) found that even though there seems to be little conformity regarding the type of organisational culture needed to improve creativity and innovation, one of the best approaches is based on the open systems approach which highlights the determinants that play a role in promoting creativity and innovation. These determinants include strategy, organisational structure, support mechanisms, and behaviour that encourage innovation and communication. These determinants overlap and interact with one another and how they operate will either support or inhibit creativity and innovation in the organisation. Therefore, different knowledge of these aspects could be a contributing factor to help explain why two respondents from the same company had different views on what their organisational culture implied.

Morris & Kuratko (2002) further believe that an entrepreneurial culture has the following elements:

- People and empowerment focus
- Commitment and personal responsibility
- “Doing the right thing”
- Value creation through innovation and change
- Hands-on management
- Freedom to grow and fail
- Attention to basics
- Emphasis on the future and a sense of urgency

Many of these aspects were identified as important by the participating organisations. Especially “doing the right thing” and “having integrity” were seen by the majority of the participants as being an important feature of their organisational culture. One of the respondents said that the organisation focused on empowering people to think for themselves, as many people don’t believe in themselves and therefore undersell themselves. The same respondent believed that the organisation’s emphasis was on planning for the future as well as working for today.

Another respondent believed that the company gave their employees the freedom to make mistakes but said that “mistakes can happen, but you need to learn from them. A mistake once is okay but the same mistake twice is not really forgivable”.

Policies which promote entrepreneurial behaviour

It was found that the companies had different policies and procedures to stimulate and promote entrepreneurial conduct. A number of examples were given by the respondents. These included; freedom (for staff to make their own choices), accountability (for the subsequent actions and decisions), an “open-door policy” and brainstorming sessions. The two most common policies were however the two latter.

Having an “open door policy” ensures that everyone’s opinion is heard and is a great way for management to harvest ideas from their employees. Brainstorming is further one of the most widely used techniques for generating new ideas and can help create an avalanche of ideas and encourages people to open their minds. Further, this technique allows people to generate different opinions and look at problems from different angles and perspectives, thus ultimately leading to a better range of solutions. However, it can be a very time-consuming process.

A minority of the participants mentioned regular formal or informal meetings as a way of promoting entrepreneurial behaviour. Rayner (1996) emphasises the importance of having regular and well-organised meetings for facilitating performance and recommends the use of the “PATIO” process. PATIO stands for purpose, agenda, time, information and outcomes. This technique was especially developed for teams within larger organisations.

It must however in all fairness be mentioned that one of the organisations has regular meetings every two months in every part of New Zealand, where all the members of the firm come together and have brainstorming sessions. This company believed that this was a point of differentiation between their company and other companies in terms of communication, and that this regular communication between the branches and the head office helped assist performance and aid innovation.

It was however an interesting observation that none of the companies mentioned training programs as process to guide and encourage entrepreneurial behavior in the organisation. Morris & Kuratko (2002) believe that levels of entrepreneurship are higher in companies with training programs, and these authors further believe that training should be customized and career oriented with high levels of employee participation.

“Changing job demands and the need to keep abreast of the newest technologies suggest a need for continuous, ongoing training as well as for training activities that are less structured or standardised and which focus on individualised knowledge requirements” (ibid p.240).

Further, this type of training approach enables employees to respond in unique ways to new challenges, adapt to dynamic environmental conditions and feel comfortable with uncertainty. Training programmes may also include an attitudinal component, wherein acceptance of change, willingness to take risks and assume responsibility, and the value of teamwork and shared achievements are central themes (Morris & Kuratko, 2002). It could therefore be recommended that the organisations make use of such programmes in order to increase entrepreneurial behaviour in the organisation. Having an “open-door” policy and holding regular brainstorming sessions may merely allow entrepreneurship to emerge-forcing it to happen may take something more proactive.

Additionally, none of the respondents put forward their organisational structure as an imperative factor to influence entrepreneurial activity.

However, according to Burns (2005) there is no one “best” structure, the most appropriate structure depending on a number of factors which include:

- The nature of the organisation
- The strategies it is employing
- The tasks to be undertaken
- The environmental conditions under which the firm operates
- The size of the firm

Burns believes that size does matter and suggests that in order to be entrepreneurial, “a large organisation needs to find ways of breaking itself down into a number of sub-organisations with varying degrees of autonomy” (p.126). Covin & Slein (1990) also believe that entrepreneurial behaviour within an organisation is positively correlated with performance when structures are more organic. In other words, large organisations ought to structure themselves to comprise smaller “units”.

It is however important to note that again, there is no “correct” approach-Burns also makes the comment that it is unlikely that one organisational structure, even an organic one as believed best by Morris & Kuratko, (2002) will suit all situations. It was not really made clear if this was the common practice for the participating organisations, although one respondent said that “you’re treated like you’re a mini business on its own and held responsible for your own decisions”.

It can however be argued that flexibility and the ability to adapt rapidly to change are more important than structure in order to promote entrepreneurial behaviour. This view is endorsed by Galbraith (1995), who underlines the importance of change and variety rather than rigidity and conformity. In this respect, it was interesting to observe that few of the respondents mentioned innovation as part of their strategy. As noted earlier by Morris & Kuratko (2002); Shatzer & Schwartz (1991), and Campell-Allen & Welch (2004), to be sustainable, the entrepreneurial spirit must be integrated into the mission, goals, strategies, structure, processes, and values of the organisation. This concept did not seem to be well understood.

Risk was another factor which was not really put forward as being part of the companies' strategy. This could be because the changes in innovation relating to the companies are likely to involve ways in which a product or service could be more effective at meeting customer needs and that these changes are therefore incremental and involve minimal risk.

Finally, "Kiwi ingenuity" was not mentioned as a component to assist entrepreneurial behaviour in the organisation. Historically, because of people's rural background and isolation, New Zealanders were forced to be ingenious to get by-many products and services just weren't available, and it was simply a matter of making do with what you had. Quite often this meant creating something yourself, hence the development of a "make-do" response to any given problem (the so-called "No.8 wire" approach).

New Zealanders are by their nature, their history and their physical isolation, curious, inquisitive, and exploring people. Undoubtedly prepared to tackle any problem and try and solve it, they are pragmatic in their approach and not intimidated by failure. More often than not they work out a solution; but this solution isn't always an optimal one, instead often being a temporary response that does just enough to "pass" and do the job.

Reward systems

As mentioned earlier, the appropriate use of rewards and incentives are imperative to help cultivate entrepreneurial behaviour. Bolton & Thompson (2003) believe that a reward system should be open and fair and that those who deserve it should be rewarded.

All the contributing organisations used rewards as a means to encourage entrepreneurial behaviour, although the rewards varied from company to company. The most widely used reward system used was by recognition or appraisal, although one company also included monetary rewards. As mentioned earlier, Roffe (1999) believes that the variety of rewards that innovators are likely to value might be considerably broader than just that of a monetary nature.

Recognition of achievement is a powerful and significant motivator and is often a complementary incentive sought after by innovators. This was found to be the case amongst most of the respondents- as one person noted, sometimes it was the little things like simply a “thank you” for a job well done that made people’s day and recharged them.

Especially one organisation made wide use of rewards for anyone who had gone that little bit further for the customer or who had a good idea. This organisation made use of monetary rewards as well as dinners, wine and chocolates. Even though the literature suggests that recognition is a strong motivator, the use of monetary rewards can not be underestimated as a powerful motivator for encouraging entrepreneurial behaviour. As one respondent said “seeing the end result is a reward in itself, but I would prefer the money”.

Intrapreneurship

As mentioned before, Pinchot (1985) defines intrapreneurs as key individuals with the ability to identify opportunities and exploit the organisation’s resources to satisfy new needs and better satisfy existing needs. In other words, they are entrepreneurs in larger organisations. In order to discover the extent of intrapreneurship in the companies included in the research, it was thought interesting to see how each individual rated their personal performance against that of their company.

When asked how the respondents rated their personal performance compared to that of their company, the vast majority thought themselves as being more entrepreneurial than their organisation. This was an interesting and somewhat unexpected discovery. Ross & Unwalla, 1986, (cited in Burns, 2005), say that the best intrapreneurs are “result-oriented, ambitious, rational, competitive and questioning” (p.135), and it can be argued that these characteristics can also be used to describe the managers in the organisations studied, as they came across as very capable leaders and having strong personalities.

Though it must be noted that it is easier to rank oneself rather than rank a large company with a great number of people, the findings none the less suggest that there are individuals who display intrapreneurial characteristics amongst top-management in the New Zealand retail sector. At the same time, it could be concluded that a majority of these respondents found the firm in itself to be a barrier to entrepreneurship rather than an aid to its development.

Barriers to effective practice

It was found that there were several barriers to effective corporate entrepreneurship practice in the organisations researched. The results showed that some of these barriers were *“company structure, abundance of policies, poor communication, misunderstandings, lack of encouragement to speak up, lack of independence, internal conflicts, lack of appropriate training, society in general, negative perceptions and prejudice towards entrepreneurs, the tall poppy syndrome, the “Kiwi lifestyle” and the “she’ll be right” attitude.*

These results were not surprising, as most of them are widely recognised as common obstacles and general barriers relating to issues in innovation and entrepreneurship. However, the last three barriers are especially relevant to the New Zealand business environment-as one respondent said:

I feel quite strongly about the issue. I unfortunately think that NZ is putting itself into a position where it's very involved in “tall poppy syndrome” and doesn't let a person get really good at something. If they're rich it's because they've trod on somebody else or they shouldn't be allowed to do this and it should be taken off them. It's a sad thing that our people are coming to that.

Another person continues:

Most New Zealanders would rather not build a company but they would rather spend some time building their own holiday house. They're very skillful; it's one of the few nations that I would call a pioneering nation. They're not a management nation, they're a pioneering nation, where pioneers went in and built their own homes, they're very skilled. For me, I'm very hopeless at that. Basically NZ is farming and the farmers are certainly not managers, they're entrepreneurs. But it has to do with the culture and the general attitude.

Approaching the issue in a more systematic way, Morris (1998) believes that barriers to corporate entrepreneurship can be classified into six groups. Morris stresses the fact that these are based upon an extensive review of the literature on corporate innovation and entrepreneurship, surveys of medium-sized and large companies and in-depth assessments of three Fortune 500 companies. The six groups are:

1. Systems
2. Structures
3. Strategic direction
4. Policies and procedures
5. People
6. Culture

Inappropriate systems of any kind can act as a disincentive for entrepreneurs, much more so than for the corporate servant. If systems are too strong, they can act as a barrier to effective corporate entrepreneurship practice. Further, too many hierarchical levels and so called top-down management, restricted communications, and lack of accountability are also widely accepted factors hindering entrepreneurship (Morris, 1998).

No formal strategy for entrepreneurship, no vision from the top and lack of senior management commitment are also factors of a negative nature. Long and complex approval procedures and excessive policies are further hindrances which firms should try to avoid. Fear of failure, resistance to change and complacency might be the greatest barriers of all as these are common human aspects.

Changing people, their attitudes, and the way they do things is arguably the biggest challenge facing management. There is a natural tendency amongst human beings to resist change and preserve status quo (Morris, 1998), and this poses a direct threat to the fundamental principles of entrepreneurship.

Burns (2005) says that you can do three things with these barriers; ignore them, work around them or remove them. The two latter are the suggested way of dealing with these barriers to achieve the best outcome although this is not an easy task. For the eight interviewees in this research, some of the major barriers mentioned were clearly seen to be specific for the New Zealand environment. In this respect, the “she’ll be right” attitude was mentioned as a common “Kiwi” perception and an obstruction to making entrepreneurship happen in New Zealand. This is a dangerous view to hold as entrepreneurship does not just happen. It needs to be nurtured, guided, structured and encouraged in order for it to reach its full potential. Or in the words of Morris & Kuratko (2002), corporate entrepreneurship “requires considerable time and investment, and there must be continual reinforcement” (p.355).

Additionally, another unexpected finding which was put forward by management as a barrier to entrepreneurship was the fear of losing your job. This in particular related to mid-to-lower management and older employees who feared they had nowhere else to go. Here, entrepreneurial behaviour was seen as unnecessary risk, and the consequent development of risk aversion as a “self-preservation” mechanism can act as a barrier in its support for maintaining the “status quo”.

A number of respondents aired this issue and linked it to a fear of having too many entrepreneurs in an organisation. It was believed that many lower managers are always “looking over their shoulder” because if there’s a person who reports to him or her who has ideas of efficiency and how things can be improved, then that person might get the manager’s job. One reason for this was believed to be that a lot of managers have no formal management education and are actually often accountants who think like accountants and not like entrepreneurs.

This is however not just a “Kiwi” phenomenon, though one respondent drew a direct comparison with management in the United States:

“In the States, I always use the States for management because I think it’s the best example of management, but every manager virtually has an MBA and is qualified in management, so they’re not worried about someone who’s reporting to him having a good idea. NZ management is not always as positive; they can’t talk authoritatively on management subjects just as much as they talk about entrepreneurship. They are not greatly into ideas because for them a manager is merely to manage the people, we have done it this way and we are doing it well, so lets get on and do it. This is dangerous because if the people don’t grow the company won’t grow, people make up the company and they don’t realize that”.

THE VALUE OF ENTREPRENEURIAL BEHAVIOUR

One of the main objectives of the research was to investigate how entrepreneurial behaviour was valued by the organisation, how this was made known, and possible pros and cons of valuing such behaviour. The intent was to discover the importance the organisations placed on such behaviour.

All the participants believed that their organisation did in fact value such behaviour although to a different degree. A minority of the respondents said that they did currently not have enough employees displaying entrepreneurial behaviour, but this was something they were working on. Although it is logical and a well known fact that not everyone has what it takes to become a corporate entrepreneur (Coulson-Thomas, 1999), there are several things management can do in regards to encouraging entrepreneurial behaviour amongst employees.

According to Burns (2005), some of these include encouraging opportunity seeking, innovation, questioning the status quo, vision, learning, rapid transfer of knowledge and information, taking risks, allowing failure, accepting and embracing change.

In other words, as Kanter (1983, p.354) notes:

In short, individuals do not have to be doing “big things” in order to have their cumulative accomplishments eventually result in big performance for the company...They are only rarely the inventors of the “breakthrough” system. They are only rarely doing something that is totally unique or that no one, in any organisation, ever thought of before. Instead, they are often applying ideas that have proved themselves elsewhere, or they are rearranging parts to create a better result, or they are noting a potential problem before it turns into a catastrophe and mobilising the actions to anticipate and solve it.

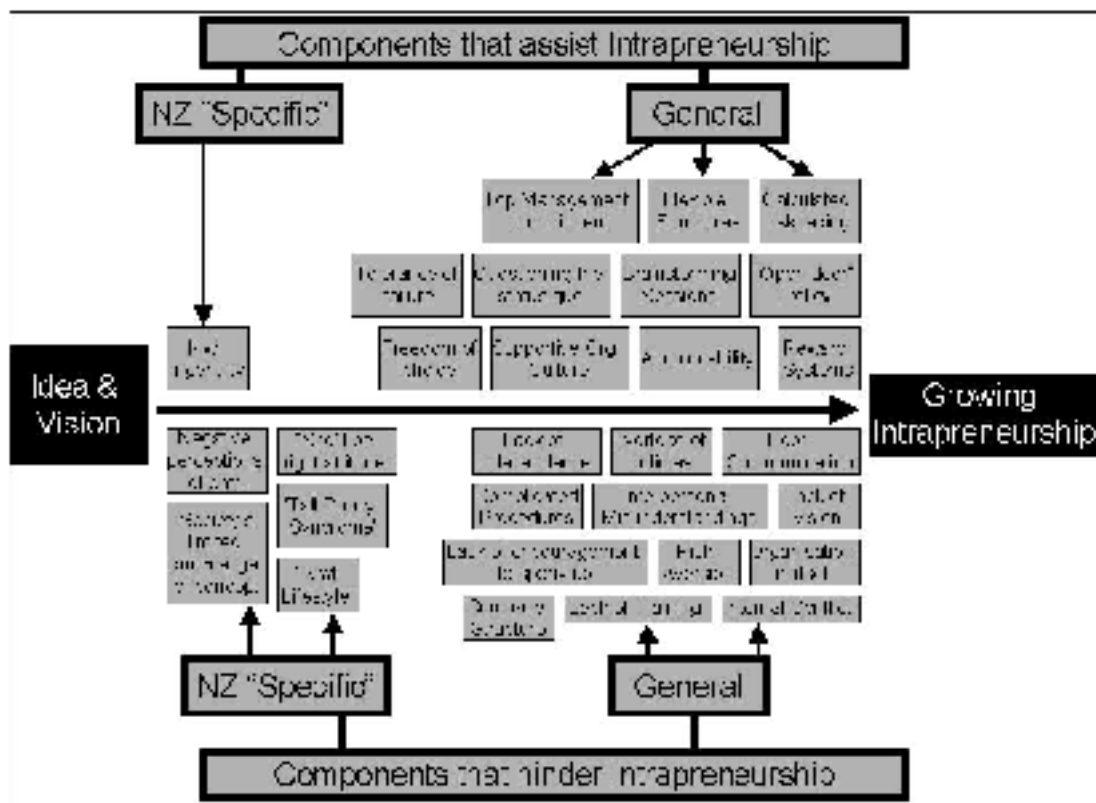
As they say “actions speak louder than words”, so it is crucial that top-management show that they value and are committed to encouraging and embracing entrepreneurial behaviour by leading by example or in other words “walk the talk”.

As mentioned earlier, Kuczarski (1996) believes that top-management must lead and be held accountable for successful innovation and must themselves be committed to and install in others a passion for innovation. Timmons & Spinelli (2004) further say that entrepreneurial managers “breed independent, entrepreneurial thinking by expecting and encouraging others to find and correct their own errors and to solve their own problems” (p.282). However, they are accessible and willing to help when needed as well as provide the necessary resources to enable others to do the job. Further, effective entrepreneurial managers need to be especially skilful at managing conflict, resolving differences, balancing multiple viewpoints and demands, and building teamwork and consensus (Timmons & Spinelli, 2004). There seems to have been generally positive views in terms of how effectively these ideas had been communicated to others in the firm.

The respondents said that they believed top-management conveyed this by showing an interest in employee ideas, taking action when a good idea was put forward and by showing every person’s idea the same respect. Encouragement to speak up was further seen as a way to encourage the flow of ideas and creativity. This is in accordance with the view of Burns (2005) who, as mentioned earlier, says that there are no “bad ideas” and at the very least an idea is a springboard for other ideas.

It was however interesting to find that, even though most of the respondents believed that there were mostly advantages linked to valuing entrepreneurial behaviour, there were also some disadvantages which were mentioned. Some of the respondents believed that too much independence could lead to chaos, and that the constant chase for new and innovative services/products could make a company forget their core service/business. In the quest for innovation it is important not to forget “what you do best”, and the pursuit of entrepreneurial behaviour needs to be kept in equilibrium, as this model suggests.

Fig. A. Proposed Model of Intrapreneurial Activity



In support of this concept, von Oetinger (2004) suggests three different methods to encourage innovation within an organisation:

1. Step back from the day-to-day activities and look at the bigger picture
2. Be accepting of foreign ideas or those of the competition
3. Pay attention to the periphery of the organisation, as this is where many of the best ideas come from.

OUTCOMES OF ENTREPRENEURIAL BEHAVIOUR

It was found that several outcomes had already occurred as an underlying consequence of entrepreneurial behaviour in a majority of the organisations researched. Numerous superior and creative examples were put forward relating to specific events. People do not start a chocolate factory in order to meet company demands, invent a new management programme to encourage employee ideas, or rearrange the counter area of a major supermarket in order to improve both efficiency and worker satisfaction, unless they display entrepreneurial behaviour. Many of these outcomes were a direct result of management's desire to change a process for the better. According to Burns (2000), "corporate entrepreneurship embraces change, encouraging it to the point where it is seen to be the norm to and individuals continuously question the status quo" (p.148).

SUMMARY

By and large, all the participating organisations valued entrepreneurial behaviour, although to different extent. A majority of the respondents perceived entrepreneurship to be an essential part of their culture and had policies and processes in place to both guide and encourage entrepreneurial behaviour. Having an "open door" policy was seen as the most effective way for employees to air their ideas. It was however seen as important that management follow up practical and feasible ideas in order for the policy to have any real effect.

It was an interesting discovery to find that all the companies used reward systems in order to encourage innovative ideas to emerge. The most common reward used was recognition and appraisal, but monetary rewards were also used.

Arguably the most interesting finding was linked to individual versus organisational entrepreneurial behaviour and presented the impression that the respondents perceived themselves to be more entrepreneurial than their organisation. Further, some barriers to effective corporate entrepreneurship practice were presented. These barriers were both general and specific for the New Zealand environment.

When each of the foregoing influences was taken into account, it was possible to graphically display the process by which vision and idea are translated into corporate intrapreneurship, and this process is shown in Figure A presented earlier. It is that process which forms the foundations for the concluding chapter.

CHAPTER 6: CONCLUSIONS AND IMPLICATIONS FOR FURTHER RESEARCH

The primary aim of this research was to explore the extent to which some larger companies value corporate entrepreneurship, and to investigate intrapreneurship as part of corporate entrepreneurship practice. To study this key subject, a number of in-depth face-to-face interviews were conducted with eight people representing the top-management of four different companies operating within the retail sector in Auckland, New Zealand.

The study identified that larger companies value entrepreneurial behaviour to a different extent, depending on a number of different factors. Organisational culture, policies, processes, intrapreneurship and reward systems were mentioned as the main influences to guide and encourage entrepreneurial behaviour in the organisations. The research also revealed a number of critical issues or barriers to effective corporate entrepreneurship practice, including both general barriers and barriers which can be said to be more specific to the New Zealand environment. The general barriers included structure, policies, poor communication, misunderstandings, lack of encouragement, lack of independence, internal conflict and lack of training. The more New Zealand-specific barriers included society in general, negative perceptions and prejudice towards entrepreneurs, the “tall poppy” syndrome, and the “Kiwi” lifestyle. These barriers proved to be common to the majority of participating organisations.

The research also identified specific outcomes which had occurred because of entrepreneurial behaviour. Outcomes which were mentioned included starting up a chocolate factory to meet market demand, restructuring the counter area to achieve better efficiency for the customer, launching a new management system to encourage new ideas and minimise defects, and building a successful tourist business concept around bus stops.

Overall, the research established that larger organisations perceive entrepreneurship as important, but their approach to the issue differs and the resources allocated to the issue are limited.

The overall pattern that emerged from the data is that in most cases top-management perceived themselves to display more entrepreneurial behaviour (intrapreneurship) than their organisation. Moreover, top-management's commitment to corporate entrepreneurship needs to be constantly reinforced and displayed in everything they do. As mentioned earlier, Coulson-Thomas (1999) believes that it is essential that top-management must lead and be held accountable for successful innovation and must themselves be committed to and install in others a passion for innovation in order for it to take place.

Therefore it is highly recommended that top-management constantly endeavour to try to find new ways to inaugurate in employees an excitement for innovation and see intrapreneurship as a valid tool for obtaining competitive advantage. As noted by Morris & Kuratko (2002), "the quest for competitive advantage can no longer be found simply in lower costs, or higher quality, or better service" (p.15). Instead, Morris & Kuratko believe it lies in the combined concepts of adaptability, flexibility, speed, aggressiveness and innovativeness-according to Morris & Kuratko, these five words together define entrepreneurship.

Based on the findings of this research and the literature on corporate entrepreneurship, it is recommended that top-management apply the following strategies for enhancing corporate entrepreneurship and encouraging the spread of intrapreneurial behaviours amongst staff:

- Recognise, and work towards removing, barriers to entrepreneurship practice
- Integrate the entrepreneurial spirit into the mission, goals, strategies, structure, processes and values of the organisation
- Keep multiple lines of communication open to encourage a free flow of ideas
- Recognise and welcome the need for continuous change
- Develop appropriate training programmes

- Give employees the freedom to experiment and encourage calculated risk taking
- Ensure that employees are held accountable for their own workplace activities
- Encourage creativity, innovation, and continual learning
- Encourage and reward achievement
- Introduce a flexible structure
- Reward effort rather than penalise failure
- Make wide use of teams within the workplace

These research findings have theoretical as well as practical implications for both practitioners and researchers. In setting out to investigate the ways in which larger firms value corporate entrepreneurship, how it is applied, and what the barriers to success are, the key purpose of this exploratory study was to draw the attention of both theorists and practitioners to these issues and encourage others to investigate them in more depth.

In this context, it is important to note that the vast majority of research on corporate entrepreneurship has been conducted in the United States, leading to a lack of diversity in the geographic scope of corporate entrepreneurship research-for example, there seems to have been virtually no work done in New Zealand. Thus, the contribution of this research is to explore issues which have hardly been researched in New Zealand before and to add to the existing limited knowledge of corporate entrepreneurship in New Zealand.

Despite these insights, however, the research has some important limitations. Firstly, given its status as an exploratory project, the study lacks any real statistical rigor, and further study is clearly needed to investigate the identified themes more deeply. Secondly, the four selected organisations are by no means representative of all retail organisations in New Zealand. While the small number of companies permitted the collection of rich qualitative information, the results can not be said to be in any way indicative of the retail sector in general.

Further research will clearly look beyond this small sample of top-management, and one possible avenue of research would be to conduct a large scale survey aimed at determining the extent to which performance of the companies is affected by the issues highlighted in this research.

In this respect, the following are a few possible research questions that might underpin future research efforts:

- What are the most important issues affecting corporate entrepreneurship in New Zealand?
- What are the distinguishing characteristics of successful intrapreneurs versus unsuccessful intrapreneurs?
- How can we best overcome specific barriers to effective corporate entrepreneurship practice?
- How can we best stimulate, support and protect corporate entrepreneurs?

Given the importance of corporate entrepreneurship to the success of larger companies, further research will contribute to better understanding of how top-management can use corporate entrepreneurship as a tool for growth, innovation and achieve competitive advantage.

Overall, the results of this study demonstrated that structure, policies, poor communication, misunderstandings, lack of encouragement, lack of independence, internal conflict and lack of training are crucial issues for larger organisations. Further, society in general, negative perceptions of-and prejudice towards entrepreneurs, the “tall poppy” syndrome and the “Kiwi lifestyle” are also barriers to effective entrepreneurship practice.

The costs associated with these barriers may well lead to failure in nourishing corporate entrepreneurship and developing intrapreneurs. Therefore, urgent attention to these barriers, especially in larger organizations, is needed so that corporate entrepreneurship can blossom to the mutual benefit of all stakeholders.

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APPENDICES

Appendix 1 Interview Guide

INTERVIEW GUIDE

Preface: Gives a quick presentation of myself and my background and why I chose the topic. Explains the purpose of the interview, what I wish to achieve, and confidentiality issues. Gives a time frame.

Area I: Factual information

- How long have you been working in this organisation? In this position?
- What are your qualifications?
- Do you have any other responsibilities in the organisation?

Area II: Recognition of entrepreneurial behaviour in the organisation

- You know my definitions – but what do you think entrepreneurial behaviour is? What do you believe are the main characteristics?
- To what extent is entrepreneurial behaviour seen as important by the organisation?
- What policies and/or processes if any do you have to guide entrepreneurial behaviour? Is it encouraged? If so, how?
- To what extent do you think entrepreneurial behaviour is recognised in your organisation? Is it rewarded? If so, how?
- In your opinion, on a scale of 1 – 10 (1 being lowest and 10 being highest) how entrepreneurial is your organisation?
- In your opinion, on a scale of 1 – 10 (1 being lowest and 10 being highest) how entrepreneurial are the individuals in your organisation?
- What do you think works?
- Are there any barriers?
- How can it be improved?

Area III: Value of entrepreneurial behaviour within the organisation

- Do you think entrepreneurial behaviour is valued by the organisation?
- If so, how is this made known?
- What do you think are the main advantages of valuing entrepreneurial behaviour within the organisation?
- Do you think there are any disadvantages? If so, can you please state them?

Area IV: Outcomes of entrepreneurial behaviour within the organisation

- What, in your opinion, is the outcome of entrepreneurial behaviour?
- Do you think the organisation will benefit from it? If so, how?
- Are you aware of any outcomes that have already occurred because of entrepreneurial behaviour in your organisation?

Close-up: Is there anything we have not covered that you would like to add? Ask to talk to Daily Manager or Store Manager. Explain what will happen next and ask if they would like a copy. Thank them very much for their time.

Appendix 2 Participant Information Sheet



Participant Information Sheet

My name is Therese Durkan. I am a student of the Master of Business Innovation & Entrepreneurship degree at the School of Management & Entrepreneurship, Unitec New Zealand. I am presently conducting a research project that will constitute a Master Dissertation in the field of Business Innovation & Entrepreneurship.

For this research I am undertaking a case study regarding entrepreneurial behaviour in Organisation X. This project will examine entrepreneurial behaviour amongst larger companies in the New Zealand retail sector, and the extent to which this behaviour is recognised, guided, encouraged and rewarded by the organisation. I am researching this topic because there is little research done in New Zealand in this area. It is also an interesting field to investigate, and the techniques I will use can later be transferred to many other topics within Business Innovation & Entrepreneurship.

I would like to conduct a one hour in-depth interview with the senior manager of Organisation X, or the most appropriate person to help me answer these questions. While I would appreciate any assistance you can offer me, you are under no obligation to participate. With your consent, I would like to audiotape the interview, although all information you provide in the interviews will be confidential and your name will not be used.

If you agree to participate, you may withdraw from your participation at any time up until 20 June 2005 without giving a reason.

Thank you very much for your time and help in making this study possible. If you have any queries or wish to know more, please phone me at the number given below, or write to me at: theresedurkan@gmail.com

Phone: 021 2924 126

My principal supervisor is: Dr. Ken Simpson

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For any queries regarding ethical concerns please contact:

Chair, UNITEC Institute of Technology Human Subjects Ethics Committee
UNITEC Institute of Technology
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APPROVED BY THE UNITEC INSTITUTE OF TECHNOLOGY HUMAN SUBJECTS ETHICS COMMITTEE on 06/04/2005 for a period of one year from 06/04/2005

Appendix 3 Participant Advisory Material



Informed consent for Dissertation Research Project Participation

Dear member of Organisation X:

I am a graduate student in the School of Management and Entrepreneurship at Unitec New Zealand, Auckland. I would like to invite you to participate in a research project regarding entrepreneurial behaviour amongst larger companies in the New Zealand retail sector. I am interested in exploring the experiences of the senior manager in the organisation or the person you see most appropriate to assist me.

Your participation will include being interviewed once for one hour. I will e-mail you the questions I will be asking in advance so that you will have time to think about them. If necessary I may invite you to join another brief interview in order to clarify former statements. In order to collect the data as efficiently as possible I will ask for permission to audiotape the interview.

Private opinions and thoughts may be asked for in this interview, but all data that I collect will be numbered anonymously so that your identity is protected throughout the study. You will also have an opportunity to read through the transcript of the interview to verify that you have no concerns about the contents. You have the right to withdraw from the study at any time, until 20 June 2005. This will be the final stages of the project when it will be impossible to distinguish and remove quotations from one single participant from the documents.

When concluded my study will result in a dissertation that will be submitted to appropriate members of Unitec New Zealand for examination and archiving.

I appreciate you considering giving your time to this study, which will give new information about entrepreneurial behaviour amongst larger companies in the New Zealand retail sector. If you have any questions, please contact me on 021 29 24 126 or at e-mail theresedurkan@gmail.com. You may also contact my research supervisor, Dr. Ken Simpson on 815 4321 ext. 7015.

Thank you,

Therese Durkan

Please sign below to show that you have read the information sheet and are willing to participate in the dissertation research project outlined above.

Signature _____

Print name _____

Date _____

Consent for audio taping interview

APPROVED BY THE UNITEC INSTITUTE OF TECHNOLOGY HUMAN SUBJECTS ETHICS COMMITTEE on 06/04/2005 for a period of one year from 06/04/2005