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How could large, established companies foster entrepreneurship within the existing organization?

A qualitative study accounting for organizational- and cultural differences between Swedish and Japanese firms

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ABSTRACT

In a scenario of intense competition among existing players, large and established companies around the world are attempting to foster entrepreneurship, finding new means to innovate and create new business opportunities, to sustain growth and profitability. Entrepreneurship has long been associated with venture creation in small businesses, but since the 1980s directed increased attention to explore entrepreneurial activities within organizations, summarized under the term Corporate Entrepreneurship. Preliminary investigation in the entrepreneurship literature reveals that there exists an abundance of research that links CE with performance. As far as concerned, less attention has been drawn to the relationship between CE and various aspects of culture, attitudes and behaviors to account for the difference in levels of entrepreneurial activities between countries.

The objective of this thesis has been to investigate how large, established companies could foster innovation and entrepreneurial activities within the existing organization. This has been done by analyzing a number of case companies from Swedish and Japanese firms, utilizing theories within entrepreneurship, organizational structure and cross cultural management. Drawing from the insights, the Swedish companies could serve as a model for Japanese companies. Change and entrepreneurship are realized in the large and established organization by having innovation and entrepreneurial values at its heart to sustain growth and competitiveness. By having an organic organizational structure companies would be in the best condition to maximize the exploitation of new opportunities. Further, firms need an entrepreneurial orientation, which implies a culture that supports entrepreneurship and a certain degree of risk tolerance, in bringing a venture forward. Teams are egalitarian and diverse with informal relationships to achieve the best results. Finally, an effective leader is adapting its leadership to a specific task or group he or she attempts to influence or lead, and finds the most suitable practice for the particular business or business group. Evidence suggests that, all things considered, an organization that can make this a reality will reap the benefits.

Keywords: *Corporate Entrepreneurship, Entrepreneurial Orientation, Innovation, Entrepreneurship, Culture, Organizational Culture, Entrepreneurial Culture, Organizational Structure, Leadership*

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1. Introduction

This section introduces the research questions and background of core concepts within the field of innovation and entrepreneurship. The term Corporate Entrepreneurship will be defined, followed by a discussion of the scope, objective and limitation of the research, as well as the disposition.

1.1 Background

As a result of the convergence of historically separated markets, businesses face many challenges, which require new ways of managing and organizing companies (Conner, 2013). Information is now widely available, global technology development is taking place at a rapid pace, and products and services become obsolete faster than ever. Globalization has opened up endless opportunities to domestic companies in foreign markets (IMF, 2008). Nonetheless, it also brings pressure for incumbent firms to innovate and to sustaining competitiveness in an ever changing business environment (Gibb, 2000; March, 1991).

Innovation[1] capacity and entrepreneurial activities have been widely acknowledged as a critical force to economic growth in today's knowledge based economy (Nelson 1993; Porter 1990). Empirical evidence worldwide undoubtedly points to a positive relationship between innovation and economic growth (e.g. Cameron, 1998; Fagerberg, 1994; Fagerberg, 2006; Grossman & Helpman 1991). The fact that China and India have achieved remarkable economic growth in

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[1] OECD defines **innovation** as: *Product innovation*: "A good or service that is new or significantly improved. This includes significant improvements in technical specifications, components and materials, software in the product, user friendliness or other functional characteristics"; *Process innovation*: "A new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software"; *Marketing innovation:* "A new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing"; *Organizational innovation:* "A new organisational method in business practices, workplace organisation or external relations" (OECD, 2015)

recent years is hardly new. Between 1981 and 2004, the countries enjoyed annual GDP growths of 9.8 and 5.9% respectively (World Bank, 2008). Although the miracle can be attributable to many factors, research finds that enhanced innovation capacity and technical progress have contributed significantly to their rapid growth in past decades (e.g. Dahlman 1994; Ding & Li 2013; Hobday 1995; Kim 1998).

Further, empirical evidence also justifies a positive linkage between innovation capacity and economic development on a micro level. A recent BCG publication listing the most innovative companies in 2015, confirms that innovation still rises in importance and in their global annual survey of innovation, 79% of the respondents ranked innovation as either the top-most priority or the top-three priority at their company, up from 66% in 2005 (Ringel et al., 2015). Likewise, Google, one of the most successful companies worldwide, has become renowned for their strategies of creating an environment supporting creativity and innovation (Finkle, 2012).

1.2 The Emergence of Corporate Entrepreneurship

In a scenario of intense competition among existing players, companies around the world are attempting to foster entrepreneurship[2], finding new means to innovate and create new business opportunities to sustain growth and profitability (e.g. Lumpkin & Dess, 1996; Zahra, 1991). Entrepreneurship has long been associated with venture creation in small businesses (Rothwell & Zegveld, 1982). However, over different growth and development stages, it has been recognized that large[3] and established[4] corporations tend to become more bureaucratic and conservative, lacking the entrepreneurial spirit as a main drive of sustainable economic growth (Hayes & Abernathy, 1980; Kanter, 1985; Kuratko et al., 1990). The challenge is therefore to organize a large number of employees within an organization and simultaneously maintain an entrepreneurial culture.

Traditional methods of corporate management tend to be perceived as highly regulated and hierarchical in nature, ignoring initiatives and need for change. As a consequence, many

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[2] **Entrepreneurship** has been defined as "capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit" (Business Dictionary, 2016, Entrepreneurship). Similarly, an entrepreneur is "a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk" (Dictionary.com, 2016).
[3] A **large** company is defined as a company with more than 250 employees or with a turnover of more than 50 million euros (European Commission, 2014).
[4] An **established** company is defined as a company that has been established for more than 6 years (Zahra et al., 2000).

entrepreneurially minded employees tend to leave the company to seek opportunities elsewhere (Hayes & Abernathy, 1980; Kanter, 1985; Kuratko et al., 1990). Hence researchers have since the 1980s drawn increased attention to explore entrepreneurial activities within organizations, summarized under the term **Corporate Entrepreneurship** (hereafter referred to as CE) (Burgelman,1983; Miller, 1983; Zahra, 1991).

1.3 The Concept of Corporate Entrepreneurship

The emergence of entrepreneurial activities in corporate organizations have gained a lot of attention among practitioners, but defining entrepreneurship applied to a corporate setting has been somewhat ambiguous and a myriad of terms have been used. Covin & Slevin (1991) suggested that the entrepreneurial aspects of risk taking, innovativeness, and proactiveness that were brought forth by Miller (1983), can be applied to corporate processes as well as to new independent ventures. Further, Lumpkin & Dess (1996) stated that launching a new venture can be done either by a start-up firm or an existing firm, making the distinction between the terms *'independent entrepreneurship'* and *'corporate entrepreneurship'*, depending on what setting the entrepreneurial activities are undertaken. Throughout the paper, the term 'corporate entrepreneurship' will be used with the following definition proposed by Wolcott & Lippitz (2007, p. 7):

"The process by which teams within an established company conceive, foster, launch and manage a new business that is distinct from the parent company but leverages the parent's assets, market position, capabilities or other resources"

In short, CE refers to entrepreneurial activities *within* an organization and compared to independent entrepreneurship, the concept shifts focus from the individual to the organization. The terminology should not be confused with *spin-offs* which refers to the creation of an independent company through the sales of subsidiary businesses (Wolcott & Lippitz, 2010).

Efforts to create an innovative climate in organizations are done today in many industries and they are predicted to become more important as the need for renewal and innovation constantly increases. Nonetheless the enthusiasm for the practice also comes with a lot of challenges and

the risks should not be underestimated. Although many successes have been witnessed through CE, it could, in fact, also be detrimental to a firm's short-term financial performance (Zahra & Covin, 1995).

The level of entrepreneurial activity greatly differs from country to country and there appears to be differences in entrepreneurial culture that modifies the degree to which a society favors entrepreneurial activities (Busenitz et al., 2000). According to the Global Entrepreneurship Monitor 2014, Japan currently has one of the lowest levels of entrepreneurship among advanced economies and ranks #30/132 worldwide according to its GEDI[5] score that indicates overall entrepreneurship attitude and potential (GEDI, 2016a). Japan is the home of many successful firms such as Sony, Mitsubishi and Toyota, but since the beginning of the millennium, the annual entry rate of new ventures has been surprisingly low (Rosen, 2014). Currently witnessing a sluggish economy and a demographic crisis, it is widely agreed that Japan must, among other things, create incentives to promote entrepreneurship to revitalize its economy (Karlin, 2013).

In contrast, Sweden ranks #5/132 (GEDI, 2016b) with prominent examples of companies such as Skype and Spotify that have significantly changed the global communications and music industry (Munford, 2015). Hence it appears that different levels of culture is one of many important factors that alter the level of entrepreneurial activity and produce a specific mindset for different types of firms. To that end, constantly improving organizational culture to foster entrepreneurship values and behaviors constitute a key challenge for large companies of today.

1.4 Objective, Scope and Research Questions

The objective of this thesis is to investigate how large, established companies could foster innovation and entrepreneurial activities within the existing organization. Preliminary investigation in the entrepreneurship literature reveals that there exists an abundance of research that links CE with performance (Zahra & Covin, 1995). As far as concerned, less attention has been drawn to the relationship between CE and various aspects of culture, attitudes and behaviors to account for the difference in levels of entrepreneurial activities between countries. With increased globalization and a need to innovate to sustain competitiveness, there is a

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[5] **Global Entrepreneurship Development Institute (GEDI)** is a research organization whose main contribution is The Global Entrepreneurship Index, an annual index that measures the health of the entrepreneurship ecosystems in each of 132 countries. It then ranks the performance of these against each other. This provides a picture of how each country performs in both the domestic and international context (GEDI, 2016c).

growing need to provide a better understanding to what extent CE may depend on cultural factors. The aim is therefore to investigate this relationship further by collecting data from Japanese and Swedish multinational firms and to critically analyze the differences.

By taking the above discussion into account and fulfilling the purpose, the following research question has been formulated:

1. *How could large, established companies foster entrepreneurship within the existing organization?*

To understand this, it is fundamental to understand what the entrepreneurial organization looks like and to do this, three distinct but connected factors need to be considered. Hence, in order to be able to answer the main research question, the following sub-questions were formulated to guide the research:

2. *To which extent is Corporate Entrepreneurship influenced by a company's organizational structure?*
3. *To which extent is Corporate Entrepreneurship influenced by various levels of culture?*
4. *Which leadership practices foster Corporate Entrepreneurship?*

1.5 Delimitations

In order to ensure a focused study with satisfactory results, a number of delimitations have been made throughout the process. First and foremost, this paper focuses on CE on an organizational level and not on an individual level and how the individual entrepreneur contributes to CE. Further, it deals with processes occurring *within* the firm, rather than of the firm. Second, the thesis will retain its focus on internal factors and less so on external factors such as industry globalization and government regulations.

The study is limited to large, established Japanese and Swedish companies. When investigating the relationship between culture and CE, the study will focus on national/societal culture and organizational culture, leaving influences from industry culture out. Throughout the project, a number of limitations have also been encountered. Due to time and resource constraints, the number of companies have been limited to nine; five Swedish companies and four Japanese

companies and most interviews were conducted by phone or Skype when personal interviews were not possible.

1.6 Disposition

This thesis proceeds in the following manner. Following the introductory chapter, the theoretical framework will be outlined in the second stage, based on academic literature within entrepreneurship and cross cultural management. Third, the research design is described, outlining how the thesis has been conducted, as well as motivations for selected research methods and approaches. Fourth, empirical findings collected from semi-structured interviews with professionals will be presented followed by an analysis where the results are reported. Finally, the implications and the significance of the results will be discussed with the aim to fulfill the purpose and answer the research questions, followed by managerial implications and suggestions for future research.

2. Theoretical Framework

This section aims to explore the concepts that have been attained in this study, as well as motivations of these approaches, to found the basis for the subsequent analysis. Further, a discussion will follow, addressing potential criticism that has been reported in order to critically evaluate the results.

2.1 Motivation of Theories

CE has shown a marked interest among scholars in recent decades, and several theories have been established with the aim to explain how large firms can behave entrepreneurially to maintain competitiveness (e.g. Birkinshaw, 1997; Burgelman, 1983; Guth & Ginsberg, 1990; Zahra, 1986, 1995). It is commonly agreed among researchers within the academic field that there is no universally accepted concept and framework of entrepreneurship and CE (e.g. Sharma & Chrisman, 1999; Zahra, 1991). Therefore this section aims to properly outline the theories that were considered relevant to include in the study.

Covin & Slevin (1988) contend that organizational structure and corporate culture are some factors that significantly affect the success of an entrepreneurial top management style. Further, Naisbitt & Aburdene (1985) argue that the the fit between a firm's organizational structure and entrepreneurial orientation is crucial in the effectiveness of that firm. This has been evidenced by prominent examples of profitable and entrepreneurial firms, such as Apple and 3M, that achieve high levels of performance, in large, by virtue of their flexible and non-bureaucratic structural attributes (Burns, 2012). Therefore the first section aims to outline the attributes of the mechanistic and organic organization to understand the relation between organization structure and entrepreneurial direction of the firm.

In all studies, the Entrepreneurial Orientation (hereafter referred to as EO) construct has gained a lot of momentum and has been adopted by a number of scholars over the past two decades. Rauch et al. (2009, p. 762) specifies that EO, de facto, *"represents one of the few areas of*

entrepreneurship where we are beginning to see a cumulative body of knowledge developing". Therefore this concept has been considered applicable and is included in this study.

As the result of increased globalization, there is a growing need for a better understanding of cultural influences and cross-cultural management (Deresky, 2013). In this context, Hofstede (1980, 1998, 2001) has become a pioneer within the field of cross-cultural management and his conceptualizations of national culture within organizations is one of the most cited among researchers. Therefore, including his framework was considered solid in assessing the differences in entrepreneurial activities between Japan and Sweden.

In addition, the Global Leadership and Organizational Behavior Effectiveness (GLOBE) study was considered relevant in complementing Hofstede's cultural dimensions, which takes into consideration the interrelationships between national culture, organizational culture and leadership and thus have significant managerial implications (House et al., 2004).

2.2 Mechanistic vs Organic Organization

Organizational structure refers to the way in which companies distinguish power and authority, roles and responsibilities and the manner in which information flows through the organization (Burns, 2012). A successful entrepreneurial organization needs to structure itself in a way that maximises the exploitation of new opportunities (Metaprofiling, 2013).

Burns & Stalker (1961) outlined the ***Mechanistic- Organic Model of Organizational Structure*** and addressed structural characteristics as well as management practices and interaction patterns with employees. The model was developed when earlier theories were not able to fully explain how organizations should face constant changes and challenges in internal and external environments in the end of the twentieth century.

The *mechanistic* structure describes an organizational structure that is based on a formal, centralized network. The organization operates in a stable environment and therefore a mechanistic structure is easy to maintain and rarely needs to be changed. In mechanistic organizations, authority defines a well defined hierarchy where top level managers make the majority of decisions (Burns & Stalker, 1961).

As the environment is relatively stable, complex decision-making processes that involve multiple parties are not usually required. Subordinates are expected to follow the directions of management and not question the rationale. Communication, much like decisions, also flows through hierarchical routes, or from the top down. Individualized job specialization is used to place employees in designated tasks. In mechanistic organizations it is typical that each person is assigned one task that is relatively stable and easy to control. As a result of this stability of tasks, there tends to be low integration between functional areas or departments. Likewise, this creates a situation where functional areas are not dependent on each other (Burns & Stalker, 1961).

In contrast, companies using the *organic* structure operate in unstable and dynamic environments and need to be flexible to quickly adapt to change. This type of structure is preferred when employees seek autonomy, change, openness and support for creativity and innovations when trying out new opportunities or approaches. When an environment changes, the organization needs to gather, process, and disseminate information very quickly, and failure to do so can directly affect an organization's ability to maintain its competitive advantage (Burns & Stalker, 1961).

In organizations using the organic structure, tasks and specializations are less defined and decision making is more decentralized. As such, the person most suitable in solving a problem will be given authority, irrespective of position. Communication is lateral and rapid in these complex environments. To achieve this, organizations that use this structure will integrate functional areas and departments together. More information and suggestions flow within the organization rather than formal instructions and directions going from top down (Burns & Stalker, 1961).

As far as CE is concerned, Covin & Slevin (1990) argue that entrepreneurial behavior within the organization is positively correlated with firm performance and effective entrepreneurial management style is facilitated when the organizational structure is more organic than mechanistic. That is to say, firms that are entrepreneurial in nature are usually characterized as flexible, dynamic and prepared to exploit new opportunities and complex tasks as they emerge (Morris et. al, 2008). These types of firms are also more willing to diverge from common routines and business models and individuals are given freedom to embrace new practices that enable innovation (Burgelman, 1983).

2.3 Entrepreneurial Orientation

The term ***Entrepreneurial Orientation (EO)***, coined by Miller (1983), has evolved as one of the most established constructs in the entrepreneurship literature. Lumpkin & Dess (1996, p. 136) state that: *"firms that want to engage in successful corporate entrepreneurship need to have an entrepreneurial orientation"*. EO refers to the strategy-making practices, processes, decision-making activities and managerial philosophies that lead to CE. It is further defined as *"a frame of mind and a perspective about entrepreneurship that are reflected in a firm's ongoing processes and corporate culture"* (Dess & Lumpkin, 2005, p. 147). In other words, a mindset firms pursue in order to exploit new opportunities.

EO is considered as a multidimensional concept and Miller suggested the dimensions *innovativeness*, *risk-taking and proactiveness* to the EO concept. In addition, the dimensions *autonomy and competitive aggressiveness* were added in assessing entrepreneurial behavior at firm level by numerous authors (Covin & Slevin, 1991; Lumpkin & Dess, 1996; Miller 1983; Zahra & Covin, 1995) and together they work to impregnate the decision making styles and practices of a firm's members. The dimensions are outlined and defined in **Table 1** below.

Dimension	Definition
Autonomy	*"Independent action by an individual or team aimed at bringing forth a business concept or vision and carrying it through to completion"*
Innovativeness	*"A willingness to introduce newness and novelty through experimentation and creative processes aimed at developing new products and services, as well as new processes"*
Proactiveness	*"A forward-looking perspective characteristic of a marketplace leader that has the foresight to seize opportunities in anticipation of future demand"*
Competitiveness Aggressiveness	*"An intense effort to outperform industry rivals. It is characterized by a combative posture or an aggressive response aimed at improving position or overcoming a threat in a competitive marketplace"*
Risk taking	*"Making decisions and taking action without certain knowledge of probable outcomes; some undertakings may also involve making*

	substantial resource commitments in the process of venturing forward"

Table 1. The five dimensions of Entrepreneurial Orientation. Adapted from Lumpkin & Dess (1996).

2.4 Entrepreneurship and Culture

The academic literature has highlighted the importance of underlying factors that affect the extent and intensity of entrepreneurial actions undertaken by a corporation (Kuratko et al., 2005; Zahra & Covin 1995). One of these factors is organizational culture, which plays a pivotal role to a firm's competitive advantage (Covin & Slevin, 1991; Daft & Marcic, 2009). There exists many definitions of culture and there is no universal terminology. Hofstede (1980, p. 25) defines culture as *"the collective programming of the mind that distinguishes members of one group or category of people from another"*. The fact that culture plays an important role in business is hardly new, and Berger (1993, p.16) specifies *that "culture is the conductor and the entrepreneur is the catalyst"* of entrepreneurial activity and it is argued that national culture remains a solid reference when trying to account for differences in entrepreneurial activity (Reynolds et al., 1999). As far as entrepreneurial activities are concerned, it is argued that culture modifies the degree to which a society shows confidence and consider the behaviors such as risk taking and independent thinking as favorable (Busenitz et al., 2000).

2.4.1 Hofstede's Cultural Value Dimensions

Based on research conducted on more than 116,000 people in 50 countries, Hofstede (1980, 1998, 2001) created a groundbreaking framework to develop an understanding on how basic values inhibit organizational behavior. Hofstede proposed five dimensions; *power distance*, *uncertainty avoidance*, *individualism*, *masculinity*, and *long term orientation* that can be found in **Table 2** below. Based on national scores, he developed a scale running from 0-100, with 50 as a mid level, to allow an international comparison between cultures (Hofstede, 1980, 1998, 2001).

Value Dimension	Value Description	High Score	Low Score
Power Distance Index (PDI)	*"Degree to which the less powerful members of a society accept and expect that power is distributed unequally"*	Indicates a hierarchical order in which everybody has a place and which needs no further justification.	Indicates a strive to equalise the distribution of power and demand justification for inequalities of power.
Individualism versus Collectivism (IDV)	*"Degree to which a society reinforces individual or collective achievement and interpersonal relationships"*	Indicates a preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families.	Indicates a preference for a tightly-knit framework in society in which individuals can expect members of a particular in-group to look after them in exchange for unquestioning loyalty.
Masculinity versus Femininity (MAS)	*"Degree to which society reinforce the traditional masculine traits for achievement; heroism, assertiveness and material rewards for success"*	Indicates the country experiences a high degree of gender differentiation. Males dominate a significant portion of the society and power structure.	Indicates the country has a low level of differentiation and discrimination between genders. Females are equally accepted to males.
Uncertainty Avoidance Index (UAI)	*"Degree to which the members of a society feel uncomfortable with uncertainty and ambiguity"*	Indicates rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas.	Indicates a more relaxed attitude in which practice counts more than principles.
Long Term Orientation versus Short Term Orientation (LTO)	*"Degree to which a society embraces long term devotion to traditional, forward thinking values"*	Indicates a more pragmatic approach: encouraging thrift and efforts in modern education as a way to prepare for the future.	Indicates a preference to maintain time-honoured traditions and norms while viewing societal change with suspicion. Focus on past and present.

Table 2. Hofstede's cultural dimensions. Adapted from Hofstede (1980, 1998, 2001).

Establishing an appropriate corporate culture is vital when developing an entrepreneurial organization (Burns, 2012). However, the culture of the organization does not exist in isolation. The dominant culture of the country in which the organization operates, will often be a major influence on individuals and may be a barrier to establishing an entrepreneurial culture. Several studies have examined questions concerning the relationship between dimensions of culture and entrepreneurial characteristics (Hayton et al., 2002) but only a few empirical studies (e.g. Morris et al., 1991; Zahra et al., 2004) have analyzed the effects of dimensions of culture on CE. However drawing from Hofstede (1980, 1998, 2001), the five national cultural dimensions could influence and shape the EO of firms and describe the culture in an entrepreneurial organization (Burns, 2012).

According to Morris et al. (1994) and other cross-cultural investigation, the level of *individualism* within an organization will be an important influence on CE. Zahra et al. (2004) found similar results in their study relating the organizational cultures of firms to their entrepreneurial performance. Whilst the individual entrepreneur is highly individualistic, an entrepreneurial culture in an organization would involve a move from individualism to collectivism as the organization grows, and encourage group entrepreneurship. This implies a careful balance between the need for individual initiative as well as cooperation and group working. Hence, empirical evidence has observed a declining level of entrepreneurship with high levels of collectivism but likewise, very high levels of individualism have the same effect (Burns, 2012).

An entrepreneurial culture has low *power distance*. This implies an egalitarian organization with flat structures and open and informal relationships as well as open, unrestricted information flows (Burns, 2012).

Further, an entrepreneurial organization has low *uncertainty avoidance*. This implies a tolerance of risk and ambiguity, a preference for flexibility and an empowered culture that rewards personal initiative. An entrepreneurial organization has balance between the masculine and feminine dimensions. Whilst individual entrepreneurs have a high need for achievement (masculine), it has been observed that they must temper this as the organization grows. Hence relationships remain important with a greater concern for others in the organization (feminine). Finally, in terms of Hofstede's fifth dimension, an entrepreneurial organization, just like nations or individuals, will have *a long-term orientation*; egalitarian and focused on the future and with open communication and a lack of hierarchy (Burns, 2012).

Although Hofstede has become one of the most cited researchers within the cross-cultural management field, critics have questioned its relevance and methodology and argue that it is outdated (e.g. Javidan et al., 2006). In fact, globalization constantly changes markets and culture is dynamic and constantly evolving. According to Deresky (2013) managers should therefore watch out for generalization or stereotyping based on group level data.

Further, Hofstede's study was conducted with a one company approach, collecting surveys solely within IBM. Antagonists claim that only one company can not provide information for the entire cultural system of a country. Hence his work assumes that the domestic market comprises a homogeneous group of people. Critics argue that in reality, most countries comprise many sub-cultures and therefore one can not base a study on nations as a unit of analysis. Furthermore, culture is, in most, fragmented over borders and therefore Hofstede's dimensions are not sufficient in explaining how culture can be viewed and explained (Javidan et al., 2006).

As far as entrepreneurial culture is concerned, one could argue that Hofstede's dimensions were not specifically designed to measure what constituted an entrepreneurial culture as his work was based on IBM employees that were not considered the most entrepreneurial at that time when the research was taking place. Finally, Burns (2012) argues that laying out the dimensions of an organization with entrepreneurial culture tends to be much more subjective, lacking the scientific sample base involved in Hofstede's original study.

2.4.2 Project GLOBE Cultural Dimensions

Published by House et al. (2004), the **GLOBE project** is a comprehensive, multi-phase study that captures leadership effectiveness across cultures. It is an extension of previous findings built in part upon Hofstede's cultural dimensions. Based on an extensive review of existing knowledge and empirical findings, the data represent 17,000 participating managers from a wide range of industries and cover all major regions in the world. Similarly to Hofstede, the long-term project resulted in a conceptualization of nine cultural dimensions and were framed with cultural practice, *'as is'*, and cultural values, *'should be'*, in cultural settings; *performance orientation*, *assertiveness*, *future orientation, humane orientation*, *collectivism I: Institutional collectivism*, *collectivism II: In-group collectivism*, *gender egalitarianism*, *power distance* and *uncertainty avoidance* (House et al., 2002). These cultural definitions are represented in **Table 3** below.

GLOBE Dimensions	Definitions
Power Distance	*"The degree to which members of a collective expect power to be distributed equally"*
Uncertainty Avoidance	*"The extent to which a society, organization or group relies on social norms, rules, and procedures to alleviate unpredictability of future events"*
Humane Orientation	*"The degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others"*
Collectivism I (Institutional Collectivism)	*"The degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action"*
Collectivism II (In-Group Collectivism)	*"The degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families"*
Assertiveness	*"The degree to which individuals are assertive, confrontational, and aggressive in their relationship with others"*
Gender Egalitarianism	*"The degree to which a collective minimizes gender inequality"*
Future Orientation	*"The extent to which individuals engage in future-oriented behaviors such as delaying gratification, planning, and investing in the future"*
Performance Orientation	*"The degree to which a collective encourages and rewards group members for performance improvement and excellence"*

Table 3. GLOBE cultural dimensions. Adapted from House et al. (2004).

The GLOBE researchers grouped nations in ten different cultural clusters in accordance to their similarity in culture based on geography and climate conditions, which, in turn, play an impact on perceptions and behavior. These comprise South Asia, Anglo, Arab, Germanic Europe, Latin Europe, Eastern Europe, Confucian Asia, Latin America, Sub-Saharan Africa and Nordic

Europe which can be found below in **Figure 1**. In comparison to Hofstede's research, the GLOBE project is therefore more extensive and not only links the findings to individual countries but to greater areas. Countries within a cluster would show greatest similarity and the further away, the greater the difference between clusters (House et al., 2002).
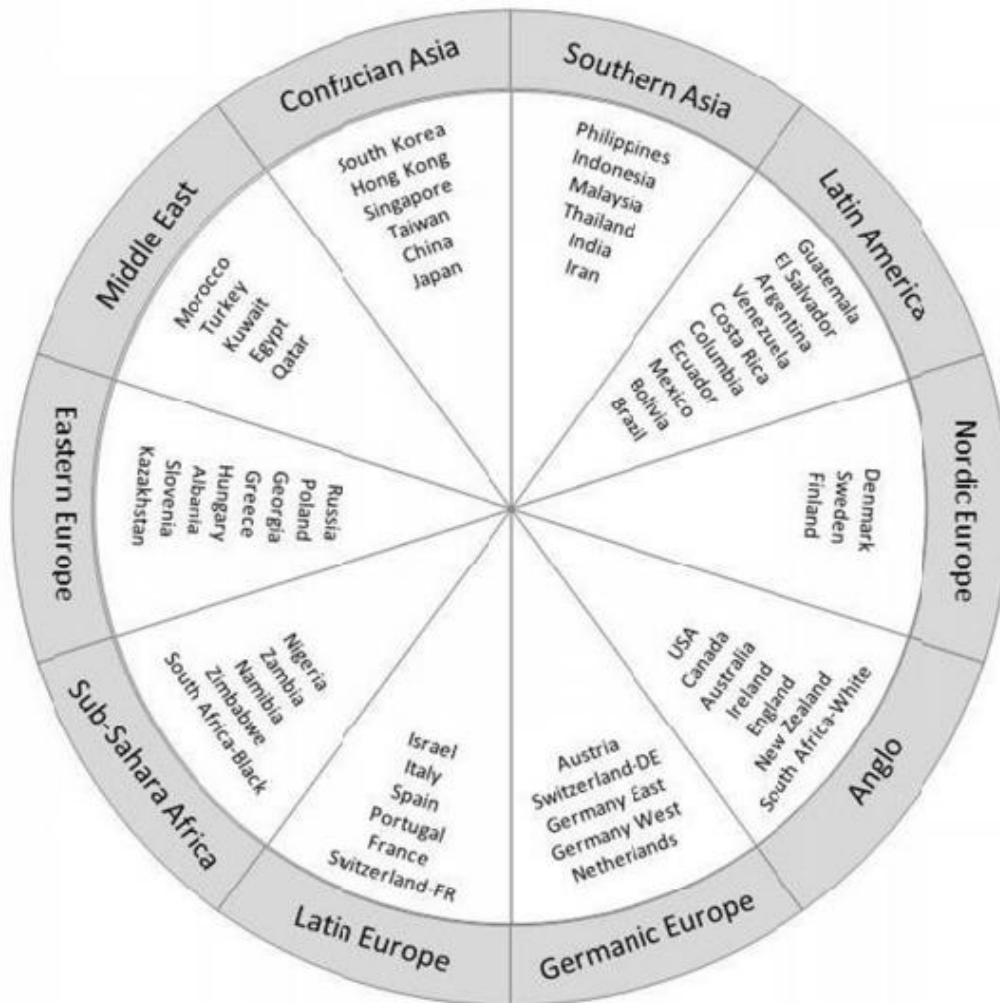
Figure 1. Culture clusters in the GLOBE Study. Adapted from House et al. (2004).

Next, the GLOBE study (2004) analyzed responses from more than 17,000 managers from 61 countries on leader characteristics and constructed 21 leadership scales, which were then reduced down to six leadership styles, enabling a comparison of different leadership styles between each cluster. The charismatic or ***performance oriented*** leadership style uses a visionary and innovative approach to inspire people to enhance performance. Further it stresses the importance of decisiveness and high standards with strongly held core values. **The team oriented** style favors collaboration and cohesiveness among organizational members to reach a

common purpose or goals. The ***participative*** style emphasizes equality and delegation and reflects the degree to which leaders involve organizational members in decision making and implementation. The ***humane*** style considers the welfare of others and stresses generosity and compassion. In other words, these leaders use a supportive approach in managing teams. In contrast, the ***autonomous*** style uses a self-centric approach and these leaders tend to be independent and individualistic. Similarly, the ***self-protective*** style is also self-centered and reflects behaviors that act in favor of the safety and security of the individual and group. This leadership style emphasizes status-conscious, procedural and 'face-saving' behaviors (House et al., 2004).

As far as CE is concerned, Schein (1990) asserted that leaders play an important role in constructing an entrepreneurial culture. He argues that this is grounded in the leader's beliefs, values and assumptions that underpins the vision throughout the organization. A leader in an entrepreneurial organization empowers its employees to a much greater extent than in traditional organizations. They motivate and promote entrepreneurial values to their people by reinforcing entrepreneurial behaviors through openness, courage, honesty, free-thinking and free expression. Finally, these leaders demonstrate a tolerance of risk and empower people to act decisively and quickly where opportunities are identified (Hmieleski & Ensley, 2007).

Nonetheless, Western (2008) believes that, rather than a fixed identity, leadership is a social construction, shaped by the ones following them as well as culture and norms surrounding them. Further, Lyotard (1994) claimed that there is a possible limitation to apply a universal framework as shared norms and assumptions only can be legitimated locally.

Although GLOBE's efforts have provided much needed insight, the findings have also raised criticism. The GLOBE study has been criticized as it focuses more on how people perceive leadership and less on what leaders actually do. Moreover, one could argue that labels and definitions of culture are somewhat vague and difficult when interpreting findings about culture and leadership. Finally, one could argue that the attributes that are characteristic of effective leaders according to GLOBE were studied in isolation, not considering the influence of situational effects (Northouse, 2007).

2.5 Summary of Theoretical Framework

The figure below illustrates a theory construct of the concepts that are covered in the paper and how they are linked together. This will be followed by a brief summary of major elements highlighted in the theories. As stipulated above, the thesis focuses on internal variables and theories that touches upon organizational structure, strategic direction and philosophy of the firm, and organizational culture to allow a comparison of Swedish and Japanese firms and the extent to which CE is influenced by various levels of culture.
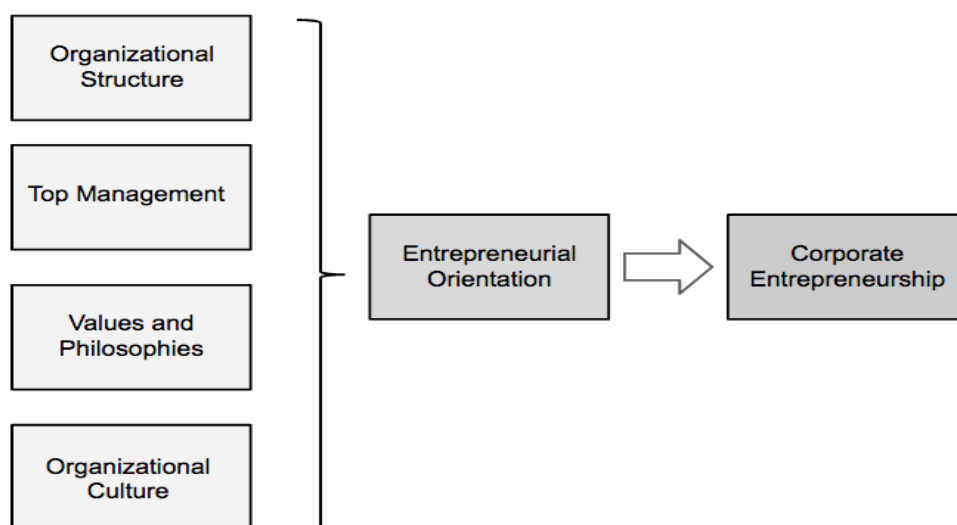
Figure 2. Theory construct of the concepts used in the paper.

To sum up, an entrepreneurial organization places innovation at its heart to achieve growth. This requires a structure that maximizes the exploitation of new opportunities and complex tasks as they emerge (Metaprofiling, 2013). Entrepreneurial firms are characterized as flexible and dynamic and entrepreneurial behavior as well as effective entrepreneurial management style is facilitated in an organic organizational structure (Burns & Stalker, 1961). Moreover, successful CE needs to have an EO; a frame of mind that embraces freedom of thought, creativity and proactiveness (Lumpkin & Dess, 1996), where leaders at every level in the organization empower people. They provide a guiding vision and make up teams of people that are willing to challenge existing conditions (Schein, 1990). Finally, this section has also emphasized culture as a solid reference when trying to account for differences in entrepreneurial activity. Evidence suggests that an organization that can make this a reality will reap the benefits.

3. Methodology

This section describes the research strategy and design, as well as motivations for selected research methods and practical approaches. It describes how empirical data were collected and analyzed and discusses the credibility of the chosen methods and findings to ensure a thesis with high quality.

3.1 Research Design and Process

Research design could be defined as the *"structure of an enquiry"* (De Vaus, 2001 p. 16) and refers to how to conduct research in order to answering the research question(s). This includes selecting relevant theoretical models and adequate research methods to collect and analyze data, as well as critically evaluating chosen methodology in order to establish the quality of the research design. The importance of clearly formulating a research question(s) should not be underestimated (Eriksson & Kovalainen, 2008). The main topic of the thesis was chosen primarily based on interest and thereafter an exhaustive literature review was made in order to grasp a better understanding of ongoing debates and recent developments within the field of study.

It is evident that CE has grown in importance in recent decades, in large part, due to intense competition. Growing evidence suggests that firms need to increasingly exhibit CE to take new directions to maintain competitiveness (e.g. Lumpkin & Dess, 1996; Zahra, 1991). From studying earlier research, it was clear that there was a myriad of theories explaining CE in different perspectives and an abundance of research was conducted drawing on the relationship between CE and performance. As far as concerned, less attention was on the relationship between CE and internal factors such as organizational structure, top management and culture in accounting for differences in levels of entrepreneurial activities between different countries.

The objective was to investigate this aspect of CE further using theories from well-known researchers within the entrepreneurial- and cross-cultural management literature. Also, the aim was to fill a gap in the research and gain new insight in a topic not addressed so far as

concerned. Therefore the research question was of an ***exploratory*** kind as there was an initial idea and observation of something and a willingness to understand more about and determine whether what was being observed might be explained by an existing theory (Bryman & Bell, 2011).

3.2 Research Strategy

Once the research design has been outlined, the main research strategy should be identified to achieve coherence throughout the research process. This was guided by the objective and given research questions that were formulated (Bryman & Bell, 2011).

When choosing the methodology, one can make a distinction between *quantitative*, *qualitative* and *mixed* approaches in the research design. In short, the former refers to data collection or analysis using numerical data, whereas the latter uses non-numerical data. A ***qualitative*** research strategy was used in this paper, taking on an interpretive approach in making sense and gaining an in-depth understanding of socially and subjective context expressed of the topic being studied (Bryman & Bell, 2011). This was done with in-depth interviews with company representatives in large, established Japanese and Swedish firms (for a more detailed description of the companies in the study, see section *"3.3.1 Primary Data"*). This research strategy was chosen as it allows flexibility, modifications and opportunities for in-depth learning. In addition, it was considered effective as it provides rich data and an extensive perspective given the number of companies studied. Hence valuable findings and real-life practices could be found (Bryman & Bell, 2011).

The research was undertaken using an ***inductive*** approach, developing theory, rather than testing it, as a result of collected data. Nonetheless, this approach was rather iterative, meaning that the theoretical framework was modified throughout the research process, moving back and forth between theory and data as new findings were discovered (Bryman & Bell, 2011). This method was considered most suitable as the chosen field of study was not fully explored and needed sufficient research before outlining the theoretical framework.

3.3 Research Methods

The given research strategy was fulfilled by collecting data from various sources, described more in detail below. A *multiple case study* design was used to explore the phenomenon in a real life setting. The main motivation of this choice was that it enabled a generalization of the findings and examples of real life practices (Hennink et al., 2010). The final sample consisted of twelve executives from nine different case companies, primarily in the manufacturing industry.

3.3.1 Primary Data

Given the qualitative and exploratory approach in the research, semi-structured in depth interviews were conducted to gather valid data and seek new insights. This method included a list of questions and themes to be covered, but allowed for variations given the specific organizational context in relation to the topic or flow of the conversation. Besides, this approach allowed for follow-up questions to explore the research questions and allowing interviewees to build on their responses further when required. This method was also considered suitable as the discussion sometimes led into areas not previously considered, but was significant for understanding, which, in turn, helped to address the research questions and objective (Bryman & Bell, 2011).

The interview questions were prepared with the research questions in mind and framed around theories and themes discovered in the literature. The questions were open ended and the wording were kept neutral, avoiding leading questions toward desired or expected answer and hence, prevent bias. The follow up questions were primarily focused upon relevant areas or themes frequently mentioned in the literature and in the field of study for further explanations or details given to the answers. The interview guide can be found in **Appendix 1** and **Appendix 2** illustrates how the interview questions are linked with given theories.

The interviews were recorded with audio-recorder Callnote and notes were taken along the way to correct for natural limitations of memory and allowed for a thorough examination of what the interviewee had stated. Most importantly, it helped counter possible errors in the subsequent chapter influenced by bias. The interview questionnaire was sent a couple of days in advance by e-mail to allow interviewees to prepare the questions and enhance the validity of given answers.

The interviews were conducted through different channels, with the majority on Skype and phone, due to availability, geographical distance and time- and resource restraints. Naturally,

conducting the interviews in person, observing body language and being in the same setting as the interviewee, would have been preferred (Hennink et al., 2010). However, to ensure all the interviews maintained the same quality, the same semi-structured interview guide was used in all interviews and was kept to the same time frame of around an hour.

The sample selection of case companies was based on company size and age. Since the research deals with large, established companies, the following criteria were employed to facilitate the selection of companies. *Large* companies were defined as those with more than 250 employees or a turnover of more than 50 million euros (European Commission, 2014). In terms of company age there exists different age ranges in the literature. In this paper *established* firms were categorized as those older than six years (Zahra et al., 2000).

The initial search for case companies started with a brief research based on company size and age. A second criteria was that the chosen companies had been involved in some kind of innovation. A list of potential companies were identified and next, individuals within the organizations were targeted likely to possess knowledge within the field of study, primarily holding an executive level and involved in areas such as management, business development, innovation or R&D.

The search for suitable participants was made primarily through personal networking, word of mouth, e-mailing, Linkedin and cold calling. As far as possible, Japanese people at the Japanese companies were contacted who had a good knowledge of English. However, due to language barriers and limited availability, some of the interviewees were foreigners working in Japan to ensure good quality of the interviews. The final sample comprised twelve interviewees from nine companies. The list of participants from Swedish companies can be found in **Table 4** and the Japanese counterparts can be found in **Table 5**.

Company and Industry	Size (employees)	Founded	Interviewee	Work Title	Date and Length
ASSA Abloy	46,000	1994	Ulf Södergren	*Executive Vice President, Chief Technology Officer*	March 17, 2016 45 mins
Atlas Copco	44,000	1873	Per Forsberg	*Manager Technical Development -Handheld Products*	April 8, 2016 40 mins
Atlas Copco	44,000	1873	Erik Sigfridsson	*VP Design & Development*	April 8, 2016 40 mins
IKEA	155,000	1943	Tomas Lundin	*Sustainability Manager*	March 24, 2016 45 mins
Spendrups	900	1897	Leif Börjesson	*Marketing Director*	March 18, 2016 40 mins
TeliaSonera	23,000	1853	Johan af Sandeberg	*Investment Manager*	April 1, 2016 60 mins
TeliaSonera	23,000	1853	Ivo Kukavica	*Innovation Catalyst*	April 1, 2016 60 mins

Table 4. List of Swedish company study.

Company and Industry	Size (employees)	Founded	Interviewee	Work Title	Date and Length
Fujitsu	158,846	1935	Craig Baty	*Vice President International, Global Marketing Group*	April 6, 2016 50 mins
NTT DOCOMO	22,955	1991	Nobuyuki Akimoto	*Executive Vice President and COO at NTT DOCOMO Ventures*	March 29, 2016 40 mins
NTT DOCOMO	22,955	1991	Minoru Ethoh	*President and CEO at NTT DOCOMO Ventures, Senior VP of NTT DOCOMO*	April 4, 2016 60 mins
Tokai Carbon	1,799	1918	Ethan Hsieh	*Representative*	April 1, 2016 45 mins
Toyota	344,109	1936	Harold Archer	*Project Manager*	March 29, 2016 40 mins

Table 5. List of Japanese company study.

3.3.2 Secondary Data

Secondary sources were also used throughout the process to complement company specific information as well as definitions to ensure accurate and up to date data. Evidence was used from multiple sources and were carefully chosen from highly credible sources and always referred to peer-reviewed articles as far as possible.

3.4 Data Analysis

As previously outlined, one can make a distinction between quantitative and qualitative data and the nature of the collected data has implications for how it is analyzed (Saunders et al., 2009). Since the collected data were qualitative, it was more complex and non standardized, based on meaning expressed through words. Hence, the first step was to summarize, i.e. transcribe the data into written words, group it into categories and restructure to enable a meaningful analysis conducted through conceptualization (Saunders et al., 2009). The breaking down of data into components is referred to as *coding*, a process in grounded theory that is a commonly used framework for analyzing qualitative data (Bryman & Bell, 2011). This was facilitated as the interviews were recorded and notes were taken to ensure data were not lost. This also enabled to recall and emphasize not only what the respondents said, but also in the way participants answered the questions, in other words, link the answers to contextual information.

The transliteration of the interviews were made right after the interviews were conducted to ensure accuracy and the final transcript was sent to the respondents for final checking and approval. Once this was done, key points were produced to make sense of what had been said and discover principal themes that emerged from the findings. Thereafter recognition of relationships between categories and given theories were made by constantly undertaking a comparative analysis of the collected material. As such, findings from one company were analyzed and used to see whether other companies used the same practices or not. It was clear throughout the process that the data analyzed in the end of the study were easier to interpret as learning was made. Therefore, to make sure that the sequence of the interviews would not affect the final results and interpretations, the interviews were replayed again directly after the interview and once again to increase the level of accuracy.

3.5 Research Quality

In order to provide a study with high quality, it is of great importance to consider the concepts of *reliability* and *validity* to ensure that collected data are relevant and trustworthy (Bryman & Bell, 2011). The two terms will be explained more in detail below.

3.5.1 Reliability

The term reliability refers to the extent to which the research can be repeatable, that is to say, whether the same findings and conclusions can be given if same methods are repeated by another researcher (Yin, 2009). One can make a distinction between ***external reliability*** and ***internal reliability*** where the former refers to *"the degree to which a study can be replicated"* (Bryman & Bell, 2011 p. 395). Since the research uses a qualitative approach, it is often argued that replication is difficult to achieve. As interviews were conducted, it is not possible to recreate the exact same environmental setting and take into account aspects such as non verbal communication. To increase the level of reliability, every step in the research process has been thoroughly described and motivated. Further, the same structure was undertaken during the interviews following an interview guideline, which can be found in **Appendix 1**. The questions were formulated in a manner that allowed participants to cover the topics mainly from a company perspective rather than bringing forth personal opinions about given questions. Altogether, these efforts made the research more replicable and easier to incorporate for future researchers.

Internal reliability refers to when more than one observer agrees upon what has been seen or heard in the research (Bryman & Bell, 2011). This was a potential drawback of conducting the thesis alone and not in partnership. Nonetheless, in order to reduce inaccurate and biased interpretations, the respondents agreed on being contacted afterwards with follow up questions when necessary.

3.5.2 Validity

Besides the concept of reliability, it is important to assess the criteria of *validity*. The term refers to whether the conclusions drawn and findings are measuring what is intended and whether it is trustworthy (Eriksson & Kovalainen, 2008). One can make a distinction between ***internal validity*** and ***external validity*** and the former is compassed if there is *a "good match between*

researchers' observations and the theoretical ideas they develop" (Bryman & Bell, 2011 p. 395). This criteria is somewhat difficult to reach when conducting qualitative research as it is vulnerable to interpretations of the researchers that may be biased (Bryman & Bell, 2011; Silverman, 2011). To mitigate this problem, interviews were coded into practices from theory and a summary of the interviews were sent to each participant to confirm that interpretations had been made correctly. This was also done to capture all details that were covered and to get all the quotations approved.

In contrast, ***external validity*** refers to the extent to which findings can be generalized in other contexts (Bryman & Bell, 2011). Since the aim of this report was to provide general practices of how traditional firms can foster entrepreneurial activities within the firm, it was important to assess how this could be achieved. This criteria can be ambiguous due to case studies with relatively small samples. Besides, the findings are highly dependent on the representative sample, which was hard to influence due to the availability of respondents and resource constraints. Also, it was somewhat problematic to draw general conclusions as the interviews were highly subjective and only included a limited number of respondents and companies.

Throughout the process there was a trade off between drawing general conclusions and finding specific examples of company practices. Therefore a higher level of external validity was achieved as a multiple case study across several companies was conducted rather than on a single case study on one company. Moreover, the research questions were carefully formulated to ensure that they steered the research in the right direction. On the contrary, Bryman & Bell (2011) argue that the aim with qualitative research is not to generalize to the entire population, but to theory. As such, the aim was to rather explain what was happening in the particular research setting, which fit more into the initial objective of the research.

4. Empirical Findings

This section presents the empirical findings that were conducted by semi-structured interviews with key persons in nine case companies. It provides a sample descriptive of the case companies as well as some coutry data. The results are presented according to given categories to allow quick and easy comparison between subjects.

4.1 Introduction to Case Companies

The sample of the case companies consist of nine large, established companies with the majority in the manufacturing industry. **Table 6** and **Table 7** summarize the nine companies from Swedish and Japanese companies respectively, based on company size, revenue and industry. A more detailed company profile of every case company can be found in **Appendix 3**.

Company	Size (employees)	Revenue (MSEK)	Industry
ASSA Abloy	46,000	68,099	Electrical Equipment
Atlas Copco	44,000	102,161	Machinery
IKEA	155,000	295,000	Retail
Spendrups	900	3,300 (2014)	Consumer Products
TeliaSonera	23,000	86,569	Telecom

Table 6. Descriptives of Swedish case companies as of 2015.

Company	Size (employees)	Revenue (yen, billion)	Industry
Fujitsu	158,846	4,753	Technology Services
NTT DOCOMO	22,955	4,383	Telecom
Tokai Carbon	1,799	104.86	Chemicals
Toyota Motor	344,109	27,735	Automotive

Corporation			

Table 7. Descriptives of Japanese case companies as of 2015.

4.2 Country Profiles

An overview of the drivers of the Swedish and Japanese culture can be found in **Figure 3** below, which shows how Sweden and Japan score on Hofstede's five cultural dimensions. Sweden has low power distance and is a highly individualistic country. A score of five on the masculinity dimension indicates that Sweden is a feminine country. Furthermore, it has very low preference for avoiding uncertainty and with an intermediate score of 53 on the long term orientation dimension, the country does not express a clear preference (Hofstede, 2001).

Following the values for Hofstede's cultural dimensions in Japan, the country scores an intermediate score of 54 being a borderline hierarchical society. The country scores relatively low on the individualism dimension and shows many traits of a collectivistic society. With a score of 95 on the masculinity dimension, Japan is among the most masculine countries in the world. Likewise, it scores high on the uncertainty avoidance and is one of the most long term oriented countries (Hofstede, 2001).
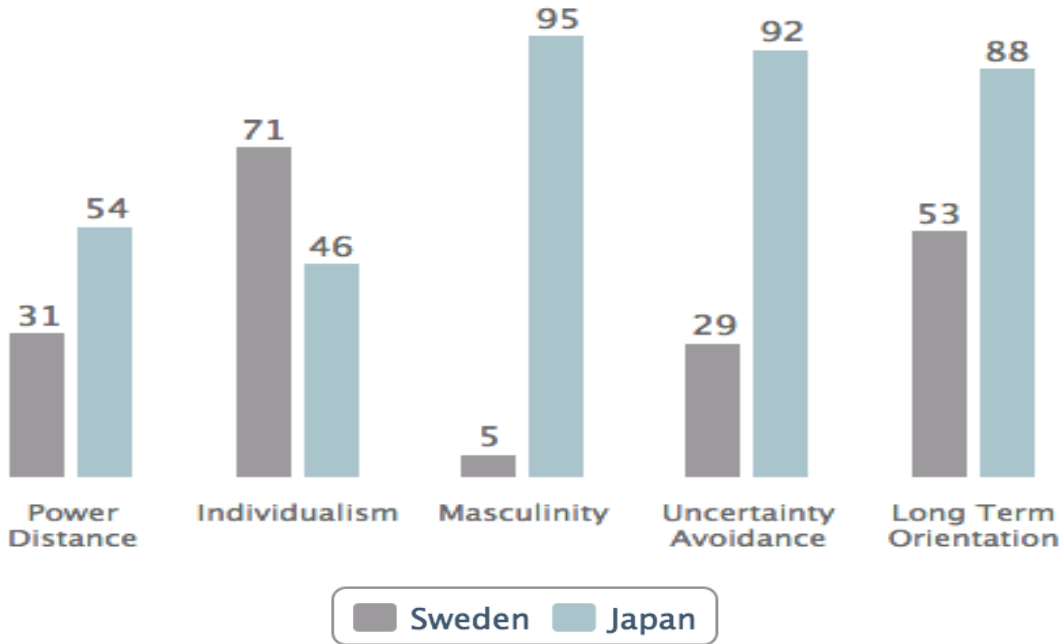

Figure 3. Values of cultural dimensions in Sweden and Japan. Adapted from Hofstede (2001)

Table 8 below maps the country clusters (see Figure 1 in section "*2.4.2 Project GLOBE cultural dimensions*") according to the degree to which they prefer each of the six leadership properties. Based on the table, societal clusters that are placed together higher, lower or in the middle diverge significantly from the other groups of clusters, but not from one another. It should be noted, however, that across all clusters, there are no statistically difference for the autonomous styles and team oriented styles. Moreover, the placement of each societal cluster within each of the six leadership styles indicates the relative importance of that style as opposed to the other styles for a particular cluster. That is to say, for the Anglo cluster for instance, the performance oriented leadership style is valued the most compared to all other leadership styles but also compared to the other country clusters. Sweden belongs to the Nordic cluster and based on the table, Nordic countries value performance oriented and participative leadership properties, being placed in the higher end of the table. Japan belongs to the Confucian societal cluster and drawing from the table below, confucian countries are placed high on team oriented and self or group protective followed by autonomous and humane (House et al, 2004).

Performance Oriented	Team Oriented	Participative	Humane	Autonomous	Self or Group-Protective
Higher	*Higher*	*Higher*	*Higher*	*Higher*	*Higher*
Anglo Germanic Nordic SE Asian L. European L. American	SE Asian Confucian L. American E. European African L. European Nordic Anglo Middle Eastern Germanic	Germanic Anglo Nordic	SE Asian Anglo African Confucian	Germanic E. European Confucian Nordic SE Asian Anglo African Middle Eastern L. European L. American	Middle Eastern Confucian SE Asian L. American E. European
Confucian African E. European		L. European L. American African	Germanic Middle Eastern L. American E. European		African L. European
Middle Eastern		E. European SE Asian Confucian Middle Eastern	L. European Nordic		Anglo Germanic Nordic
Lower Performance Oriented	*Lower* Team Oriented	*Lower* Participative	*Lower* Humane	*Lower* Autonomous	*Lower* Self or Group-Protective

Table 8. Societal clusters and leadership styles. Adapted from House et al. (2004)

4.3 The Entrepreneurial Organization

When asking about the concept of CE and whether the respondents would describe their companies as entrepreneurial, the majority of the Swedish companies expressed a high level of entrepreneurship. At ASSA Abloy an entrepreneurial spirit, shared technologies, and a structure that allows autonomous decision making on a divisional level were some attributes that made the company entrepreneurial according to the respondent. He had witnessed a major change during his time at ASSA Abloy. The company used to be a production company, but throughout the years, the company has grown to design, create, manufacture, install and service a wide range of advanced locking solutions today. He believes the company is in the right track but still far from where they would like to be.

Atlas Copco has done many great innovations over the years and the so called "one man one machine" drilling machines were a major breakthrough in the company's history that turned the entire mining business upside down, according to the two respondents. Similarly to ASSA Abloy, a pronounced strategy to be innovative is one of the basic principles in the company. As one of the respondents stressed:

"I would say that we are very agile, the decision making takes place far down in the organization, particularly when it comes to product development. We enter new areas where we have not been before so I would say that those attributes characterize our entrepreneurial spirit"

- *Per Forsberg, Atlas Copco*

The respondent at Spendrups Bryggeri described the company as extremely entrepreneurial compared to many others. Being entrepreneurial within a corporation means finding people that are "coward entrepreneurs" as he put it. He also stressed the importance of being innovative in the organization:

"The decision paths are very, very fast and short. But then it is given that I do things that are sometimes frightening. If it is not frightening, it is not innovation"

- *Leif Börjesson, Spendrups Bryggeri*

Further, he listed a number of so called stories that have shaped the company throughout its history. They include a lot of adversary and initiatives that have been taken to establish new companies such as Gotlands Bryggeri, a very successful micro brewery, and Spring Wine & Spirits, which is the biggest wine importer in Sweden. The respondent from IKEA also stressed the importance of being entrepreneurial, which Ingvar Kamprad, the founder of the company, has managed to build in the company culture. He believes that they have been successful in attracting and recruiting co-workers thinking "outside the box" to find new solutions to bringing the business forward and encourage individual initiatives regardless of employee:

"We provide introduction and training for all new employees where we educate them about our culture and our values and then we talk a lot about that it is okay to fail, that if you are not courageous then nothing will happen or change"

- *Tomas Lundin, IKEA*

When looking at TeliaSonera in a historical perspective, the company has been extremely entrepreneurial, being pioneers within mobile telephony and 4G technology. Nonetheless, in contrast to the other Swedish companies, one of the respondents from TeliaSonera did not describe the company as entrepreneurial. He is currently working as an Investment Manager at Purple+, a division that recently has been launched to kick start innovation and foster entrepreneurship at TeliaSonera.

"Historically, we have been an infrastructure company. We still are and will be. There are extremely large investments involved and relatively long cycles. So per definition, as this type of company, I would say that you are not very entrepreneurial. You can not work with the MVP[6] mindset and the idea of "fail fast" and so on. Because you make a huge investment and build a network that costs billions and billions of crowns"

- *Johan af Sandeberg, Purple+*

In the past 10-15 years, a major shift has been observed in the telecom industry where a number of companies have emerged, working on top of the network, where the profits are growing tremendously. He believes that if Telia is to grow as a company, they must find ways to make

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[6] **Minimum Viable Product (MVP)** is a core concept of the Lean Startup methodology and the build-measure-learn feedback loop. The MVP is a product that has enough features to validate learning for continued product development at minimum cost and risk (Techopedia, 2016).

money on top of the network as well, which requires a more entrepreneurial mindset in the organization.

When asking the same question to the Japanese companies, the majority of the companies would describe their businesses as entrepreneurial to some extent, depending on the case. Three of the respondents were foreigners with many years of experience living and working in Japan and they all described their foreign subsidiaries as more entrepreneurial than the Japanese headquarters. The respondent from Toyota described some parts of the business as very entrepreneurial with two ideas that contribute; *kaizen*[7], or constant improvement, and new business. On top of that, they take actions like Virtual Venture Companies and Business Revolution where 10% of people and budget is allocated to innovate new things. Personally, he believed, being a foreign manager in Japan provides the company with new insights:

> *"As a Canadian working in the headquarter of a major Japanese global corporation, my entire career is based on giving new ideas, being the nail that sticks up"*
>
> - *Harold Archer, Toyota Motor Corporation*

Expressing *"the nail that sticks up",* the respondent referred to the Japanese proverb literally translated to the *"stake that sticks up gets hammered down",* meaning that if you stand out, you will be subject to criticism. The respondent at Tokai Carbon acknowledged the same experience. The company started its operations producing black carbon and later established the fine carbon division to fit in the semiconductor industry that is facing rapid growth. Nonetheless, he explained that they did not have the right vision and "missed the chance". Now they are trying to re enter this market and get more market share, which is why they hired the Taiwanese respondent

> *"The major strategic event that I have experienced is that Japanese companies are starting to hire foreigners in order to have a different vision to see the world. Before, I think Japanese enterprises were too conservative and not willing to try new strategies and new things. The only thing they know the best is to "improve" instead of "innovate." As a result, a lot of*

---

[7] **Kaizen** (English: continuous improvement) is one of the core principles of The Toyota Production System, a quest for continuous improvement and a single word that sums up Toyota's 'Always a Better Way' slogan. A philosophy that helps to ensure maximum quality, the elimination of waste, and improvements in efficiency, both in terms of equipment and work procedures (Toyota, 2013).

Japanese enterprises are in such difficult situation these days"

- *Ethan Hsieh, Tokai Carbon*

The respondent at Fujitsu is Australian and has many years of experience working in the Japanese market. According to the respondent, the attributes that make the company entrepreneurial are that at least 40% of the business is outside of Japan and that Fujitsu does not have a central structure with tight control. Nonetheless, he still described part of the business as very traditional Japanese where they are attempting to move *ahead* of the market, but majority of the time are just moving *with* the market.

"The Japanese heritage and culture slow us down a bit because as you know, the culture is pretty risk averse. We have labs and 3,500 researchers and we are one of the most patented companies in Japan. But the research labs people will count on the idea that they work for something until it is 100% right and by then, it is too late. [...] We have a solid quality and engineering background, which is admirable, we can not really talk about it much, but it is stifling entrepreneurship"

- *Craig Baty, Fujitsu*

The two respondents from NTT DOCOMO are currently serving as CEO and COO of NTT DOCOMO Ventures, the venture capital arm of NTT Group, specializing in investments in incubation and serving as a primary channel for startups and venture communities. One of the respondents believed the nature of their business activities made them entrepreneurial, and viewed themselves as the entrepreneur within the NTT Group. The other respondent still observed a lot of inertia within the company where the top executives are committed to innovation but focus more on keeping the current operations intact. When asking the question if he considered the company as entrepreneurial his answer was both yes and no:

"The board members allowed me to launch the innovation management department almost 1,5 years ago, which means, they fear that innovation is very essential in developing the company in a 5-10 years time horizon. The CEO knows that innovation is very important but he or the board members do not know how to carry out the innovation"

- *Minoru Etoh, NTT DOCOMO Ventures*

4.4 Organizational Structure and Decision Making

In the second part of the interview, the respondents were asked to describe their industry in terms of competition and how this relates to the development and strategy of the business or business group. Next, they were asked to describe the organizational structure as well as the decision making processes.

The majority of the respondents from the Swedish companies had observed a major shift in the competitive landscape. The respondent from ASSA Abloy said that they are in change as the industry has shifted from mechanical to electronic. New competition is emerging from crowdsourcing and bigger electronic companies, which is going to change the way they act and organize in the future. This was also something the respondent from Spendrups had observed. The competition has changed drastically in the past years where they on the one hand, have got new competitors from below, the micro breweries, and on the other hand, are seeing how the big market is getting more concentrated where the two biggest actors are merging together, controlling about 60% of the global profit.

Similarly, the two respondents at Atlas Copco said that they are very exposed to competition and have a pronounced strategy to be number one in every product line and be faster than the competitors. They reported that they are seeing so called "good enough" products entering the market that do not have the same standard as their products, but are priced much lower. Likewise, the respondent from Telia had observed a change in the industry. Historically, the competition was practically non existent until the beginning of the nineties when other operators and other broadband operators as well as other sources of competition entered the market:

> *"Now we have started to realize that it is not the operators that are our only competitors and our biggest competitors. Rather, the biggest competitors are the internet companies and particularly the big American internet companies that are a threat to the entire telecom industry"*
>
> *-   Johan af Sandeberg, Purple+*

When asking if he would consider the industry as competitive, he said the answer was both yes and no. Regarding the large investments in infrastructure, there is a limited spectrum, which only enables a small number of actors to enter the market. He also explained that there are so called state regulators within the telecom industry that govern how much a company can charge

when entering someone else's network. Hence this mechanism prevents the industry from becoming too competitive. Likewise, the respondent at IKEA did not describe the industry as extremely competitive either. When looking globally, there is currently no home furnishing company bigger than IKEA that has "everything under one roof". However, he emphasized that they rather drive their own agenda and looking at competitors is not as important as focusing on customer needs.

In terms of organizational structure, all the Swedish companies, except from TeliaSonera, described their structures as very flat with many divisions and autonomous entities. Regarding the decision making, the majority of the Swedish companies described the process as rather decentralized. As some respondents put it:

"That is one thing we are - flat and non-hierarchical. We also have a very non-political environment and very action-oriented organization. No high horses, I can tell"

- *Ulf Södergren, ASSA Abloy*

"I would say decentralized. Once you have initiated a project, it is pretty self-driven. You get a budget, a time schedule etc to follow, but then you have parameters that are checked every month with the division management, to make sure you are on the right track"

- *Per Forsberg, Atlas Copco*

The respondent from Spendrups claimed that the structure is always formal but the behavior is informal. He described the culture at Spendrups as extremely informal and according to him, the biggest difference between a big and a small company is the culture you want to promote.

In contrast, the respondent from Telia described their organizational structure as rather hierarchical. He believed this could be explained by historical reasons and the nature of the infrastructure business that does not require any quick decision making. He admits this structure prevents them from thinking big and being entrepreneurial. Further, he described that the inertia in the decision making process makes it difficult to iterate. Again, he pointed out that this is the reason Purple+ exists today.

"It is not an organization that has previously worked with an MVP and iteration mind set. That is our biggest challenge. When we work with internet services, we need to be faster, try new things with customers and go back if it would not work. You have the infrastructure business on the one side, but a lot of money are created on the OTT[8] system and if we want to grow as a company, we have to get there too"

-   Johan af Sandeberg, Purple+

When asking the same questions to the Japanese companies, the respondents described the industry they are operating in as competitive as well. This was true for Toyota whose main industry is super competitive according to the respondent, which relates to strategic developments and decisions. For example, at the same time General Motors invested big money in a vehicle and brand called Hummer, Toyota decided to develop Hybrid (gas-electric) Prius. He contended that the legacy and direction is huge and tremendous money is invested in Hydrogen vehicles, society and also in autonomous cars.

At Tokai Carbon, the respondent described the competition as intense since the barrier is not necessarily about the techniques but the products' lead times and market needs. Further, he said that it is difficult to join the competition and as a result, there are only six companies in the world operating in the carbon manufacturing industry.

The respondent from Fujitsu described the competitive landscape as diverse with a wide range of competitors in different segments. As a result, they have narrowed things down, spun off their PC business and mobile phone and client device into two separate companies to focus more on the big hardware business and service business. On top of that, they have acquired smaller companies in the area of cloud computing to respond to the competition.

At NTT DOCOMO, one of the respondents also described the competitive landscape as intense and pointed out that they are trying to differentiate themselves from the competition:

"So we are in the IT segment and the landscape is a little bit like Silicon Valley where we have Google and Facebook and other big entrepreneurial companies. It is a very big

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[8] **OTT** or "over-the-top" is a market development that describes a recent trend among the telecom industry where players not just deliver their services on their own network, but also over any IP access network (Teleco-OTT, 2016).

He described NTT DOCOMO as different from other players, where they try to focus on devoting innovation to solving issues and social programs. He contended that Japan needs to find new combinations of different industry segments and the company itself needs to create innovation in combination of IT and other user segment industries. The other respondent explained that many large corporations in Japan, including their competitors, have decided to engage in corporate venture capital. Compared to their biggest competitors however, they are very aggressive in finding startups even outside of Japan, in the US and Europe as well.

In terms of the organizational structure and decision making, the Japanese companies were not as flat and decentralized as the majority of the Swedish companies. However, the companies showcased some of these features. At Toyota, they are currently undergoing a substantial change in its structure in order to streamline work processes on a company wide basis, make even better cars and enhancing the strength and autonomy of regional operations. The respondent described the decision making as bottom up most of the time, but sometimes very top down.

At Fujitsu they are organized in a matrix structure. Still, he pointed out that one, at times, might end up with up to twelve levels of people. However, this depended on the culture as in the Asian region they tend to be bigger groups with more junior people and many more managers. As such, he considered Fujitsu Japan as more top down compared with Fujitsu outside of Japan:

"In Australia, the most junior person could have the right to book a meeting with the CEO or six levels up or just meet in the elevator and start talking to him and have a conversation about a new idea. In Japan, you would have to go through the whole process of talking to the hancho[9] kacho, then the bucho… and then the president. So the whole nemawashi process is alive.

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[9] **Hancho**, meaning group leader, is one of many terms that maps the Japanese business hierarchy, which defines clear functional boundaries for all the professionals of the organization. The basic framework comprises: *Kaicho* (Chairman), *Shacho* (President), *Fuku Shacho* (Vice President), *Sunmu Torishimariyaku* (Senior Executive Managing Director), *Jomu Torishimariyaku* (Executive Managing Director), *Torishimariyaku* (Director), *Bucho* (General Manager), *Kacho* (Section Chief), *Kachodairi* (Deputy Section Chief), *Kakaricho* (Chief Clerk) and Ippanshain (general Employee) (Hierarchystructure.com, 2013).

Referring to the informal process of *nemawashi*, he described how important it is in Japan to properly lay the foundation for some proposed change or project, by talking to the people concerned, gathering support and feedback, and so forth, before any formal steps are taken. The respondent at Fujitsu described the decision making process as top down at times, that the president will take initiatives but put forward a general framework together after having discussed everything. As a result, the decision making cycles are very long as there is a lot of consensus and bottom up. But again, he also pointed out that more innovation comes from the regions, which is the reason that they are surviving.

At Tokai Carbon, the organization is divided into different departments and the respondent, together with two other representatives are in charge of different markets. Most of the time, they can make decision making on their own on a regular basis. However, when it comes to product pricing, or processes when a lot of money is involved, he said that the manager is going to discuss with top management and make the decision.

At NTT DOCOMO, one of the respondents explained that in big companies, employees work in one of the following three engagements; operations, customer acquisition management and innovation management. Therefore, depending on the category, the structure differs:

"In operations, we need a very hierarchical structure, like an army or navy. You have to obey to your boss. Employees are required to perfectly manage their jobs. But innovation requires speed and a flat structure with open discussions. Speaking of my organization, I make my organization flat"

-   *Minoru Etoh, NTT DOCOMO Ventures*

Further, he believed that innovation can not happen in the middle of the organization and pointed out that some conditions are required to have an innovative organization; to be far from headquarter control as much as possible and that the operations of that department is independent in terms of budget and rights. Nonetheless, as the department has to utilize the company's assets, brands and the company's current position, he found it very contradicting. The other respondent answered the questions more relating to his specific business group. They are a small organization, a 100% subsidiary company of NTT DOCOMO, where the decision

making process is related to a specific investment decision. They have an investment committee consisting of the members from NTT DOCOMO Ventures, and some members of the headquarter. He pointed out that they have a quick decision making process, which is also one reason they set up the subsidiary company and the fund. He would describe the structure within the business group as relatively flat, and again emphasized the reasons they are considered the entrepreneur within the group:

> *"As you can easily imagine, if NTT DOCOMO headquarter or NTT Holding try to invest in a startup with only one million, it would take a long time. I do not think a startup can wait for such a long time. So in order to solve that problem we decided to set up a subsidiary company"*
>
> - *Nobuyuki Akimoto, NTT DOCOMO Ventures*

4.5 Entrepreneurial Orientation

In the third section of the interview, the interviews were asked to describe their organizations in terms of capabilities to take new actions and initiatives, to what extent they exhibited competitive aggressiveness, risk taking, proactivity and autonomy. Generally, the Swedish companies, with the exception of TeliaSonera, showed high levels of the aforementioned features. The majority of the respondents described their capabilities to take new initiatives or actions as very strong. As one of the respondents put it:

> *"We have many examples where we have introduced new types of products, and even new product lines. And it really works to do these kind of things in the divisions. If you can just show a business case, it is no problem, even if it is something you have not worked with before"*
>
> - *Per Forsberg, Atlas Copco*

The respondent at ASSA Abloy once again highlighted the company structure as a positive resource for taking new actions or initiatives. He reported how the company with the previous CEO managed to break down big entities to manageable units where people have the chance to drive the big organization.

In contrast, the respondent at Spendrups claimed that they are really looking for innovation but the capabilities depended on what part of the company is considered. They invest heavily in production techniques and he argued that innovation does not necessarily have to be limited to product or market innovation but backbone innovation in areas such as logistics. A positive aspect in their business that makes them capable is that they are small and have the ability to act fast. Nonetheless, he reported that the nature of the business sometimes slows down processes and compared to other big players on the market, they do not achieve the same economies of scale to reach out their innovation to many countries:

"What makes us bad is that we are a family business where it is not the stock market that rules. In other words, if there is a disagreement, the process takes more time. So one individual disagreement discourages our capabilities to act fast. We have a problem that we do not share with Carlsberg, Heineken and AB InBev"

- *Leif Börjesson, Spendrups Bryggeri*

Similarly, one of the respondents at Telia described their capabilities as strong to a certain extent. However, he described them as proactive all the time and that it is the nature of the business to build a network where you do not know what people will do with it:

"Within the existing infrastructure business, we are very capable of taking new actions or new decisions, building a 5G network, providing Sweden with fiber cables etc. But when it comes to taking big bets in new areas, outside the infrastructure business, we are a bit stuck. It is about what the market expects us to do as a company. It is difficult for our CEO to motivate a big acquisition with a company with much lower EBITDA, for example"

- *Johan af Sandeberg, Purple +*

When asked to what extent they showcase competitive aggressiveness, Atlas Copco exhibited the highest level. The two respondents at Atlas Copco claimed that being aggressive was part of the mission and to be the number one in every product line. One of the respondents further stated that they are positioned differently on the market, so depending on the market, they try to face it in different ways and are constantly trying to get a bigger stake of the market share.

The respondents from ASSA Abloy, IKEA and Spendrups had a different view on their relation to competitors and argued that it is not optimal to relate to someone else. Instead, one should have an own agenda and focus more on responding to customer needs:

"Of course we do it indirectly when it comes to selling more. But I do not think it is optimal to have a glance on what our competitors do. We do not want to be any copycats, or focus on one big competitor such as Carlsberg. Instead, we want to pave our own way, find our own personalities and grow our brand without looking around"

- *Leif Börjesson, Spendrups Bryggeri*

Telia exhibited the lowest level of competitive aggressiveness. The respondent reported that there are different competitors in the entire chain. If going back to the points in Telia's history of launching new products, they have been very aggressive but in the internet world they have not, although they are making efforts to be.

When asked to describe to what extent the companies were willing to take risk, the majority of the respondents described themselves as relatively risk taking but under the condition that careful risk assessment was undertaken. The respondent at ASSA Abloy even argued that business is about taking risk. He described situations where they have failed, but are not afraid of failures. However, he stressed the importance of focusing more on the customers and understanding them more than in the past. By doing so, they try to do the right things than doing things right, and in that way eliminating the risks and increasing the probabilities to make the right decisions.

The respondent at IKEA reported that they take risk in trying new products but under the prerequisite "safe and healthy" by undergoing risk assessment. Risk taking was biggest in product development, for natural reasons, and if a product will not sell, this was nothing IKEA will be very affected by. Instead they try to learn from their mistakes.

At Atlas Copco, they saw risk taking as an investment for the future, where you can share your failure in the organization and learn from the mistakes:

> *"There are a number of products that we estimate as relatively high risk, that will not get the revenue that we expect or will have difficulties penetrating the market. But we do not go for safe bets all the time, definitely not. We are investing in new technology and that is always risky"*
>
> -   *Erik Sigfridsson, Atlas Copco*

In contrast to the aforementioned companies, one of the respondents at Telia reported that they have a traditional way of thinking and are not very risk taking:

> *"We are not very risk taking. We only make decisions where we are 100% certain, but we are fooling ourselves. We are not 100% certain, we are building the business cases to make it look as we are 100% certain. It is a teleco disease, I would say, and that relates to the facts that decisions need to be very long term oriented and committing"*
>
> -   *Johan af Sandeberg, Purple+*

In the final question in the section that related to autonomy, individuals and teams at IKEA, ASSA Abloy, Atlas Copco and Spendrups, were encouraged to take new initiatives and bring forward new ideas, which were also highly promoted. More importantly, they were also allowed to make mistakes:

> *"The problem is not that we do not have enough ideas. It is rather the favorable situation where we have too many. And I think it is well grounded in the principle of being the number one"*
>
> -   *Erik Sigfridsson, Atlas Copco*

> *"It depends a little bit on department. But if we talk about the marketing department's perspective, it is an absolute instruction from my part that it has to happen. If you flip the question around, I would say that not giving individuals autonomy is completely wrong"*
>
> -   *Leif Börjesson, Spendrups Bryggeri*

> *"I can say, that in my age, most experienced leaders have failed more than the young people have tried. And what I think is most important is to make sure that people can tell them that if*

The companies also mentioned internal innovation competitions, idea boxes, prizes and awards for inventions as well as patents and discussion forums to initiate innovation. At Telia they did an accelerator pilot for one year in one of their markets where employees were encouraged to come up with business ideas and start up new ventures. If successful, the contestants got to start their businesses and got paid a couple of months to work with their startups without Telia taking any ownerships in the ventures. Apart from that, the respondent admits that, although it is currently changing, the current decision making model is not really supporting autonomy and idea generation in the organization, since they have a very hierarchical structure. That is why the communication around the new vision "new generation teleco" has been a guideline in a journey where they are encouraging a more entrepreneurial mindset.

When asking the respondents from the Japanese companies the same questions, they did not exhibit as high levels of innovativeness, proactiveness, competitive aggressiveness, risk taking and autonomy. The majority of the respondents reported that it was easier to make actions and take initiatives outside of Japan. This was true at Fujitsu. However, the respondent reported that their capabilities in general were strong, there is always "pockets of money" around the company so it was more a matter of finding a sponsor. He reported that the innovation group is separated from the company, with different sales targets, and the job for that group is to try new ideas for products and services and pivot them.

The respondent at Tokai Carbon reported that the company is heading to a new direction to change its so called stone aged company culture. In his opinion, hiring him as the only foreigner was a new action. The respondent at Toyota made the following comment when asked about his company's capabilities in taking new initiatives or actions:

"Very Japanese, takes time up front, nemawashi, then later, since things have been considered, they can be implemented more smoothly, quickly"

- *Harold Archer, Toyota Motor Corporation*

He explained that as much as 50% of the success of any project will depend on simple *nemawashi* (explained in previous section), a phenomenon most Western business people do not

get. However, he described Toyota as proactive in a sense that they recently announced that they will establish a new company, Toyota Research Institute, as an R&D enterprise focusing on artificial intelligence. This is something they believe has significant potential to support future industrial technologies and creating a new industry.

The two respondents at NTT DOCOMO Ventures both agreed that it was easier to take new actions within their company, as opposed to the NTT Group itself. One of the respondents once again stressed the reason they decided to establish an independent corporate venture capital; to move quickly. However, he said it could be tricky at times when the headquarter and the Holding group are involved in some activities. They are good at moving slowly. In his business, on the other hand, they had the capability to change the direction of the project themselves if convinced that they will not get the outcome they desired. In that sense, he believed that they were innovative and quite aggressive about generating new ideas and experimentation.

> *"It is difficult to say because our company has almost 20,000 employees and about 19,000 are working with operations and customer acquisition management so they are expected to bring the business forward, steadily and carefully and only 1,000 employees or less, are expected to bring something new, which includes R&D and investment"*
>
> - *Minoru Ethoh, NTT DOCOMO Ventures*

In relation to competitors, the Japanese companies took the competitors relatively serious too. The respondent at Fujitsu believed that the reason they are surviving in the IT industry is because they still do that and have some areas where they will definitely recognize:

> *"We took a leading position in the implementation of strategic and robust industry level cloud. I am not talking about some amazon.com cloud or Google cloud, I am talking about defense business or things that keep the soldiers up and running when they are in the middle of battle type cloud. We decided to take a stake in the ground there, whereas Amazon decided to take a stake in the ground elsewhere. Now we are finally partnering with them"*
>
> - *Craig Baty, Fujitsu*

Likewise, at Tokai Carbon, again, hiring the Taiwanese respondent was one of their new strategies. He described that the price competition, so called red ocean, in China is extremely intense these days and in order to maintain market share in the Chinese market, most of their

competitors join the price competition without considering the Chinese culture and current situation. As a result, the company decided to hire him to support the Japanese Project Manager to increase sales in the Chinese market. He argued that this was an advantage that the other competitors do not have.

In contrast, the respondent at Toyota stressed that challenging the position of competitors is not the main point in their business. Rather, it is about satisfying customers and anticipating new directions. As such, they used competitors more as a benchmarking to track and adjust if some competitor has a better aspect of a product or service.

At NTT DOCOMO, the respondents argued that they are the kind of organization to take these kind of initiatives and try to be aggressive within the NTT Group. They are allowed to do so, but as previously mentioned, once they move on to the meetings, it may be a little bit hard because they have to get other people involved. The other respondent believed it was difficult to say how aggressive the company is but that they are focusing on their own agenda because they way of their innovation is focusing on social problems. As such, he did not see the need for them to over differentiate themselves.

In terms of risk taking, a shared belief among the respondents from the Japanese companies was that they were not risk taking. At Tokai Carbon, the respondent said that you can always have a new (risky) idea, but in the end it is the top management's choice to make the decision whether to take it or not.

Likewise, the respondent from Fujitsu would say that they are not a risk taking company. On a scale from zero to ten, zero being not risk taking at all and ten being very risk taking, he put the company at a six outside of Japan. Japan, on the other hand, scored even lower as he would say it is a three:

> *"I would not say that we are a risk taking company. We are at regional level but it is very very modified. We are not like Apple or Google. We are very conservative and basically, we have a Japanese culture"*
>
> - *Craig Baty, Fujitsu*

Similarly, one of the respondents from NTT DOCOMO Ventures also pointed out the Japanese company culture as a negative resource for risk taking, when speaking more of the group as a whole. As previously mentioned, the majority of his colleagues within the group work for operations and customer acquisition management, so they have to avoid risks and keep the company safe, as he put is. He argued that NTT DOCOMO is a typical Japanese conservative, negative company with 19,000 conservative employees. Out of roughly 20,000 employees, only 1,000 are working with innovation, and selecting innovative newcomers is tough, according to him:

"So as you might be aware of already, labor mobility is very low and we still have a seniority system in Japan. It is passing away but still, in big companies, we have this seniority system. So no risk, no return, means well paid, that is the kind of mindset employees have at big companies. It is very hard to make big companies innovative"

- *Minoru Etoh, NTT DOCOMO Ventures*

In contrast to the other respondents, the executive from Toyota listed a couple of investments that have been very risky such as hybrid, fuel cells and autonomous driving. They also went into F1 racing in the past, and then quit, which was a huge expense that did not pay off.

Finally, in terms of autonomy, the respondents in the Japanese companies, again, stressed that freedom to be creative and push for new ideas are greatest outside of Japan or within certain departments. One of the respondents from NTT DOCOMO Ventures described themselves as being the entrepreneurs within the company, but when other people outside the venture capital is involved, it gets harder. Likewise, his colleague said that the 1,000 out of 20,000 working with innovation activities are given more freedom to take individual actions. As such, the majority of the company as a whole are working in the casual business, as he calls it, and tend to be status quo.

At Toyota, the respondent reported that individuals definitely make a difference but the team is more important. The respondent at Fujitsu once again stressed that there is more freedom outside of Japan to be innovative as there are more ecosystems. He listed two prominent examples of individual efforts within the company; the one being an employee whose doctorate on creating innovation and good customer experience resulted in a business case and a budget of a few hundred thousand dollars to set up an innovation group, and the second being the

organization TechShop, that Fujitsu opened up in Japan to create an open space to provide resources for creativity and innovative activities.

4.6 Organizational Culture and Leadership Properties

In the final section in the interview, the respondents were asked to describe their organizational culture, whether it was a positive or negative resource for entrepreneurship, the distribution of women and men in management, how employees are evaluated and rewarded and leadership properties distinctive for a typical leader at the company.

The majority of the respondents from the Swedish companies all considered that the culture of the business supports an entrepreneurial mindset and action. The respondents from IKEA, ASSA Abloy, Spendrups and Atlas Copco all reported that employees are encouraged to take the lead of their own development, help develop the company and through a flat organization they try to keep the decision making short and fast. They argued that having a big organization with hierarchy and difficult decision processes is devastating and stressed the importance of having people working and acting close to the customers to be innovative and entrepreneurial. As one of the respondents mentioned:

"We talk very much about the Spendrups spirit, it is not exactly defined, but we give a lot of freedom to fail, and I believe that is a fundamental dimension. The family is extremely entrepreneurially oriented, and people they recruit must also have that mindset"

- *Leif Börjesson, Spendrups Bryggeri*

The respondent at Telia argued that the culture is a positive resource for entrepreneurship to a certain extent and primarily supported by the communication of their "new generation teleco" vision. Nonetheless, it was, as previously discussed, constrained through the decision making process that is very long and slow and adapted to a traditional telecom business. This was something he did not find characteristic for only Swedish telecom companies, rather it is a global phenomenon and he pointed out that other big players witness even more inertia in the decision making compared to them.

In terms of gender equality, women were in minority in all the Swedish firms, except from IKEA where it was close to 50/50. Higher levels than 50% were reported in some of the business groups but on higher levels in the company, it was less. A shared belief among the

respondents were that there were no differences in the effectiveness of male and female leadership, women are as good as men, and diversity was something the respondents were encouraging:

> *"I think it is good to have a lot of women in the organization. We have a very mixed team and we see that the team work is much better. Even if studies say that more female companies are much profitable, it is a lot about individuals, of course. We have good male managers and we have good female managers. The most important thing is to get a blend between gender and different cultures. Then you get better results"*
>
> - *Ulf Södergren, ASSA Abloy*

The respondent at ASSA Abloy further argued that as far as entrepreneurship is concerned, men take more risk than women in general, which is also for the bad sometimes. He also argued whether women might have an advantage when it comes to listening and understanding customers better.

Further, the Swedish respondents all reported they had a systematic way of evaluating and rewarding employees within the organization. At Telia, they are using a so called performance review, which is a tool where employees fill in their goals that are evaluated and changed continuously. As previously mentioned, they also work with an internal innovation competition and an accelerator program to encourage innovative activities.

At Atlas Copco they have incentives from group level to individual level. Similarly to Telia, they have innovation and business improvement awards at group level where teams are rewarded with money or team building activities. Except from bonuses in the business units they also work with patent rewards if a patent is rewarded.

IKEA has a bonus program and money set aside in a personal fund if delivering good results according to set criteria and work with yearly development and evaluation talks are done with goal settings.

Except from salaries and bonus systems, the respondent at ASSA Abloy reported that workers who stand out get to present results in front of managers at conferences:

"I think that is rewarding and important as anything else, because other people know that this person has done something. What could be more rewarding than being acknowledged for a good thing you have done?"

- *Ulf Södergren, ASSA Abloy*

Sometimes however, he believed that managers many times get more credit for achievements but tried to make sure that teams come out. This is done through blogs and information reached out to the groups about their achievements, like an internal home sight. The respondent at Spendrups reported that they would like to be better at follow ups in general. However, employees can be rewarded based on a performance review and receive a better salary where the pay increase is very high for a job done well. Like most companies, they also have a bonus system for people in managerial positions.

Regarding the final question concerning leadership properties, three out of five Swedish companies reported that a typical leader at their company is performance oriented followed by team oriented. This was true at Atlas Copco at every level where they paid a lot of attention to continuously seek performance and find new technology, ideas and new products.

The respondent at ASSA Abloy responded in a similar manner but also argued that a performance oriented leader necessarily does not have to be charismatic, visionary, inspirational and decisive. Instead, you create your champions all around in the organization, who, in turn, create champions further down in the organization:

"We are really focused on delivering the operational results by working with the strategy of customer relevance and product leadership and costing on a continuous basis. You do not need to be charismatic to do that. You do not even have to be visionary as long as somebody is visionary on the top.

- *Ulf Södergren, ASSA Abloy*

One of the respondents at Telia, a previous HR manager, would describe a typical leader as humane, if only one leadership style had to be chosen. When taking into consideration employee surveys, they always report good results and when looking at the entire population, generally speaking, the managers are considered very humane, according to him. Nonetheless, he argued whether they might even have a too high score on the leader regarding the changing process

they are in now. He believes a high score tells them that they might not set enough tough requirements on change, which affects individuals and make them feel uncomfortable. Within the teams, the leaders are good at creating a good atmosphere, but collaboration across teams is not as good, when looking at the challenges they are facing. Further, when asked if leadership properties were different when looking at their division he had a different view on leadership:

> *"At Purple+ we have questioned and challenged the traditional leadership model. Do we really need a boss? Maybe we could just use a rotating model where we all can be managers. [...] We have to be able to live freely, since we are the new challenging division at the company. In short, we are forced into a traditional structure even at Purple+ but we have challenged the way of thinking. Everyone has to take responsibility and lead. We are one team"*
>
> - *Ivo Kukavica, Purple+*

The respondent from Spendrups argued that there are two perspectives; the first one is about the individual and his/her characteristics and the other one is about the role. As a Marketing Director he is responsible for development and as such, he has to take on the role as being charismatic, creative and take initiatives in his team. On the other hand, he described the CEO as a discreet person that dislikes being in the center of the attention, but acts in many other ways and with focus on consensus orientation in the group. He also reported that the way they are structured as a family business means that no one can be the top leader, so there is less focus on "self-centered" and boosting themselves, as he put is. Instead, he described their company as collectively oriented that work together with a strong focus on people to drive the business forward.

When asking the respondents from the Japanese companies whether they considered their company culture as supporting or constraining an entrepreneurial mindset, the majority of the companies found the company culture a negative resource for entrepreneurship. This was true for NTT DOCOMO and Tokai Carbon, and to a certain extent at Fujitsu and the only exception was as Toyota where the respondent described their culture as the company DNA and different from even other Japanese based companies.

The two respondents at NTT DOCOMO Ventures reported that Japanese corporations have started to say that open innovation is important, but were not sure whether or not they really have the mindset for entrepreneurship:

"I have to admit, the majority of the company has a very negative culture towards innovation. [...] We have a two floor structure; casual business and innovation development. So about 95% is devoted to casual business and 5% for innovation"

- *Minoru Etoh, NTT DOCOMO Ventures*

The respondent at Tokai Carbon described their company culture as old fashioned and a negative resource for entrepreneurship, as well. He argued that as the world is changing rapidly and as most companies do business abroad, people's' mind sets should be changed accordingly, not just staying in the past history and miss brand new business opportunities.

In a similar manner, the respondent at Fujitsu, again, emphasized the different mentalities between the Japanese headquarter and abroad. Still, he admitted that people have realized that, by being associated with innovation and creativity, they are creating the next generation of Japanese people. He was also familiar with the Japanese proverb "the nail that sticks up" and contended that his job is that, if they notice him, they notice him for the "right reasons". As a foreigner it is also takes time to get integrated, and he mentioned a foreign manager that had been at the company for 18 years straight after university in Japan but was still considered Indian and not fully accepted as the local managers.

"Fujitsu has its problems and part of it is applying the Japanese culture and structure to the West without really understanding what it means"

- *Craig Baty, Fujitsu*

In terms of gender distribution, all Japanese companies had very low levels of female managers, although it was slowly changing. For instance, the respondent at Fujitsu explained how many women after five years in the company decide to leave as it will take them at least ten years to become managers. Then, if they have a child and leave, their careers will be set back five to six years and they might as well just go to a Western company. On the positive side, they have more female managers than they have ever had and is one of the top 100 most diverse companies in Japan. The respondent also commented that the Japanese government is trying to

set targets, but overall, Japanese companies are failing and he believed it is hard to promote women for various cultural reasons, including history of two types of woman hires. As far as concerned, all respondents did not make a distinction between male and female leadership.

In the following question, the respondents said employees were awarded with salaries and promotions for individual achievements. Nonetheless, one of the respondents at NTT DOCOMO Ventures, said that most Japanese companies, including themselves, still use a seniority based system, based on age. The other respondent described that evaluation was difficult within NTT DOCOMO Ventures:

"[...] Our evaluation system is done every six months and as you can easily imagine, our activities include business development with NTT Holding, NTT DOCOMO and startups, so they might take a little bit more time to reach the final outcome. So it is really hard for me to evaluate what people have done only within six months"

- *Nobuyuki Akimoto, NTT DOCOMO Ventures*

Performance based awards and part of bonus was fact at Toyota, but the respondent pointed out that the percentage is smaller compared to Western companies. They also work with various internal awards, like the soikufu[10] system, but is not as much short-term or high incentive such as in Western counterparts. Further it takes longer to get higher pay, which many younger people dislike. However, he believed this was not only the mentality at companies, but overall Japanese society and Confucian based societies; based on age and respect for elders and so forth. The respondent at Fujitsu also mentioned that in most of Japan, it is 100% performance based and that there are a number of people lately who have stopped being promoted and other people being promoted above them in the company. Still, individual efforts were rewarded but as a group or team.

"[...] What they did, was that they got everyone who was possibly across every team, and took 300 people out for dinner. So that is how the group was rewarded. It makes sense, but the individuals are not rewarded in a Japanese company. It is totally the group. If anyone does something good, everyone goes out for dinner"

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[10] **Soikufu** is a key concept in the *Toyota Production System*, which has become a benchmark for world class efficiency, which means capitalizing on employees' creative thinking or incentive ideas (Magee, 2007).

For the final question concerning leadership properties, the majority of the respondents would describe a distinctive leader at their company as collectively minded. At Fujitsu in Japan, general manager and below, the respondent described a leader as participative and humane and team oriented. If more senior, leaders tend to get caught up with more politics and are probably more self protective, according to him. Outside Japan, he described most leaders as performance oriented followed by autonomous and humane. He argued that self protective happens depending on individual, how they are feeling at the time, how threatened they are and how close they are to retirement.

At Toyota, the respondent would describe a typical leader as trying to be a team leader, not autonomous, self protective nor much performance oriented. To illustrate this, he pointed out that in Japan, most employees call themselves by company name:

"To make it easy to understand, in Japan, in most companies, we never say our name, then company name. It is the other way around, company name, then personal name. In fact, sometimes not even personal name. Just "Toyota-san[11]" and we do not mean family name is Toyota"

- *Harold Archer, Toyota Motor Corporation*

The respondents at NTT DOCOMO Ventures preferred to use the words catalyst or visionary for a typical leader at their division. They described their leaders as smart, decent and coordinative and very team oriented. In contrast to the aforementioned companies, the respondent at Tokai Carbon described a typical leader as performance oriented and pointed out that working in a Japanese company is very tough and tiring compared to Western companies.

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[11] The honorific suffix **san** is added after a name or surname to address or refer to people in Japan (JREF, 2011).

4.7 Summary of Empirical Findings

In this chapter, results from interviews with professionals in Swedish and Japanese companies were reported. The findings indicated that the majority of the Swedish companies considered themselves as highly entrepreneurial, compared to the Japanese counterparts. This was achieved through a flat structure with many divisions and autonomous entities, allowing a decentralized decision making process in countering for a major shift in the competitive landscape. Further, the Swedish companies had strong capabilities of taking new actions or initiatives, with a culture supporting entrepreneurship, a willingness to take risk after careful assessment, allowing freedom of thought and creativity and learning from mistakes.

The majority of the Swedish firms were performance oriented and employees were evaluated and rewarded accordingly in a systematic way. The Japanese companies described themselves as entrepreneurial to a certain extent. Although they expressed some spurts of brilliance, it was evident that foreign subsidiaries were more entrepreneurial than the Japanese headquarters where company structures had a tendency to be more top down and decision making centralized. For most part, organizational culture did not support entrepreneurship or highly uncertain business outcomes, and most Japanese leaders were described as collectively oriented where individual achievements were often remunerated with group rewards.

5. Analysis

This section provides an analysis where results will be discussed and compared with the theoretical framework. The chapter will follow the same structure as the previous chapter to allow easy comparison between subjects, founding the basis for concluding remarks in the final chapter.

5.1 The Entrepreneurial Organization

To learn more about the current business, the first section in the interview aimed to explore how the case companies work to foster entrepreneurship and innovative activities within the existing organization. The interviewees at the Swedish companies described themselves as highly entrepreneurial, compared with the Japanese counterparts. The majority of the Swedish companies mentioned agility, an entrepreneurial spirit and a structure that allows autonomous decision making on divisional level as some attributes that made them entrepreneurial. Further, the interviewees all stressed the importance of being entrepreneurial within the existing organization and highlighted great innovations and ventures that have been made throughout their company history. Innovation was an obvious part of their *long term direction* and vision (Hofstede, 1980, 1998, 2001).

Although this section was not related to any of the major theoretical frameworks outlined, one could argue that these attributes go in line with the concept of CE, finding new means to innovate and create new business opportunities to sustain growth and profitability as reported by e.g. Zahra (1991) and Lumpkin & Dess (1996). This was the case for TeliaSonera, for instance, who has recently launched the division Purple+ in an effort to kick start innovation and test new business models. Nonetheless, some of the interviewees also noted the challenge to, on the one hand, organize a large number of employees within an organization, while simultaneously maintaining an entrepreneurial culture.

In contrast, the Japanese companies described themselves as entrepreneurial to a certain extent, depending on the case. It was evident that business in subsidiaries outside Japan were more entrepreneurial with less central structure and tight control. The respondents reported that being

a foreign manager in Japan provided companies with new insights as they have a different vision to see the world. One respondent also mentioned how being a foreign manager is based on giving new ideas and being the *"nail that sticks up"*, a common phenomenon in the Japanese business environment. According to the respondents, traditional Japanese business knows better how to improve rather than to innovate and much focus is attained at keeping current operations intact.

Similarly to the Swedish companies, the Japanese companies feared that innovation was very important long term to sustain competitiveness but it could be contested that they did not quite know how to carry out innovation successfully in practice. Naturally, it was also easier to be innovative at business units specifically established to foster innovation and entrepreneurship. However, this usually only comprised a small fraction of the entire organization and when working in conjunction with the headquarter involved, the process was much slower.

To account for differences in entrepreneurial activities between Swedish and Japanese companies further, the following sections will cover a discussion on the entrepreneurial organization in terms of organizational structure and decision making, entrepreneurial orientation as well as organizational culture and leadership properties.

5.2 Organizational Structure and Decision Making

As for the second part of the interview where respondents were asked to describe their current business environment, it was commonly agreed that both the Swedish and Japanese companies had witnessed a major shift in the competitive landscape over the course of the past years. Other sources of competition have started to emerge, which have changed the way they will have to act and organize in the future.

A successful entrepreneurial organization needs to structure itself in a way that maximizes the exploitation of new opportunities. Burns & Stalker (1961) outlined the ***Mechanistic vs Organic Model of Organizational Structure*** and argued that companies with an organic organizational structure operate in unstable and dynamic environments and need to be flexible to quickly adapt to change. The findings showed that the majority of the Swedish companies reported a flat organizational structure with autonomous entities where information flows within the organization. This goes in line with the *organic* organizational structure outlined in Burns &

Stalker's (1961) model as this type is preferred when employees seek autonomy, change, openness and support when trying out new opportunities or approaches. One could also argue that these companies are, in a way, related to Hofstede's (1980, 1998, 2001) *power distance* dimension as well, where power is equally distributed within the organization. When the environment changes, the organization needs to gather, process and disseminate information very quickly and failure to do so can directly affect an organization's ability to maintain its competitive advantage.

Nonetheless, one of the respondents at TeliaSonera argued that the organizational structure was rather hierarchical. He believed this could be explained by historical reasons and the nature of the infrastructure business that involves huge investments and long decision making cycles that does not require any quick decision making. This organizational structure goes in line with what Burns & Stalker (1961) referred to as the *mechanistic* organization and similarly, the respondent argued that this structure prevents them from thinking big and entrepreneurial. He reported that the inertia in the decision making process makes it difficult to iterate and stressed the importance of having a more flat structure. However, the company is making efforts to communicate their new vision "new generation teleco" and launching the new division Purple+ to kick start innovation and entrepreneurship at the company.

As for the Japanese companies, the respondents reported an organizational structure and decision making that was not as flat and decentralized as the majority of the Swedish companies. Some of these attributes were featured at Toyota, for instance, as they are currently undergoing a substantial change in its structure in order to streamline work processes on a company wide basis to enhance the strength and autonomy of regional operations. Still, the majority of the companies had an organizational structure that was closer to a *mechanistic* structure, based on a formal, centralized network, as found in Burns & Stalker's (1961) model.

From a cross cultural perspective, one could also relate this to Hofstede's (1980, 1998, 2001) framework where the Japanese companies scored lower on the power distance index. Most respondents, both the Japanese interviewees and the foreign managers working in Japan, described the decision making as top down most of the time with bigger groups and many layers of people to reach consensus. A shared belief was also that decision making was more decentralized outside Japan where employees were given more autonomy.

A stable environment, little change and authority that defines a well defined hierarchy, where top level managers make the majority of decisions, are features that characterize the *mechanistic* structure. Arguably, as all Japanese companies reported that they operate in a dynamic and competitive business landscape, they would better sustain competitiveness as well as better support CE if using a structure, as the majority of the Swedish companies, that was closer to the organic structure (Burns & Stalker, 1961). Hence it was clear that a company's organizational structure has great implications on realizing change and entrepreneurship.

5.3 Entrepreneurial Orientation

EO has evolved as one of the most established constructs in the entrepreneurship literature and researchers argue that firms need an entrepreneurial frame of mind to exploit new opportunities (e.g. Dess & Lumpkin 2005; Lumpkin & Dess, 1996; Miller, 1983). Generally, the majority of the respondents at the Swedish companies described their capabilities to take new initiatives or actions as very strong. In other words, they reported a high level of *innovativeness*, one of the dimensions put forth by Lumpkin & Dess (1996) in the EO framework, assessing entrepreneurial behavior at firm level. Agility, an informal company structure, a positive company culture towards innovation and manageable business units were some attributes that the respondents described as facilitating innovation. Naturally, it was easier to pursue innovative activities in certain business areas such as in product development. But a shared belief was also that innovation does not necessarily have to be limited to product or market but also other areas of business such as logistics.

On the contrary, the respondents from the Japanese companies, again, claimed that innovation was more encouraged outside of Japan or within certain departments. That is to say, they showed a lower level of *innovativeness*. Although the respondents at NTT DOCOMO Ventures regarded themselves as the entrepreneur within the group, this still comprised only a small fraction of the entire organization. The respondents from Toyota and Fujitsu mentioned the term *nemawashi*, meaning that proposals for change or a specific project have to be thoroughly prepared before any formal steps are taken. They claimed that this is closely tied to Japanese culture and one could argue that this only slows down the process of introducing newness through experimentation and creative processes following Lumpkin & Dess' (1996) framework.

Provided that the majority of the respondents from the Swedish as well as Japanese companies reported that they have witnessed a major shift in the competitive landscape, making an intense effort to outperform competitors in the industry was not the main point for many of the companies. Some of the interviewees undoubtedly stated that being aggressive was part of their mission. Nonetheless, a shared belief among many of the companies was also that aggressively responding to competitors and challenging the position of rivals should not be the main point. Instead, focusing on one's own agenda and responding to customer needs was more important. In light of the evidence from the interviews, the majority of the companies did not show a significantly high level of the dimension *competitive aggressiveness* outlined by Lumpkin & Dess (1996).

Next, Lumpkin & Dess (1996) argued that a company needs a certain degree of *proactiveness* to seize opportunities in anticipation of future demand. Although all companies that were interviewed naturally had a forward looking perspective in being the market leader, in theory, it could be contested that the Swedish companies showed a higher level of proactiveness, while in general, the Japanese companies were more focused on keeping current operations intact.

Coupled with the aforementioned features, an entrepreneurial organization many times also needs to make decisions and take actions with highly uncertain outcomes involving substantial resource commitments in the process of exploiting new opportunities (Lumpkin & Dess, 1996). That is to say, business needs to involve a certain degree of *risk taking*. In view of the interviews, this was the dimension where the Swedish and Japanese companies differed the most.

Regarding the Swedish companies, the majority of the respondents reported a relatively high level of *risk taking*, provided that careful risk assessment was undertaken. It was commonly agreed that, in the process of venturing forward, business is about taking risk and one should not be afraid of failures. Instead, employees at all levels are encouraged to experiment and see mistakes as an investment in the future and new learning. The majority of the respondents from the Japanese companies, on the other hand, did not consider themselves as risk taking, and sensed that they were more uncomfortable with *uncertainty* and ambiguity (Hofstede, 1980, 1998), which they believed, was strongly related to the Japanese culture and mentality.

In general, the Japanese business culture was conservative and a negative resource for entrepreneurship and risk taking. With the exception of certain business units, the majority of

employees in the entire organizations are programmed to avoid risk and keeping the company safe, which also, at times, gives better pay. It appeared as if entrepreneurship and management was more separated in the Japanese companies with different levels of risk tolerance. As a result of bureaucracy and lack of rewards, it was evident, as in the NTT DOCOMO case, that entrepreneurially minded people, such as the respondents, tend to set up their own business, creating a structure that favors idea generation and innovative activities. Hence it appears that failure, or fear of failure, is one important dimension that Japanese companies are lacking to become more entrepreneurial.

Finally, Lumpkin & Dess (1996) also contend that individuals and teams within the organization should be given *autonomy* in carrying forward ongoing processes in every facet of the business. At the Swedish companies, taking new initiatives and bringing forward new ideas were encouraged and highly promoted. In this regard, they also showed a high level of *individualism* (Hofstede, 1980, 1998, 2001). A shared mentality was that if you do not fail, you have not tried hard enough. Innovation and individual action were promoted through internal innovation competitions, idea boxes as well as prizes and awards. At the Japanese companies, it could not be stressed enough that more autonomy was given to employees at subsidiaries abroad.

All things considered, it is fair to say that the Swedish companies expressed a higher level of EO than the Japanese counterparts, which is imperative in exploring entrepreneurial activities within organizations (Lumpkin & Dess, 1996). It was evident that the innovativeness, risk taking and autonomy dimensions of the EO construct had greatest explanatory power in assessing differences in an entrepreneurial mindset. It appeared that, although all companies fear that innovation is crucial for maintaining competitiveness, the Japanese companies had a more difficult time maintaining an mindset that foster entrepreneurial values and behavior within the large corporation.

5.4 Organizational Culture and Leadership Properties

In the final section of the interview, the majority of Swedish companies stated that they have an empowered culture that supports an entrepreneurial mindset and personal initiatives. The Swedish company culture appeared as open with informal relationships and unrestricted information flows, organization was flat and decision making was faster and shorter. Being an innovative leader involved having entrepreneurial values rooted in the company DNA. Drawing from Hofstede (1980, 1998, 2001) and in part, the GLOBE cultural dimensions (House et. al,

2004), they expressed low *power distance*, where attitudes towards managers were informal and superiors, whose roles were to facilitate and empower team members, were more accessible. The Swedish companies also showed high level of *individualism* and sound group dynamics (Burns, 2012), high level of *autonomy* as well as low *uncertainty avoidance* with willingness to take calculated *risks* and learn from possible mistakes or failures.

In terms of gender aspects, it was somewhat difficult to assess whether the organizations in question were regarded as masculine or feminine (Hofstede, 1980, 1998, 2001). What was mentioned, however, was that although women in general were in minority at managerial level both at the Japanese and Swedish companies, more women and diversity were needed. It was commonly agreed that there was no distinction in the effectiveness of female and male leadership. Women are as good as men and a leader should be evaluated regardless of gender.

One could sense a more *feminine* culture (Hofstede, 1980, 1998, 2001) as well as a higher level of *gender egalitarianism* (House et al., 2004) at the Swedish companies where females were more accepted to males in general. Managers were supportive to team members and decision making was achieved through everybody's involvement. Further, the managers generally strived for solidarity, consensus and equality in employees' working lives. In an entrepreneurial context, however, it is questionable whether this dimension really has a moderating effect. It is fair to say that entrepreneurship happens regardless of gender but having a diverse team and a culture that encourages a balance between decisiveness, performance but also consensus and inclusion is favored (Burns, 2012).

Regarding the Japanese companies, the majority of the respondents found the company culture a negative resource for entrepreneurship, with the exception from Toyota that viewed themselves different from other Japanese based companies. Many of the respondents admitted that being associated with innovation was crucial for the next generation of Japanese. Notwithstanding, at most, the Japanese companies expressed that they were not quite sure whether they have the mindset for entrepreneurship. The foreign managers working in the Japanese companies found it conflicting to applying a Japanese culture and structure to the West, as one of the respondents expressed it. One of the respondents also found it relatively difficult for foreign employees to get integrated and accepted by local managers at Japanese firms. Drawing from Hofstede (1980, 1998, 2001) as well as the GLOBE cultural dimensions, it was evident that Japanese organizational culture has greater *power distance* with more top down decision making and many levels of hierarchy in any social setting. Decision making was in general very slow and

every step in the decision making process had to be confirmed by management in each layer in the hierarchy.

Paradoxically, the slow decision making process were many times expressed as a result of long discussions until consensus and a culture of meritocracy. Altogether, this conforms to the intermediate score of the *power distance* dimension (Hofstede 2001). Further, they expressed greater *uncertainty avoidance* with low tolerance for risk and ambiguity (Burns, 2012). In a corporate setting, a lot of time and effort were required for preparation where managers, most of the time, asked for detailed facts and figures before taking any decision, referred to as *nemawashi*. One could argue that this need for a high level of *uncertainty avoidance* coupled with long decision making processes are some of many reasons why change, as well as entrepreneurship, is so difficult to realize at Japanese companies.

Similarly to the Swedish companies, female managers were in minority at Japanese firms. Nonetheless, it was clear that the prerequisites for women moving up in the corporate ladder were more difficult. One of the respondents mentioned how women witness their career being set back a couple for years as a result of masculine norms. As such, it was evident that, although it is slowly changing, the Japanese company culture showed more *masculine* traits (Hofstede, 1980, 1998, 2001) as well as lower *gender egalitarianism* (House et al., 2004). As previously discussed, neither the respondents from the Japanese companies expressed how the cultural dimensions of masculinity and femininity would affect the level of entrepreneurial behavior (Burns, 2012).

When asking the respondents how management evaluated and rewarded group members for performance improvement and excellence, the respondents from the Swedish firms had a systematic way of evaluating and rewarding individual efforts within the organization. Evaluation was done through performance reviews and constantly reviewing yearly development. Further, innovative activities were encouraged with incentives from individual level to group level ranging from bonus programs, internal innovation competitions, accelerator programs, patent rewards as well as team building activities. In this regard, the Swedish company culture appeared as more *individualistic* (Hofstede, 1980, 1998, 2001) given the freedom individuals received, but also in the way employees were evaluated and rewarded.

This stood in contrast to how employees were evaluated and rewarded at the Japanese companies. Most companies rewarded their employees based on individual performance with

salaries and bonus systems. Yet, the seniority based system was still alive at many Japanese companies and it was also clear that the team and group was more important than the individual, which some of the respondents believed was deeply rooted in the Japanese mentality and culture. In corporate Japan, it was evident that employees were incentivized for working hard in a strong team and loyalty to the company was important. That is to say, they showed a high level of *collectivism* (Hofstede, 1980, 1998, 2001).

As far as entrepreneurship is concerned, it is plausible that lack of rewards for entrepreneurial behavior work as a demotivating factor for take action or search for new ideas. With this being said, one could argue that the Swedish companies showcased a greater balance between the need for individual initiative and cooperation and group working according to Burns (2012).

All things considered, one should keep in mind that Hofstede's (1980, 1998, 2001) framework has been criticized for being outdated. While most of the cultural dimensions were useful in assessing differences in entrepreneurial behavior between the Swedish and Japanese firms, one could argue that part of it is not applicable. Based on the interviews, many of the respondents, most from the Japanese companies, reported that there were gender discrimination within the organization. Nonetheless, the respondents also emphasized that there were no differences in the effectiveness of leadership. Therefore it is questionable whether the masculine and feminine dimensions could assess differences in entrepreneurial mindset and behavior.

It is fair to say that Hofstede's framework is not specifically designed to measure what constitutes an entrepreneurial culture, collecting surveys solely within IBM (e.g. Javidan et al., 2006). Besides, as Burns (2012) pointed out, outlining the dimensions of entrepreneurial organization is more subjective lacking scientific sample base involved in the Hofstede study.

Finally, as far as CE is concerned, Schein (1990) asserted that leaders play an important role in constructing an entrepreneurial culture. Generally, all respondents found it quite difficult to distinguish the different leadership properties from the GLOBE study. The majority of the Swedish companies described a typical leader at their company as *performance oriented* followed by *team oriented*. However, based on their interpretation, they emphasized performance more in terms of constantly finding new technology, ideas, new products and delivering good results, rather than on leadership characteristics such as visionary, charismatic and inspirational. Sweden is part of the *Nordic* cluster and consistent with the GLOBE study, the findings prove that performance oriented leadership style is highly preferred in Sweden. Not

to mention that the Nordic societal cluster is placed in the higher end while the Confucian cluster is placed in the middle, differing significantly from each other.

The majority of the Japanese companies, on the other hand, contended that a typical leader in their companies were *team oriented* and more collectively focused (House et al., 2004). Japan is placed in the *Confucian* cluster and according to the degree to which the different country clusters in the GLOBE study prefer each of the six leadership styles, the findings are in agreement with the relative scores. Based on the leaders' characteristics, one could argue that the Swedish companies promoted entrepreneurial values, openness and courage to a greater extent than the Japanese leaders (Schein, 1990).

It is worthwhile noting that, as previously discussed, the GLOBE study was constructed to reproduce and expand on Hofstede's work. The study is less criticized than Hofstede's framework, presumably because it is more recent, and is considered the most comprehensive empirical study that explored the relationship between leader behavior and culture in so many societies and different organizations. Nonetheless, it is questionable whether a framework alone can capture all the characteristics of effective entrepreneurial management. As previously noted in the findings, it could be argued that one can assess a leader for individual characteristics as well as for the person's specific role. Also, the way the company is structured or the nature of the business has impact when describing the main way people lead.

Second, it is fair to say that the answers were highly subjective and in accordance with what Western (2008) argued, leadership is a social construction rather than a fixed identity, not considering the influence of situational effects, which was also stressed among some of the respondents (Northouse, 2007). One of the respondents from one the Swedish company even questioned and challenged a traditional leadership model. This might imply that leaders are socially constructed by people following them as well as culture and norms surrounding them (Western, 2008). One could therefore argue that there is no single "best" leadership style or practice, and effective entrepreneurial management is presumably shaped depending on the specific task or group a leader is attempting to influence or lead. There is a possible limitation to apply a universal framework, such as the GLOBE study, as shared norms and assumptions only can be legitimated locally (Lyotard, 1994) and perceiving leadership based on labels and definitions outlined in the framework are subjective and somewhat vague and difficult to apply.

6. Conclusion

This chapter will summarize and discuss the conclusions drawn from the case studies and theoretical contributions in order to answer the main research question as well as sub questions. Finally, it provides managerial implications and suggestions for future research within the field of study.

The objective of this thesis has been to investigate how large, established companies could foster innovation and entrepreneurial activities within the existing organization. With increased globalization and a need to innovate to sustain competitiveness, there is a growing need to provide a better understanding to what extent CE may depend on cultural factors. The study has investigated this relationship further by collecting data from Japanese and Swedish multinational firms, primarily in the manufacturing sector.

To account for differences in entrepreneurial activities between Swedish and Japanese firms, areas such as organizational structure and decision making, entrepreneurial orientation as well as organizational culture and leadership properties were investigated. The empirical findings were analyzed based on multiple case studies through semi-structured interviews with executives from the Swedish companies ASSA Abloy, Atlas Copco, IKEA, Spendrups Bryggeri and TeliaSonera as well as executives from the Japanese companies Fujitsu, NTT DOCOMO Ventures, Tokai Carbon and Toyota Motor Corporation. The findings have mainly been analyzed on an organizational level and has dealt with processes occurring within the firm, drawing from theories within entrepreneurship, organizational structure and cross cultural management.

6.1 Answers to Research Questions

In order to fulfill the aim of this thesis, answers to the research questions will be provided, which were formulated as followed:

How could large, established companies foster entrepreneurship within the existing organization?

Based on the findings, large and established companies could foster entrepreneurship within the existing organization by having innovation at its heart to sustain growth and competitiveness. By having an organic organizational structure companies would be in the best condition to maximize the exploitation of new opportunities and complex tasks as they emerge. Entrepreneurial organizations operate in unstable and dynamic environments and hence this structure is preferred when employees seek autonomy, change, openness and support for creativity (Burns & Stalker, 1961).

Second, firms need a specific mindset, an EO, to successfully engage in CE. This includes an independent action by an individual or team aimed at bringing forward a business concept, a willingness to introduce newness and novelty and a forward looking perspective to seize new opportunities. Moreover, they should show a certain degree of tolerance for ambiguity and be willing to make decisions with uncertain outcomes, often involving substantial resource commitments. Besides, they will have to make an effort to outperform industry rivals and be the leader by paving their own way and responding to customer needs (Lumpkin & Dess, 1996).

The findings indicated that companies need strong capabilities of taking new actions or initiatives in the entire organization. This implies a culture that supports entrepreneurship and a willingness to take risk in bringing a venture forward. Management allow freedom of thought and creativity as well as learning from possible mistakes or failures. There is a balance between individual achievement and cooperation within groups. The team is favorably egalitarian and diverse with informal relationships to achieve the best results. Further, an effective leader has a clear vision and empowers and rewards its employees to a great extent for personal initiative. An effective leader is adapting its leadership to a specific task or group he or she attempts to influence or lead, and finds the most suitable practice for the particular business or business group (Burns, 2012; Morris et al., 1994; Zahra et al., 2004). Evidence suggests that, all things considered, an organization that can make this a reality will reap the benefits.

To which extent is Corporate Entrepreneurship influenced by a company's organizational structure?

The findings show that CE is influenced by the company's organizational structure to a great extent. It was evident that the Swedish companies were more successful in engaging in CE than the Japanese firms. Four out of five Swedish companies expressed that their organizational structure was organic and power was decentralized.

In contrary, the majority of the Japanese companies had a more mechanistic structure with many levels in the business hierarchy, decision making was slower, and processes were more formalized. Findings proved that not having this structure prevented companies from thinking big and being entrepreneurial, which goes in line with Burns & Stalker's (1961) Organic vs Mechanistic Model.

To which extent is Corporate Entrepreneurship influenced by various levels of culture?

CE is influenced by various levels of culture, be that their local, national or organizational, and the findings proved that entrepreneurial success does not happen in isolation. It is fair to say that the Swedish companies have a more empowered culture that supports CE. The Swedish company culture appeared as open with informal relationships and unrestricted information flows, organization was flat and decision making was faster and shorter. Moreover, being an innovative leader involved having entrepreneurial values rooted in the company DNA. To this end, it was evident that CE exists in the context of the national culture and it remains a solid reference when trying to account for differences in entrepreneurial activity (Reynolds et al., 1999).

Both the Swedish and Japanese companies feared that innovation was important to sustain competitiveness but it could be contested that the Japanese companies did not know hot to carry out innovation successfully in practice. Risk aversity, uncertainty avoidance, bureaucracy, long decision making and fear of failure were some important dimensions that were strongly related to the Japanese culture and mentality (Hofstede, 1980, 1998, 2001; House et al., 2004). Coupled with bureaucracy and lack of rewards, it was evident that entrepreneurially minded people tend to set up their own business, creating a structure that favors idea generation and innovative activities.

Based on the findings, it was somewhat difficult to specify one particular leadership style or best practice from a pre specified framework, that foster CE. What was clear, however, was that the Swedish companies preferred a performance oriented style, a visionary and innovative approach to inspire people to enhance performance. Swedish leaders appeared as empowering and decisive and demonstrated a tolerance for risk and failure. This goes in line with Shein (1990) who argued that constructing an entrepreneurial culture is grounded in the leader's values as well as through openness, courage, free thinking and free expression. Yet, the findings also prove that leaders are socially constructed by people following them as well as norms and culture surrounding them (Western, 2008). One could therefore argue that there is no single "best" leadership style or practice, and effective entrepreneurial management is presumably shaped taking into account situational effects.

6.2 Managerial Implications

This qualitative study on how large, established companies could foster entrepreneurship within the existing organization, has yielded managerial implications and suitable strategies for successfully engaging in CE in Japanese organizations. Based in the findings, it is fair to say that the Swedish companies were superior in realizing change and entrepreneurship. Hence, drawing from the insights, the Swedish companies could serve as a model for Japanese companies. Following are the managerial implications for the study:

- Articulate an organizational vision that have entrepreneurial values at its heart to create a common purpose and desired direction for enhanced commitment and performance. Leaders throughout the organization should clearly and regularly communicate the vision and manifest entrepreneurial values in their behaviors.
- Management throughout the organization should empower people at every level, grant them high levels of autonomy with clear expectations, and reduce centralization of power.
- Establish an open and inclusive culture where communication is lateral and where social interaction is facilitated. Provide a structure that integrates functional areas and departments together to enable employees to share ideas and different approaches.

- Introduce newness through experimentation and creative processes. Fail fast and see failure as a learning and investment for the future. Actively and quickly exploit opportunities to take controlled risk.
- Encourage people to think big and challenge status quo. Allow team members to seek new business opportunities and reward them accordingly when they are identified.

6.3 Suggestions for Future Research

In this thesis a multiple case study approach was used, investigating how large and established companies could foster entrepreneurship within the existing organization. Due to time and resource constraints, only twelve executives from nine large, and established companies in Sweden and Japan were interviewed, which is a major drawback when using a qualitative approach. A suggestion for future research would be to conduct additional case studies to allow drawing more general conclusions and add more value to the study. To complete, and make more general statements, it would also be interesting to prove the study on a quantitative stage. In the research, only one or two executives in the each company were interviewed, which had implications on the results. Therefore, one could test across more people in the company to see if the same conclusions could be drawn.

Finally, the case companies were operating in a wide range of industries and the nature of the industry could have implications on the results. Therefore, one could limit the study to a particular industry and see whether entrepreneurial activities would be practiced in a similar manner in every company and to what extent CE is influenced by industry culture. Moreover, in this study, only executives were interviewed and the research was done from an organizational perspective. Hence implications on an individual level were not fully discovered. Future researchers could therefore investigate how the individual entrepreneur contributes to CE and use other paradigms in order to explain entrepreneurial behavior when exploiting new opportunities.

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Appendix 1. Interview Guide

Corporate Entrepreneurship

Thank you for participating in my study! The project is briefly described below followed by the main questions that aim to be covered during the interview. Estimated time is 45-60 min.

Researches agree that the current rapidly changing business environment has resulted in that companies now, more than ever, have to focus on being innovative to survive in the long run. Efforts to create an innovative climate in organizations are done today in many industries and they are predicted to become more important as the need for renewal and innovation constantly increases.

The aim with the interview is to learn about your perception of Corporate Entrepreneurship and the relation between organizational structure, culture and leadership and entrepreneurship within your organization. Interviews will be conducted with large Swedish and Japanese firms and I mainly wish to find out to what extent Corporate Entrepreneurship is influenced by various levels of culture.

BACKGROUND INFORMATION

Personal information

Name:
Age:
Nationality:
Work Title:

Company background

Industry:
Establishment:
Number of employees:

Interview Questions

Corporate Entrepreneurship Definition:

"The process by which teams within an established company conceive, foster, launch and manage a new business that is distinct from the parent company but leverages the parent's assets, market position, capabilities or other resources"

- Wolcott & Lippitz (2007, p. 7)

CORPORATE ENTREPRENEURSHIP (CE)

1. Would you describe your company as entrepreneurial?
    - If yes, what are the main attributes that make your company entrepreneurial?
    - If no, what are the main attributes that are lacking for it to be entrepreneurial?
2. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today.

ORGANIZATION

1. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?
2. What does the organizational structure look like at your company (i.e. lines of authority, communications, rights and duties)?
3. How would you describe the decision making processes in your business or business group?

ENTREPRENEURIAL ORIENTATION

1. Describe your company's capabilities to take new actions/initiatives.
2. To what extent does your company generally take new initiatives/strategic actions that directly and intensively challenge the existing positions held by your competitors?
3. To what extent do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain?
4. To what extent would you describe your organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions?
5. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current way of doing things in order to come up with new initiatives/strategic actions?

CULTURAL ASPECTS AND LEADERSHIP PROPERTIES

1. Describe how you believe the culture of the business or business group supports or constrains an entrepreneurial mindset and action.
2. What percentage of management positions in this organization are filled by women?
    - Are there general notions about the effectiveness of male and female managers?

3. To what degree do management encourage and reward group members for performance improvement and excellence?
    - How are employee efforts evaluated and rewarded?
4. Which of the following properties do you consider most distinctive for a typical leader at your company?
    - Performance-oriented (e.g. charismatic, visionary, inspirational, decisive)
    - Team-oriented (e.g. collaborative, using team-structures)
    - Self-protective (e.g. self-centered, status conscious, procedural)
    - Participative (e.g. emphasizing equality and delegation, encourages input from employees)
    - Humane (e.g. caring and considerate of others)
    - Autonomous (e.g. individualistic, independent and unique)

Appendix 2. Interview Questions Linked with Theories

Interview Question	Theory
Would you describe your company as entrepreneurial? - If yes, what are the main attributes that make your company entrepreneurial? - If no, what are the main attributes that are lacking for it to be entrepreneurial?	● General background information linked to Corporate Entrepreneurship
Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today.	● General background information linked to Corporate Entrepreneurship
Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?	● Mechanistic vs Organic Organization (stable vs dynamic environment)
What does the organizational structure look like at your company (i.e. lines of authority, communications, rights and duties)?	● Mechanistic vs Organic Organization ● Hofstede's Cultural Dimensions (power distance, autonomy)
How would you describe the decision making processes in your business or business group?	● Mechanistic vs Organistic Organization ● Hofstede's Cultural Dimensions (power distance, long term vs short term orientation)
Describe your company's capabilities to take new actions/initiatives.	● Entrepreneurial Orientation (innovativeness)
To what extent does your company generally take new initiatives/strategic actions that directly and intensively challenge the existing positions held by your competitors?	● Entrepreneurial Orientation (competitive aggressiveness)
To what extent do you generally take new	● Entrepreneurial Orientation (risk

initiatives/strategic actions and invest where the outcome is highly uncertain?	taking) ● Hofstede's Cultural Dimensions (uncertainty avoidance)
To what extent would you describe your organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions?	● Entrepreneurial Orientation (proactiveness) ● Hofstede's Cultural Dimensions (uncertainty avoidance)
To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current way of doing things in order to come up with new initiatives/strategic actions?	● Entrepreneurial Orientation (autonomy) ● Hofstede Cultural Dimensions (individualism vs collectivism)
Describe how you believe the culture of the business or business group supports or constrains an entrepreneurial mindset and action.	● Hofstede's Cultural Dimensions (individualism vs collectivism, power distance, masculinity vs femininity, uncertainty avoidance, long term vs short term orientation)
What percentage of management positions in this organization are filled by women? Are there general notions about the effectiveness of male and female managers?	● Hofstede's Cultural Dimensions (masculinity vs femininity) ● GLOBE Cultural Dimensions (gender egalitarianism)
To what degree do management encourage and reward group members for performance improvement and excellence? How are employee efforts evaluated and rewarded?	● Hofstede's Cultural Dimensions (individualism vs collectivism) ● GLOBE Cultural Dimensions (performance orientation, institutional collectivism)
Which of the following properties do you consider most distinctive for a typical leader at your company?	● GLOBE Cultural Dimensions (leadership properties; performance-oriented, team-oriented, self-protective, participative, humane, autonomous)

Appendix 3. Company Profiles

ASSA Abloy

Formed in 1994 through a merger of the Swedish ASSA and Finish Abloy, ASSA Abloy is the global leader in door opening solutions with presence in most part of Europe, North America, China and Oceania. Since its inception, the company has grown from a regional player to an international group with more than 46,000 employees and annual sales of 68 billion SEK. The company operates in the institutional, commercial and consumer markets and provides a wide range of innovative solutions, using the latest technologies to bring security, safety and convenience for its customers. Innovation is at the heart in its future growth and the company invests heavily in R&D and product development in its goal of becoming the most innovative player in the industry (ASSA Abloy, 2016). The interviewee has a proven track record with more than sixteen years of experience at ASSA Abloy and has served as a Chief Technology Officer for more than ten years.

Atlas Copco

Atlas Copco is a global Swedish industrial company and a world leading provider of sustainable productivity solutions in more than 180 countries. The group offers innovative compressors, vacuum solutions and air treatment systems, construction and mining equipment, industrial tools and assembly systems. As of 2015 the company's revenues stood at more than 102 billion SEK and they comprised more than 44,000 employees around the world. Innovation is one of Atlas Copco's core values and the company's innovative spirit has been key in both past and current successes (Atlas Copco, 2016a). The company has managed to launch new and better products for improved productivity, safety, energy efficiency and improved ergonomics. In addition to developments in Atlas Copco Group's R&D center in many places around the world, the company collaborate with external partners and are actively seeking partners to build long-term relationships (Atlas Copco, 2016b). The interviewees have worked at Atlas Copco since 2004 and 2008 respectively and serve as Manager in Technical Development for handheld products and Vice President Design & Development in the Kalmar division of Sweden.

IKEA

IKEA is a Swedish multinational furniture company founded in 1943 by Ingvar Kamprad. Its vision is to create a better everyday life for the many people and the concept starts with the idea of providing a wide range of well-designed home furnishing products at prices affordable to everyone. This is achieved by a combining quality, function, design and value. As of August 2015, the IKEA group had 328 stores in 28 countries with 155,000 employees. Total sales, translated into euros, stood at 31.9 billion in 2015. Innovation at IKEA comes alive in their production phase, with their ability to work directly and closely with suppliers at their factories to use the most efficient, cost-effective and creative ways to bring new designs to life. As a result of their special spirit of togetherness, IKEA has been able to make advances in smart product design, packaging as well as distribution (IKEA, 2016). The interviewee serves as a Sustainability Manager and during his 27 years in IKEA he has held various positions ranging from working in IKEA retail organization, range development with creating products and sourcing of products.

Spendrups Bryggeri

Spendrups is a Swedish family company with a history dating back more than 100 years with 900 employees and revenues reaching 3,3 SEK billion in 2014. Since its inception the company has grown to become one of Sweden's leading brewery representing a third of the Swedish beer market and produce more than 400 million liters beverages for renowned brands such as Norrlands Guld, Mariestad, Heineken, Loka, Briska, Bygårda and Schweppes. In recent years, the Swedish interest for beer has skyrocketed. Creative product development is a key part of the company culture and new products and ideas are constantly tested and realized. For instance, in this experimental spirit, the beer Pistonhead was born, which has become the most sold ecological beer at the Swedish liquor store Systembolaget. Spendrups also produce soft drinks, water, cider and is a major importer of wine. Quality, innovation and passion are key words for the company and they live in close symbiosis with the restaurant world to jointly offer the best taste experiences. This is particularly noticeable through its strong commitment to the Chef of the Year contest, the Swedish championship in professional cooking (Spendrups, 2016). The interviewee serves as a Marketing Director and has worked more than seven years at Spendrups. Previous positions also include Marketing Manager and Innovation Manager.

TeliaSonera

TeliaSonera is a Nordic telecom operator founded in 1853 as Telegrafverket. The group has its main operations in the Nordic and Baltic countries, Spain, and Eurasia. The company has 21,000 employees that interact with millions of customers everyday in the world's most connected countries. Revenues stood at 86 billion SEK as of 2015. TeliaSonera is Europe's fifth largest telecom operator and are now building on the pioneering spirit and high-tech expertise inherited from its predecessors in both fixed and mobile communications. The group's Swedish operations are mainly conducted in the subsidiary TeliaSonera Sweden AB under the Telia brand, and is the largest provider of telephony and Internet in Sweden. The digital society is a global movement and TeliaSonera's aim is to create the new generation of telecommunication companies, and is now entering new territories. With this movement comes a challenge to provide customers with the best connections everywhere (TeliaSonera, 2016). The interviewees serve as Investment Manager and Innovation Catalyst, investing in entrepreneurial companies and leading the internal innovation process at Purple+, a division that is established as an effort to kick start innovation at TeliaSonera.

Fujitsu

Established in 1935, Fujitsu is the leading Japanese information and communication technology (ICT) company, offering a full range of technology products, solutions and services, primarily for corporate customers. Their ubiquitous solutions include, among others, the development, manufacture, and sale of PC and smartphones with exceptionally high quality and added value. Fujitsu has a human centric approach to innovation and work with customers in every industry globally to seamlessly connect devices and data centers through the cloud With a consolidated revenue of 4.8 trillion yen (2015) and approximately 159,000 employees and operations in more than 100 countries, Fujitsu is number one in Japan and the fifth largest IT service provider in the world (Fujitsu, 2015). The interviewee is Australian but has many years of experience working in Japan and is currently serving as Vice President International for the Global Marketing Group at Fujitsu Japan.

NTT DOCOMO

Established in 1992, NTT DOCOMO is Japan's largest telecommunications company and provides convenient, innovative mobile services serving more than 68 million customers on the Japanese market. As of 2015 its operating revenues stood at 4,383.4 billion yen. NTT DOCOMO launched the world's first mobile Internet-service platform in 1999 and today, it provides high quality mobile services through advanced wireless networks, including a nationwide LTE network and one of the world's progressive LTE-advanced networks. Further,

the company is a world leader in 5G network developing and is planning on deploying by leveraging its network technologies in the 2020s and driving innovation in NFC infrastructure and services and other mobile-related initiatives (NTT DOCOMO, 2016). The interviewees work as CEO and Vice President as well as COO at NTT DOCOMO Ventures, the venture capital arm of NTT DOCOMO, specializing in investments in incubation.

Tokai Carbon

The Tokai Carbon Group was established in 1918 as a pioneer in the carbon industry in Japan, providing carbon related products and services to a wide range of industrial fields. Its operations are divided into five core businesses; Carbon Black, Graphite Electrodes, Fine Carbon, Friction Materials and Industrial Furnaces and Related Products. In its aim to become the global leader in carbon materials, the company is continuously striving to spread its wings and provide "Ties of Reliability" on a global scale. In terms of R&D, Tokai Carbon boasts 60 years of experience in developing technology in collaboration with Japan Fine Ceramics Center and Toyohashi University of Technology in studying methods of mass synthesis of carbon nanohorns and nanotubes. In its 100-year anniversary in 2018, a mid-to-long term vision has been formulated to strive for innovation and being a truly global player to enhance profitability and strengthen corporate structure (Tokai Carbon, 2014). The interviewee works as a representative and is responsible for the Chinese and South Korean markets as well as supporting the Project Manager.

Toyota Motor Corporation

Founded in 1937, Toyota is a Japanese, multinational automotive manufacturer that designs and manufactures a product lineup ranging from subcompacts to luxury vehicles. As of 2014 annual production stood at more than ten million vehicles making Toyota among the world's largest automotive manufacturer by auto sales. Toyota has a large R&D network in numerous locations around the world that cover advanced engineering and new product development. The kaizen mind, or constant improvements and application of new technologies, have been a driving force in Toyota's business operations and the company is constantly focused on developing and innovating for the future, developing eco-cars with alternative energy sources and interconnected traffic and safety systems (Toyota Motor Corporation, 2015). The Canadian interviewee has many years of experience in Japan and is currently serving as Project Manager at Toyota Japan.