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Understanding the heterogeneity of corporate entrepreneurship programs

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Summary

Entrepreneurial activities within established companies are known as *Corporate Entrepreneurship*. They are an exciting phenomenon that recently received a great deal of awareness from researchers and practitioners. Corporate Entrepreneurship (CE) can be understood as a set of managerial tools for (1) adapting the company to changing market environments, (2) creating discontinuous innovations, and (3) supporting organizational transformation. Surely, today's world is characterized by profound changes that are driven by developments such as globalization, digital transformation, and movement towards greater sustainability. To cope with these changes, companies continuously need to adapt and stimulate changes in their environment. *CE programs* are formalized entrepreneurial activities to support internal corporate ventures or work with external startups. They can support companies in mastering these changes by a wide range of outputs. The heterogeneous value creation also makes CE programs a valuable tool to support the *organizational transformation* of established companies. At the same time, the heterogeneity of CE programs reflected in different outputs and organizational designs appears to be a challenge for effective use and goal-directed management.

To address all current challenges combined, Chapter 1 formulates the following problem statement: *How can established companies effectively use CE programs to support their organizational transformation?* For answering the problem statement, the three research questions (RQs) are formulated. Here we provide a wrap-up of the RQs in three steps. *First*, the different types of organizational design of CE programs are defined and distinguished using design elements (derived from the literature and our data). *Second*, the variety of outputs that CE programs create is explored and categorized according to their type, resulting in a harmonized set of 27 outputs. *Third*, the different CE program types and outputs are examined for relationships between them. The application of these three steps leads to an improved understanding of the heterogeneity of CE programs in terms of (1) their differences in organizational design, (2) their value creation, and (3) the relationship between the CE program types and the different outputs.

In Chapter 2, the concept of CE and its three sub-categories of (a) *corporate venturing*, (b) *strategic entrepreneurship*, and (c) *corporate nurturing* are defined and described to establish

a common understanding of the topic. In addition, different theoretical perspectives (namely dynamic capabilities, contingency theory, and configuration theory) are reviewed to identify the most appropriate theoretical perspective for answering our problem statement and the three research questions. Finally, the *configuration theory* is selected as the framework most suitable for conducting our research.

Chapter 3 describes the research method and data set. The study follows a purely qualitative research design that builds on grounded theory principles to reveal new insights that enhance the understanding of the heterogeneity of CE programs. The decision to use a purely qualitative research design is based on the fact that neither a complete list of CE program types exists nor a corresponding list of outputs created by CE programs. To remedy this lack as much as possible, an overview of the data set is provided by describing the data from (a) the company perspective, which focuses on the characteristics of the companies operating the CE programs, and (b) the CE program perspective, which focuses on the characteristics and background information of the CE programs themselves.

Chapter 4 provides the basis for answering RQ1, which reads as follows: *What are the different types of CE programs?* Here, we first start with a literature review on the existing organizational designs of CE programs to identify design elements that form the basis for their investigation. The literature review provides an initial set of design elements used in previous studies to describe and compare different CE program types. Next, this initial set of design elements is complemented with additional design elements derived from the empirical analysis of 54 cases. Finally, a set of design elements that is *suitable for defining and distinguishing CE programs* is presented. The harmonized set of design elements forms the basis for a systematic analysis for which the *general morphological method* is used.

In Chapter 5, an answer to RQ1 is given. For this purpose, the data set is investigated to identify different types of CE programs using the systematic approach and the design elements from Chapter 4. In total, *nine CE program types and three types of radical innovation units* (related to CE but no real CE programs) are *identified, described, and defined*. In addition, the design elements are used to identify characteristic differences in the organizational designs of the CE programs. The results show that all *nine CE program types can be clearly defined and distinguished*. The findings enhance the current understanding of the organizational designs. We are now able to make a systematic ordering of established CE program types, the ones that recently emerged in practice are also included. At the same time, some still existing

concepts commonly used in CE, such as incubation and acceleration, are identified as rather general concepts. They no longer count as specific types of organizational designs.

Chapter 6 provides an answer to RQ2, which reads: *What types of outputs are created by CE programs?* There, 54 cases are investigated regarding their strategic value creation. As a result, *seven output categories* are identified, with a total of 27 *outputs* representing the full range of *strategic value* created through the use of CE programs. We observe that some of the identified outputs are effectively created by most CE program types. Indeed, there is a contrast with others that are less common. Hence, we see clear differences in the value created by the different CE program types. Overall, the value creation of CE programs shows a strong focus on (1) supporting organizational transformation and (2) creating new businesses. This makes CE programs a valuable tool for the management of established companies.

In Chapter 7, the relationships between the CE program types and the various outputs are investigated. Here, RQ3 is addressed: *Can causal relationships between CE programs and their outputs be identified?* The frequency of occurrence of specific outputs in relation to the various CE program types is used to describe their relationship. If a relationship occurs in more than 50% of the cases, it is declared to be a *strong* relationship. The likelihood of creating this output (using the respective CE program type) is relatively high. The results show that there are *clear differences in the value creation* of the different CE program types. Our results show that similarities and differences in value creation are (partly) explained by the organizational design and the characteristics of the various CE program types. Hence, the results provide a clear understanding of the relationship between the CE program types and the outputs. However, further research is needed to understand the *causality* between them. In that sense, our findings indicate that the role of the context (company internal and external) will be crucial for understanding their precise relationships. It is shown that the context influences the relationship between CE program types and their outputs.

Chapter 8 summarizes the answers to the three RQs and the problem statement. The results provide an improved understanding of the heterogeneity of CE programs regarding (a) their organizational design, (b) their value creation, and (c) the relationship between the organizational designs and the value creation. The management of established companies can build on this knowledge to effectively use CE programs to support their organizational

transformation and strengthen their competitiveness. The improved understanding of the heterogeneity of CE programs and the identification of relationships between CE program types and outputs answer our problem statement. So the question: *How can established companies effectively use CE programs to support their organizational transformation?* is answered for now. In addition, we note that (a) the harmonized set of outputs, (b) the derived design elements, and (c) the systematic approach for investigating the organizational design of CE programs provide a solid basis for future studies. Hence, we close the thesis with (1) stressing the limitations of the study, (2) providing the theoretical and practical contributions, and (3) indicating the implications for future research avenues.