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## Editorial

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## **1 The starting point**

In this special issue of IJEV, we endeavour to broaden the conversation around and our understanding of entrepreneurial initiatives which begin inside existing organisations, ranging from entrepreneurial acts of individual employees to strategic renewal of the entire organisation. When we announced this special issue, we provided an initial working definition for corporate entrepreneurship as “the process whereby an individual or group of individuals, in association with an existing organisation, create a new organisation or instigate renewal or innovation within that organisation” [Sharma and Chrisman, (1999), p.18]. Furthermore, we claimed that these processes and actions need to be proactive, innovative, and involve risk-taking in order to be considered entrepreneurial (Miller, 1983). In addition, we cast a wide net, stating that the goals of these actions can be long-term “organisational development” and “cultural change”, mid-term “strategic benefits” and “real-option development”, and short-term “quick financial returns” [Miles and Covin, (2002), p.34].

## **2 Overview and summaries of the articles in this special issue**

As hoped for, a wide variety of authors from variety of continents and disciplinary backgrounds answered our call for papers. We believe that their fresh ideas will help to clarify the definitions of corporate entrepreneurship and closely-related concepts such as opportunities, to sharpen the quantitative and qualitative investigation and analysis of corporate entrepreneurship, to better our understanding of the human and managerial foundations of corporate entrepreneurship, and to extend our understanding of corporate entrepreneurship from private-sector to public-sector and other traditionally non-commercial organisational contexts.

Thorén and Brown’s article, ‘The Särinner effect and three types of ever-abundant business opportunities’, discusses a central strategic issue in corporate entrepreneurship: the creation and pursuit of business opportunities. To bring clarity to this discussion, the authors classify opportunities into three categories, based on how they are come into being and who exploits them. Using the metaphor of Särinner, a magical pig from Norse mythology, the authors take this conversation one step further and contend that the pursuit of new business opportunities leads in turn to the creation of even more business opportunities. The Särinner or opportunity spillover effect has implications for the strategic selection and pursuit of opportunities, which the authors exemplify in the context of both the producers and users of massive multi-player online role-playing games.

Garret’s article, ‘Challenges of quantitative research on internal corporate venturing’, discusses the methodological challenges of quantitatively researching internal corporate venturing (ICV) and offers methods for addressing and overcoming these challenges. The author notes that researchers and managers alike have very little quantitative empirical evidence regarding the causes of ICV success and failure. Nevertheless, it is evident that a strong amount of research includes qualitative methods to explore theory and process models for ICV. After a precise analysis of this issue, the author explored specific challenges of quantitative research on ICVs and discusses potential methods. Finally, the

article discusses prescriptions regarding 'best practices' for conducting quantitative research on ICV.

Åmo's article, 'Corporate entrepreneurship and intrapreneurship related to innovation behaviour among employees', notes that there are unsettled definitional issues regarding the terms of corporate entrepreneurship and intrapreneurship. Therefore, the article discusses the theoretical terms and relates them to innovation behaviour among employees. By applying three brief case studies to compare the three concepts of corporate entrepreneurship, intrapreneurship and employee innovation behaviour, it allows a deeper understanding of the systems leading to innovation and survival in organisations. One of the key contributions of Åmo's article is that exploration of innovation behaviour among employees is valuable because it can be regarded as an autonomous initiative from within the organisation, with the strategic goal of staying competitive in today's demanding economic environment.

Schmelter, Mauer, Engelen and Brettel's article, 'Conjuring the entrepreneurial spirit in small and medium-sized enterprises: the influence of management on corporate entrepreneurship', highlights that corporate entrepreneurship is essential for companies to achieve their goal to remain competitive. The authors used a cross-sectional data set of 214 German small and medium-sized enterprises to analyse the different management functions and their interdependencies for corporate entrepreneurship. Findings of the analysis show that managers indeed have some tools to encourage corporate entrepreneurship within their organisations, which can reinforce market position and performance of their companies.

Ford and Probert's article, 'Trial by market: the Brightstar incubation experiment', offers a single qualitative case study about the attempt by the UK-based telecommunication firm BT to create value from the accumulated knowledge within its laboratories by setting up the Brightstar corporate incubator. The authors observed the development of the incubator and how the type of partnership between a corporate entrepreneurship initiative and an external investment agent operates. This case demonstrates how a technology firm can exploit its intellectual property and transfer it to the commercial marketplace. Although this single case study offers some rich insights, Ford and Probert state it is essential to conduct further long-term studies of such partnerships in order to develop a more universally valid understanding and a corresponding set of best practices.

Vorley and Nelles' article, 'Gone corporate? The changing face of entrepreneurship in contemporary universities' focuses on entrepreneurship at universities and how they are involved in development and commercialisation of university-generated science and technology. The authors assert that universities have always been engaged in a variety of economic activities, but that the entrepreneurial thinking is emerging as a new part of their core mission, in addition to teaching and research. The article develops a more thorough understanding of entrepreneurship activities within universities by clarifying the definitions and conceptual framework of this particular field. Furthermore, Vorley and Nelles note that the entrepreneurial role of universities has shifted the emphasis of public policy from a more individual to the institutional scale and that the corporate entrepreneurship perspective can provide a better understanding of entrepreneurship within universities.

### **3 Call for future research**

Review articles and special issues inevitably describe emerging research areas and identify important areas for future research, many of which go unanswered. For example, Zahra et al. (1999) called for clearer empirical distinctions between entrepreneurial attitudes and behaviours as well as greater attention to entrepreneurship at the business unit of analysis, Dess et al. (2003) identified leadership, organisational learning, and non-financial performance metrics as emerging and important research trends, and Hayton (2005) argued for closer attention to human resource management issues. While there has been some new research on these issues (for example, Garret's article on measurement issues in this special issue), much more needs to be done. Nonetheless, we are optimistic that a call for future research may be answered, and therefore in this guest editorial we would like to call for attention to two issues: organisational change and expanding the theoretical foundation for corporate entrepreneurship.

#### *3.1 Organisational change and corporate entrepreneurship*

Organisational development and change, which is exemplified in this special issue by Ford and Probert's historical study of the Brightstar business incubator, is an area where we would like to emphasise the need for more research and theory development. In the area of corporate entrepreneurship, several conceptual models of organisational change have been proposed. Two such models are the capability-development model of Floyd and Wooldridge (1999) and the strategic-entrepreneurship model of Ireland et al. (2003). First, Floyd and Wooldridge (1999) developed a circular model of corporate entrepreneurship as a capability-development process. They propose that the perception of entrepreneurial opportunities can lead to entrepreneurial initiatives, which in turn can lead to the development of new organisational capabilities. These new organisational capabilities can then iteratively lead to the perception of new entrepreneurial opportunities [see Figure 1, Floyd and Wooldridge, (1999), p.131], which is comparable to the Särimer effect described in the article of Thorén and Brown. Further, Floyd and Wooldridge detail the knowledge and social dynamics that drive and moderate this capability loop [see Figure 2, Floyd and Wooldridge, (1999), p.132]. Second, integrating perspectives from the resource-based view of the firm, human capital, social capital, organisational learning, and creative cognition, Ireland et al. (2003) developed a dynamic model of strategic entrepreneurship. This model describes how in the presence of an entrepreneurial mindset, an entrepreneurial culture, entrepreneurial leadership, and the strategic management of resources, creativity and innovation can flourish and result in competitive advantage and wealth creation [see Figure 1, Ireland et al., (2003), p.967].

When future authors develop new models of organisational change for corporate entrepreneurship, we recommend that they refrain from building a new wheel and reflect upon earlier works regarding organisational change. In particular, we recommend the framework of van de Ven and Poole (1995), who classify organisational change along two dimensions (mode of change and unit of change) and identify four archetypical models (lifecycle, evolution, teleological, and dialectic). The first dimension, mode of change, refers to the prescribed or constructive nature of the change. Given that entrepreneurship is by definition proactive (cf. Covin and Slevin, 1989; Lumpkin and Dess, 1996; Miller, 1983), this is certainly an important dimension for differentiating between change in non-entrepreneurial and entrepreneurial organisations. The second

dimension, unit of change, refers to the number of entities involved, from single to multiple. Given that corporate entrepreneurship by definition involves at least two entities within or on the boundaries of an organisation (e.g., the new and the old) (cf. Miles and Covin, 2002; Sharma and Chrisman, 1999), this is certainly an important dimension for differentiating between change in independent and corporate entrepreneurship.

Viewing Floyd and Wooldridge (1999) and Ireland et al.'s (2003) models through the lens of van de Ven and Poole's (1995) framework, we find certain parallels. On one hand, the model of Floyd and Wooldridge (1999) could be classified as an evolutionary model. An evolutionary model "consists of a repetitive sequence of variation, selection, and retention events among entities in a designated population" generated by "competition for scarce resources" [van de Ven and Poole, (1995), p.521]. On the other hand, the model of Ireland et al. (2003) could be viewed as a teleological model. A teleological model "views development as a cycle of goal formation, implementation, evaluation, and modification of goals based on what was learned" and is a "purposeful social construction" [van de Ven and Poole, (1995), p.520]. That said, corporate entrepreneur consists of both multiple entities and a proactive stance, and would therefore be best represented by a dialectic model. A dialectic model is characterised by a pluralistic process and conflicts which "emerge between entities espousing opposing" views which "collide to produce a [new] synthesis" [van de Ven and Poole, (1995), pp.520–521]. The challenge we pose to researchers is to develop such a dialectical model of organisational change for the corporate entrepreneurship context.

To help researchers in accomplishing this goal, we recommend that they draw on the rich base of knowledge already developed by researchers in the areas strategic management and organisational change that represent the single. For example, the ambidexterity literature discusses how organisations can both entrepreneurially oriented exploratory initiatives as well as more conservative initiatives which refine and exploit their existing knowledge (Raisch et al., 2009). Further, research into strategic renewal by emphasises the important role of the fit between the reactive vs. proactive stance of top management and reactive vs. proactive stance of middle and frontline management (Volberda et al., 2001). Good wheels have already been built and there is no need to reinvent them, though some restructuring and recombination may be required.

### 3.2 *Expanding the theoretical foundation*

A further valuable approach to gain insights into the theoretical underpinnings of corporate entrepreneurship could be to compare management and entrepreneurship research from German-speaking with Anglo-Saxon countries. For example, theories of the firm have been a central element of the standard literature in the 'English' field of business administration and the 'German' discipline known as Betriebswirtschaftslehre. However, Betriebswirtschaftslehre in German-speaking countries has a different tradition from business administration in the Anglo-Saxon world. In particular, Betriebswirtschaftslehre has, since its origins at the beginning of the last century, regarded itself as an academic field with an identity of its own. English-speaking readers are referred to the relevant articles in the *Handbook of German Business Management* (Groachla, 1990). A lucid and highly critical account of this search for identity can be found in Schneider (1993, p.219).

Regarding corporate entrepreneurship, valuable insights can be found in Gutenberg's concept of *complementarity* within the theory of the firm (Gutenberg, 1951/1983).

Complementarity “is present if the elements of a system are compatible with each other and reinforces each other in fulfilling the function of that system. Successful enterprises can be understood as systems composed of the complementarity elements of organisational design, production technology, marketing strategy and financing; and they should be designed and managed in such a way that the complementarity between these elements is exploited as much as possible” (Schmidt, 1998). This shift from theory of the firm to a more holistic theory of firm design has in fact been called for in the Anglo-Saxon entrepreneurship literature (Sarasvathy, 2004). Here again we see no reason to reinvent a wheel, which is already well established in the German Betriebswirtschaftslehre literature.

Drawing on alternate theoretical traditions outside of the dominant Anglo-Saxon tradition can there help to overcome the view of some critical observers (Schneider, 1997) of management research who state that, “at present management as an academic subject has little to offer apart from an incoherent mixture of bombastic rhetoric, the main function of which is to ease the minds of managers who fear that they might not be able to do what they are expected to do and that other might notice this, and management techniques with little economic substance” (Schmidt, 2000). We feel that it is in our vital interest to find more fundamental theoretical approaches to enhance the quality and reputation of corporate entrepreneurship, which can then in turn contribute to the broader fields of entrepreneurship and management, as well as the parent disciplines of economics and psychology.

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