Master program in Entrepreneurship
Corporate Entrepreneurship and Innovation

LUND UNIVERSITY

Master Thesis:

WORK PROCESSES AND ENTREPRENEURIAL CLIMATE
Teamwork & Individual work

by
Toma Martinkute
Kian Skandarioon
(April 2013)

Supervised by:
Håkan Lagerquist

Abstract:

Title: Work Processes and Entrepreneurial Climate: Teamwork & Individual Work

Program: Master program in Entrepreneurship, Corporate Innovation and Entrepreneurship.

Course: Internship and Degree Project (ENTN39)

Authors: Toma Martinkute & Kian Skandarioon

Supervisor: Håkan Lagerquist

Keywords: Work process, Entrepreneurial Climate, Individual work process and Teamwork process

Thesis purpose: The purpose of this paper is to investigate what different impacts teamwork process has on Entrepreneurial Climate of the organization compare to individual work process.

Methodology: Case study of Swedish SME, Wackes. Findings and analysis of this study were made by combining results of Entrepreneurial Health Audit (quantitative data collection method) and gathered information from semi-structured interviews conducted from employees of the organization (qualitative data collection method).

Theoretical framework: Theoretical models and concepts found in the literature, addressing the issue of relation between EC and the specific work process, were used to explain and approve our findings while others might not be very consistent with our results.

Conclusions: After investigation it was found that "employing cross functional teams in the work process creates a better Entrepreneurial Climate for the organization compared to the individual work process". Cross functional teams in the work process can positively affect three factors, one factor is not noticeably affected and possible negative effect of one factor cannot diminish the whole positive impact of the other factors on the EC.

Table of Content:

Chapter 1. Introduction

1.1. Background

There are different options for top management of organization to decide whom the particular task should be delegated to, in order to achieve necessary results. Among other concepts and work processes that can be employed by a company, there are individual work and teamwork concepts that can be used to accomplish a specific goal (Judeh, 2011) in any organization. Every company aims to optimize their performance by selecting a specific work process, in order to save time, money, and use all possible resources to execute certain tasks. During the last decades, the importance of teamwork has expanded significantly in relation to competitive challenges (Cohen & Bailey, 1997) and intensive turbulence of business environment (Halkos, 2012). On the other hand, innovativeness has become a priority for organizations as a solution to the problems that exist in businesses.

Nowadays reality is that innovation processes and Entrepreneurial Climate (EC) of organization are the stimulants and sources of sustainable competitive advantage, where new ideas and opportunities are generated and turned to real business opportunities. Innovative culture in most of organizations encourages professionals and specialists of human resources management to build and develop teams in the companies in order to make them able to compete globally (Folkestad & Gonzalez, 2010). Organizations are forming these teams in order to combine products and services together as an offer for the customer to satisfy its needs. Thus, there is a need to combine creative teams, where members have different backgrounds, knowledge, judgment, and expertise (Cohen & Bailey, 1997), instead of delegating task to individual. Innovativeness of organization is based on collaboration and joint discovery rather than on a sole individual (Folkestad & Gonzalez, 2010). As it was mentioned, adjustment of work process that is adapted to project and development team might determine innovative ideas in the organization.

The EC of the company is the internal environment of the organization in a manner that supports the entrepreneurial spirit of the organization that is a significant aspect to be considered and studied. EC of the company consists of five factors that are management support, work discretion/autonomy, rewards/reinforcement systems, time availability, and organizational boundaries (Ireland et al, 2006), and they all have an impact on entrepreneurial spirit of organization. According to Hornsby et al (2002), it is possible to achieve innovation by introducing new behavior of employees which also includes work process in teams. Based on this opinion we can assume that using cross functional teams in the work process (hereafter teamwork process) introduced in project and development teams might have influence on factors of EC and change them compare to relying on individual in the work process (hereafter individual work process) of organization.

Our decision to concentrate on project and development type of team in our study was influenced by interest to see if there is a relation between teamwork process in these types of teams and EC

of the company. If so, how this relation is formed and what impact teamwork process have on EC, because the results that these teams deliver, are either incremental improvement of already existing concept or radically new suggestions (Cohen & Bailey, 1997). The other reason to focus on this subject was the fact that the organization, that our case study was based on (Wackes), has started to use project teams to approach potential customers and provide them with a creative and charming package in order to attract them to the final signing of the contract. We had a possibility to investigate how new work process, which is concentrated on project teams, influences factors of EC (management support, work discretion, reward/reinforcement, time availability, and organizational boundaries) compare to work process, which was based on individual work and employee's relationship with the client.

1.2. What is known before in literature?

Already existing literature related to teamwork and teamwork process has rarely discussed the effects that both factors have on the EC of the firm. In this chapter we introduced several popular topics, which we identified as most common among different scholars who made their studies based on concept of teamwork, to show that there is a lack of research on the topic that we focused our research on.

More often the theory is analyzing the positive and negative impacts that teamwork has on employees and their behavior. According to Bacon and Blyton (2003) the variety of tasks that team receives and differentiation of people who are involved encourages employees to use different skills and rotate between jobs in order to reduce boring effects similar routines and repetitive work. The same authors stress the necessity to mention that teamwork enables members of team share a sense of collective responsibility which is not ordinary behavior inherent to individual work. In addition to that, learning process among workers is stimulated (Bacon & Blyton, 2003), which is positive consequence of teamwork on employees of the organization. On the other hand, team members of any type of team might experience "unanticipated negative side effects, such as unproductive conflict and high turnover" (Jackson, 1996). Judeh (2011) mentions cultural barriers and communications problems that are negative factors on members of teamwork in order to maintain the cohesion of the group.

Beside the analysis of how teamwork influences behavior of employees and what side effects it has, there is a plenty of literature that describes advantages and disadvantages that this type of work has on organizational performance. For example, Irvine and Baker (1995) state that teamwork provides an integrative mechanism inside the organization that promotes interaction among people from different parts of the company and encourages greater organizational commitment. Due to that, there is a chance to reduce the level of conflict among functional areas of the firm that leads to higher productivity and higher degree of job satisfaction. Montes et al (2005) agree with this finding in their study saying that "workers who prefer to work in teams

are usually more satisfied and perform better in their job". The other advantage that is mentioned by Folkestad and Gonzalez (2010) is that organizational culture that supports teamwork in the company empowers employees to look for external ideas, technologies, and innovations that are possible to adapt to current business and improve performance. The same authors in their study mention Robinson's (2001) opinion who states that "creativity is not purely an individual performance. It arises out of our interactions with ideas and achievements of other people" (Folkestad & Gonzalez, 2010). Thus, new idea generation and creativity process in teams also foster better performance of organization. However, sometimes process of forming cross functional teams requires the redesign of organizational structure (Irvine & Baker, 1995) and work processes in the company that is time taking procedure. Consequently these actions introduce changes in organizational culture that very often face resistance from employees of the organization. One more danger that arises in terms of performance of organization is less control towards team projects. According to Parry et al (1998), there is a risk that teamworking is started without acknowledgement of the necessity of clearly identified control process that might lead to poor product or service quality that damages the performance of the organization. In addition to these threats, the danger of ignorance of complexity feature in team working process arise (Parry et al, 1998).

In already existing literature there is also a part of studies where the process of forming teams is described and integration process of members is analyzed. It is difficult to set a constant number of people that should be included in the project team, but some of scholars state that team size that consists of 5-6 people might improve dynamics of group (Folkestad & Gonzalez, 2010). The size of the team also depends on size of the project, time frame, how many different areas or functions from organization should be included, and what are the goals of particular project. While forming the team it is necessary to identify roles that employees have in the team. For instance, according to Judeh (2011) "the most successful teams have a distribution of the eight specific team roles: co-coordinator or chairman, shaper, plant, monitor-evaluator, implementer or company worker, resource investigator, team worker, finisher".

Although this is just one example of possible composition of team and there is no model or structure stating which roles are necessary to have in the project team, there are two main categories of people identified that are vital in every team - leaders and workers. These roles should be established in order to distinguish responsibilities in the project team. Leaders need to adjust the proper plan when selecting members of the team and taking responsibility of managing the work process (Folkestad & Gonzalez, 2010). Also it is expected from them to implement the management style which is based on coaching and collaboration that supports team environment (Strozniak, 2000). Workers, at the same time, based on their individual attitudes, expertise, and specific roles should add the diversity to the team (Folkestad & Gonzalez, 2010) and have team spirit in order to achieve objectives.

Team researchers have mainly investigated teams as the unit of analysis and they have not examined the organization as a whole in order to see how teams change the social division of labor in the organization and how these changes differentially affect the self-interests of non-managerial employees, supervisors, and managers (Batt, 2004).

As it was mentioned in the beginning of this chapter, there are several main topics that have been discussed by different authors. We described the importance and influence that teamwork has on members of the team and their behavior, on organizational performance, and introduced the mutual roles that project and development teams should have in order to reach the targets. But as it was mentioned, there is a lack of information and analysis how teamwork process in project and development teams affect EC of the organization compare to individual work process.

1.3. Research Question

Review of the existing literature, that analyzes the phenomenon of teamwork and its importance in organizational performance, confirmed that there is a gap in theories and concepts that could explain the impact that teamwork process in project and development teams has on EC of the company. According to this information, we decided to do research, investigate, and describe our results in relation to this topic. In order to do so, we formulated the research question to show which concepts and models we touched upon and which direction our research was addressed to.

"How differently teamwork process (in project and development teams) does affect Entrepreneurial Climate of the organization compare to individual work process?"

In this paper we presented how differently EC is affected by individual work concept and team working concept. We examined how the factors of EC change, when the teamwork process in the teams is employed by the same people (who have worked individually) in the same company. It is necessary to mention that to analyze EC we included its all 5 factors in this study (management support, work discretion, reward/reinforcement, time availability, and organizational boundaries).

1.4. Purpose

The purpose of this research was to see if the teamwork process in project and development teams has an impact on factors of EC in the organization compare to the concept of individual work process and how EC differ due to these work processes.

Our research and investigation was based on the case study on Wackes. We had a great opportunity to compare two different work processes where the same people of the company

were involved. This company was the best possible example to be investigated because of several reasons.

First of all, traditionally company works on the basis of individual work process and Key Account Manager (KAM) relation to the customer. KAM is the person in the company who is in charge of providing the offer package and signing the contract with the customer. To create this package for the customer, KAM contacts particular employees of the organization from different departments in the organization. This type of working is named in this paper as individual work process in Wackes, where KAM is the link between company and customer.

Secondly, company experienced different kind of work process that was adjusted and introduced for project and development teams. In Wackes this process was called teamwork process that was introduced to serve some of the customers and create an attractive package to offer to new clients and sign the contract with them. These teams consist of members from different departments formed to approach the customer (prepare an offer, include all the necessary information, and deliver the concept of products and services to the customer). Customers were made familiar with the team who is responsible for responding to its inquiries.

Thirdly, there were the same people involved in both work processes in the company, so we had a great opportunity to investigate what differences they experienced in working both ways. They could explain not only the differences of both work processes, but also elaborate on EC and share their insights in terms of factors of EC.

Finally, during our previous study (Entrepreneurial Health Audit (EHA)) in the company Wackes, where EC of the company was investigated and analyzed, the results were mainly related to the individual work process since majority of respondents are not working in cross functional teams and the ones that are working in those teams are also working the old way. In this sense, our study for this paper started from gathering information about how EC differ due to teamwork process in organization, so we could make comparison and deliver valuable conclusion. The results that we got from EHA encouraged us to do more research on the factors which influences EC in the organization.

According to all these reasons, we found our case of Wackes valuable to study how teamwork process in project and development teams affects some or all of the factors of EC compare to individual work process. The situation in the company was very useful for us because of two different processes that we had in the same organization, basic information about EC from previous study, and employees who could provide us with information based on both work processes.

1.5. Key concepts

In this paper there are several key concepts and terms that were used frequently, which each of them helped us to investigate different angles of the research question. As this study is

concentrated on different work processes and their impact on Entrepreneurial Climate of the organization, these concepts were introduced as the main theme in this part of paper. The key concepts that we used to describe work processes were teamwork process and individual work process. Also the concept of Entrepreneurial Climate was key term to answer our research question of this study. Therefore factors of EC such as management support, work discretion, reward and reinforce system, time availability, and organizational boundaries are used as the sub-themes for this study. Other sub-themes include concepts like team, different type of teams and cross functional teamwork in the organization.

Chapter 2. Theories and conceptual framework

2.1. Theoretical framework for the research

As it was mentioned in previous chapter, there is no literature addressing the issue of relation between EC and the specific work process, so in order to investigate our research question we used different sort of literature and tried to connect these literature to make a reasonable theoretical argument for our empirical study. In this part we describe the different concepts and explain how we relate them in order to use this information as the theoretical framework for our study.

2.1.1 Concept of Entrepreneurial Climate

Ireland et al (2006) define the concept of Corporate Entrepreneurship as a process of pursuing entrepreneurial opportunities to innovate, by employees regardless of their level and nature of currently available resources. They believe that positive outcomes for firms are more likely to achieve with an entrepreneurial mindset. The concept of the entrepreneurial mindset is described as "the way of thinking about opportunities in the external environment and the commitments, decisions, and actions necessary to pursue them, especially under conditions of uncertainty that commonly accompany rapid and significant environmental changes" (Ireland et al, 2006). In order to create an internal environment, which supports the use of Corporate Entrepreneurship strategy; these authors argue that there is a necessity for firm to have four suitable and critical elements – structure, controls, human resource management systems, and culture.

The other study related to EC of the company defines Corporate Entrepreneurship as a process which includes steps of "development and implementation of new ideas into the organization" (Hornsby et al, 2002). The study by Hornsby et al (2002) documents and argues that there are five organizational factors that should be recognized in promoting entrepreneurship inside organization. In their paper Corporate Entrepreneurial Assessment Instrument (CEAI) introduced that is used to measure firm's entrepreneurial environment. This instrument was originally developed by Kuratko et al (1990) and refined by Hornsby et al (2002) (Kuratko et al, 2011, p.381). Ireland et al (2006) also suggest the use of this instrument to evaluate the same five factors which are the antecedents to corporate entrepreneurship. The instrument has been improved by other studies (Hornsby et al, 2008; Hornsby et al, 2009) and finally Kuratko et al (2011) suggest the Corporate Entrepreneurial Climate Instrument (CECI) as the more complete version than its ancestors. However, it is important to note that all these articles and studies are trying to create a more developed instrument to measure five factors inside an organization and they all agree that existence of these five factors are the key supporting elements of entrepreneurship in the organization, which we refer to it as EC of the firm.

Hereinafter we presented all these five factors that were described by different scholars to give general understanding how important these factors are in order to encourage higher level of EC of organization.

1. Management support. This factors is described as the willingness of top-level managers to facilitate and promote entrepreneurial behavior, including the championing of innovative ideas and providing the resources people require behaving entrepreneurially (Hornsby et al, 2002; Ireland et al, 2006; Kuratko et al, 2011). Hornsby et al (2002) summarize two decades of research in different fields and suggest that middle managers can have significant influences on corporate entrepreneurial activities. However, these middle managers have to work hard to get senior executives' attention and support for promising innovative ideas and new opportunities (Hornsby et al, 2002).

2. Work discretion/autonomy. This factor is defined as top-level managers' commitment to tolerate failure, provide decision making latitude and freedom from excessive oversight, and to delegate authority and responsibility to middle and lower level managers (Hornsby et al, 2002; Ireland et al, 2006; Kuratko et al, 2011). It is obvious that entrepreneurial endeavors address the unknown experiences. However, operating guidelines are put in place based on the experience with having conservatism in mind. So the entrepreneurs' efforts are often blocked by these policies which are established to bring order and caution to the everyday life of employees (Kuratko et al, 2011, p.353).

3. Rewards and Reinforcement systems. This factor according to different scholars involves developing and using systems that reinforce entrepreneurial behavior, highlight significant achievements, and encourage pursuit of challenging work (Hornsby et al, 2002; Ireland et al, 2006; Kuratko et al, 2011), and provides an effective reward system that encourages entrepreneurial activities and emphasize on importance of goals setting, feedback, individual responsibility, and results-based incentives (Hornsby et al, 2002).

4. Time availability. Definition of this factor includes meaning of evaluating workloads to ensure that individuals and groups have the time needed to ensure the execution of their daily routines as well as to pursue innovations that support efforts to achieve short and long term organizational goals (Hornsby et al, 2002; Ireland et al, 2006; Kuratko et al, 2011). Time availability is important simply because sometimes entrepreneurial activities do not happen when people in the company are busy trying to keep up with their daily jobs and routines and do not have time to think of organization's bigger problems or new ideas and innovations (Kuratko et al, 2011, p.356).

5. Organizational boundaries. This factor can be characterized as precise explanations of outcomes expected from organizational work and development of mechanisms for evaluating, selecting, and using innovations (Hornsby et al, 2002; Ireland et al, 2006; Kuratko et al, 2011). Too many hierarchical levels, restricted communication channels, long and complex approval

cycles, responsibility without authority, and unrealistic performance criteria are all mentioned by Kuratko et al (2011, p.351) as the obstacles of entrepreneurship in the company. Each of these obstacles (there are even more of them that can exist in the organization), in one way or another, create organizational boundaries. Kuratko et al (2011 p.194) points to eliminating boundaries as an essential component of fostering innovative approaches.

All these five factors that were mentioned above individually or alongside each other are important antecedents of corporate entrepreneurship efforts, because they can create an internal environment inside the organization, which supports and encourages entrepreneurial initiatives within the company (Hornsby et al, 2002). Existence of such an environment is essential since individuals see their entrepreneurial capacities in reference to what resources and opportunities the organization provides them and, at the same time, what obstacles exist in front of their possible entrepreneurial activities (Kuratko et al, 2011, p.387).

Kuratko et al (2011) also added the 6th section to the CECI instrument by the name of "Specific Climate Variables", which includes 30 more questions added to the questionnaire. We believe that the items introduced in this section do not assess a separate factor of EC and it is arguable that these items can be used as complementary questions to evaluate and measure the other five factors introduced in this chapter. In addition to that, it is necessary to mention that previous study of EHA in the company also did not include the sixth factor of EC, so we did not have basic information about condition of this factor differently from other factors.

2.1.2 Concept of Teams and Teamwork

Although there are a lot of different authors that introduce their concept of the team, but all of them agree that basically team is a group of people who were put together in order to achieve specific goal. Devine et al (1999) in their study were more precise defining the team as "a collection of three or more individuals who interact intensively to provide an organizational product, plan, decision, or service". It is necessary to mention that the most important feature of the team is to have mixture of necessary skills to perform effectively and share mutual beliefs in the team to achieve that (Bacon & Blyton, 2003). Montes et al (2005) combine those two approaches in their study and describe team as a phenomenon that consists of innovative people who are members of organization and who promotes shared vision in their work. Team is also defined as a group of people who share meanings, understandings, and different roles "which are applied by one person to a group of differentiated others" (Beech & Crane, 1999). According to us, the most detailed and informative definition of team was introduced by Cohen and Bailey (1997), who in their study described team as a "collection of individuals who are interdependent in their tasks, who share responsibility of outcomes, who see themselves and who are seen by others as an intact social entity embedded in one or more larger social systems (for example,

business unit or the corporation), and who manage their relationships across organizational boundaries".

As well as there are different opinions about concept of the team, there are different authors who describe different types of teams that can be introduced in organizations. Cohen and Bailey (1997) discuss four types of teams that are work, parallel, project and management teams. There is another list of types of teams introduced that consists of work teams, project and development teams, parallel teams, management teams, transnational teams, and virtual teams (Judeh, 2011). The selection of type of team of organization depends on the basis of the purpose that each company has. For example, if there is a need to solve a particular organizational problem then task group can be formed, improvement opportunity can be achieved by quality improvement team, strategic goal of the company can be addressed to development team, new projects, products or services can be created and developed in project and development teams (Irvine & Baker, 1995).

After organization identifies what is the goal that company wants to achieve and which type of team should do that, there is a necessity to decide, how these types of teams will work. At this step there are also different ways and structures how to organize work in the team that were described in the literature. Stroznian (2000) identifies three ways how work in the team can be organized and names that as three types of teams which are empowered teams, self-directed teams, and cross functional teams. In his study these teams are described following: "empowered teams, which have the authority to plan and implement process improvements; self-directed teams, which are nearly autonomous and are responsible for many supervisory responsibilities; cross functional teams, which work on specific tasks to improve production" (Strozniak, 2000).

Glassop (2002) in her study mentions also three types of teams that are "problem-solving groups (often called quality circles or process improvement groups); self-managing or natural work groups; and cross functional teams (such as task-forces, committees and project groups)". Cross-functional teams are implemented by forming group "whose members cut across different organizational subgroups, such as functional departments, work units, or formal organizational roles" (Irvine & Baker, 1995). Frequently, project teams draw their members from different disciplines and functional units, so that specialized expertise can be applied to the project at hand (Cohen & Bailey, 1997). According to the information that we provided about our case (Wackes), and background of theoretical framework, we decided to concentrate on type of cross functional project team, which is described in some books and articles (Cohen & Bailey, 1997).

Different types of teams in organizations are formed in order to achieve better performance of business. Teamwork is also defined as a process of "an organizational intervention in work process which enables the company to re-engineer for competitive advantage" (Parry et al, 1998). The same author states that teamwork creates possibility for learning and offers capacity for continuous improvement of the organization. The strength that Folkestad and Gonzalez

(2010) see in teamwork is that members of the team have possibility to look beyond the organization to apply external ideas, new technologies, and innovations.

One of the main conditions to achieve innovation is diversity of the team (Folkestad & Gonzalez, 2010). Team diversity can be in terms of occupational backgrounds, functional areas and expertise that every team members have (Jackson, 1996). Team diversity might also depend on demographic attributes (for example, age, gender, culture and so on) that can be positively related to effectiveness in project teams (Devine et al, 1999).

2.1.3 Concept of Work process

In the literature there are different definitions and opinions about work process. For example, Nelson and Winter (1982) define organizational work processes as primary means by which organizations accomplish much of what they do. The other definition is according to ISO 2000 and it is common in quality management, operations management, business process re-engineering fields, which present organizational work processes as set of interrelated and interacting activities, which transforms inputs into outputs (Vilkas & Stancikas, 2006). Organizational work processes (organizational routines) are also described as repetitive, recognizable patterns of interdependent actions, involving multiple actors (Feldman & Pentland, 2003).

Considering these different opinions it is important to notice that all of them are referring to the way that the company does the job. Having this in mind, the different methods and routines that the company picks makes the main difference, and it is the source of categorization of work processes. For example, one category might be formed if the firm relies on individuals to undertake a specific task. This individual work process is separate in terms of not involving other employees of organization (Hill, 1982) and is based on capabilities and expertise one individual has and uses to accomplish certain task where different functions of organization are involved.

The other category is group process which is referring to a mechanism through which "individuals within a particular subunit of an organization exert mutual influence (Feldman & Pentland, 2003)". In most of the studies about processes, that a group of employees are involved to generate the necessary outcome, the importance of inputs to the group and group process has been emphasized. In this approach group processes can include communication, cohesion, and decision making (Feldman & Pentland, 2003). This definition of group process is adjusted in this paper by considering the cross functional team as the subunit. So the work process that the company employs in these cross functional teams to accomplish certain task has been called teamwork process.

2.2. Teamwork and Factors of Entrepreneurial Climate

Nowadays organizations often employ teamwork processes for incremental and continuous improvement of their products, services, and their other organizational functions (Judeh, 2011). Judeh (2011) in his study mentions Schermerhorn (2008, p. 397), who describes the main benefit of the teamwork as the synergy, referring to creation of a whole greater than the sum of its parts, and argues that this is achievable because individual talents and efforts can create extraordinary results when they are coordinated in a well-functioning team. One reason to accept this view is that teamwork can provide a mechanism which can promote relations inside the groups and generate more organizational commitment among team members (Irvine & Baker, 1995).

Folkestad & Gonzalez (2010) have studied highly read books and highly cited research articles on innovation and have conducted a cross-case inductive analysis on the key terms related to teamwork. Their study points to a central theme in these literatures which is the importance of culture to support innovation. The sub-themes under this main theme include the importance of open and outwardly focused teamwork, the emphasis on the importance of selecting team members based on the established objectives, roles of team members, individual attitudes, expertise, and how each member would add to the diversity of the team (Folkestad & Gonzalez, 2010).

In the following part of this chapter we focus to explain the theoretical concepts of each of the factors of EC, and will introduce the effects of teamwork on each of these factors based on the existing investigation, researches, and case studies.

2.2.1 Management support

Management support is a significant factor for EC of the organization, because formal or informal interaction between managers and staff can encourage employees for innovation independently on which work process they use in their daily routines (Hornsby et al, 2002). Kuratko et al (2011, p.325-326) believes that the message and desire to be Entrepreneurial must be communicated from top management, and top level managers should sell their vision about entrepreneurship and design a supportive Entrepreneurial structure, culture, resource and system which encourages entrepreneurial behavior both individually & collectively. In the absence of such an organism entrepreneurial initiatives are most likely to fail.

Judeh (2011) in his study states that involvement of employees to perform in teamwork "has been linked to many different management concepts and behaviors". Top management can use different techniques to encourage employees and maintain the same level of support for performing in teams as well as in individual work process. However, according to Judeh (2011) the problem that teams experience, compare to individual work process is lack of visible support and commitment from top management team.

Hitt (1999) in his study argues that when employees were transferred to an important cross functional team "a lack of sensitivity to the importance of the team and a lack of top management support for the team goals" arise. In other words, Hitt (1999) in his findings agrees with Judeh's (2011) opinion that lack of support is a problem that cross functional teams face compare to individuals. So the lack of support starts with indication that top management is providing little finance support which ends up with lack of encouragement to keep group active and engaged with entrepreneurial activities (Hitt, 1999).

On the other hand Ireland et al, (2006) believes that organizations provide the same level of management support to both work processes since the human management resource system can and would work as the tool to provide the necessary means of encouragement and reinforcement to foster entrepreneurial behavior. According to this theory, the level of management support does not change due to type of work process. The most important condition is to have system or model which stimulates entrepreneurial activities in the company.

As it was already mentioned, diversity of team has its advantages and disadvantages. Types of diversity can be different. Diversity of status in this context means "including members from different levels of the organizational hierarchy" (Jackson, 1996). There is also pros and cons for this type of diversity, on the one hand, having a team-member from layer of top management team can add extra management support in a way that he/she can increase the team's power to negotiate team's autonomy, resources, time, money, and access to necessary information (Jackson, 1996) compare to individual work process. On the other hand, diversity may slow down or make the process of decision making inside the team more difficult.

2.2.2 Work discretion

Bacon and Blyton (2003) believe that people working within teams gather more experience and feel more skilled mainly due to the training they received, therefore they take more responsibility and have more power to decide on their own daily job. It happens more often that work teams are authorized to self-manage their team processes, and are responsible to manage how their team functions (Solansky, 2008).

Batt (2004) has focused her investigation on the self-managed teams by including autonomous or semi-autonomous work groups and concludes that workers in self-managed teams had significantly higher work discretion, employment security, and satisfaction than those in traditional groups. Parry et al (1998) believe that "team-working routines emanate from interaction of team members and are inherently more flexible and responsive than those created from prescribed standards and procedures." This can be translated into more loose job description and more work autonomy resulting from teamwork.

Gallie et al (2012) who have based their studies on the British Skills Survey Series, points to argumentation about teamwork enhancing better performance because it gives employees to use their knowledge, skills, and abilities. They also consider the findings of Harley's (2001) which compared the experiences of team workers and non-team workers, arguing that there is no significant effect from teamwork on employee task discretion. However, their study results in: "self-directive teamwork was positively linked to task discretion and opportunities for skill development on the job" (Gallie et al, 2012).

2.2.3 Reward and reinforcement systems

Entrepreneurship is stimulated when the suitable performance evaluation and discretionary compensation are in place in the organization. Moreover, due to the possibility of failure in every entrepreneurial initiative, appraisal and reward system should explain the existing tolerance of failure in the organization and provide some level of job security for those who willing to take risk (Kuratko et al, 2011, p.252).

Reward is basically referring to the benefits or gains that organization is offering to employees in return for their efforts and achievements. Rewards can be extrinsic such as regular pay, bonuses, profit share, equity or shares in the company, expense account. Other type of rewards is the intrinsic rewards like job security, promotions, expanded job responsibilities, autonomy, public or private recognition, free time to work on pet projects, money for research or trips to conferences where employee can learn more about his or her entrepreneurial concept (Kuratko et al, 2011, p.257).

Folkestad & Gonzalez (2010) in their study find several articles that indicated importance and efficacy of bonus and rewards systems for teams, not individuals. In these systems, bonuses were distributed to teams based on the fact that whether the team was able to achieve success for their project or not (Folkestad & Gonzalez 2010). Teamwork is also associated with higher job satisfaction and participative management theories, which facilitate employee participation in goal-setting; therefore it encourages intrinsic motivation for team members (Bacon & Blyton, 2003).

Reward and reinforcement systems are mainly used to keep the employees motivated and satisfied in their job. Wisner and Feist (2001) in their case study of Bell Atlantic found that teaming increases the satisfaction of employees, because they felt "more encouraged to come up with new ideas and better way of doing things" or they felt "more empowered to achieve team goals". Other studies also confirm that self-managing teams have better job performance and higher employee job satisfaction than traditional working departments. The main argument for linking these factors to each other is basically the fact that working in a team gives employees a

sense of empowerment, because they feel that they have more control over their immediate work environment (Gallie et al, 2012).

2.2.4 Time availability

Having extra time for idea generation is very important tool to achieve higher level of entrepreneurship. Kuratko et al (2011, p.356) mentions that most of the time for entrepreneurship does not happen because people in the company are busy simply trying to keep up with their daily jobs and routines. Some managers put strict work schedules that leave little time for innovation and experimentation while time is one the necessary resources for innovation (Hornsby et al, 2002).

Fry (1987) in his study of 3M agrees that majority of the employees of any company say that they have no spare time to work on projects that are not their daily routines. 3M's policy of allowing to its researches to spend up to 15% of their time on projects of their own choosing, first of all creates time availability for creativity, and on the other side encourages them to think about wider organizational problems (Kuratko et al, 2011, p.384), that has enabled company to create several innovative products and introduce them to market. This "Bootleg" rule (as it was called in this study) creates time for employee to look for creative solution for problem that arise without worry that he/she will not be able to finish his/her daily job (Fry, 1987).

As it was already mentioned in this paper, although there are several benefits described for diversity in a team, it may also slow down the processes of decision-making and implementation. However, this diversity increases the team's caution about the quality of their decisions (Jackson, 1996). The case study of Bell Atlantic, mentioned in the reward and reinforcement systems part, reported the increased efficacy and improvements in shortening the time of selling calls for the employees involved in teams (Wisner & Feist, 2001).

Hill (1982) in his comparison of work as individual and group discusses the possibility of occurrence of process loss in one or more stages of group process: "(a) aggregation of information, (b) integration of information, (c) error checking or decision making, for example, failure of the truth-wins decision strategy or (d) division of labor, for example, production blocking or non-productive (self-) allocation of subtasks". And he concludes that groups generally need more time to process for example in complex problem solving (Hill, 1982).

2.2.5 Organizational boundaries

Organizational boundaries are one of the important phenomena in the organizational studies and have been studied by different scholars and have been investigated by various theoretical lenses.

Some has defined boundaries as "demarcation of the social structure that constitutes an organization". This is referring to limiting activities to be performed under specific rules and define how things should be done in the context of organization. For others, boundaries are setting borders for the resources that the firm owns, and then design the path to organizational growth. One more approach to describe concept of organizational boundaries is to define them as the organizational domain of influence, including its control on the industry and its power over external forces (Santos and Eisenhardt, 2005).

Another view is presented in the study undertaken by Dumez and Jeunemaitre (2010) which defined the boundary as a "potential or actual mechanism that rarefies or regulates flows between two heterogeneous spaces, and makes these flows visible". They believe that decisions about each unit's capability is creating the organizational boundaries; when boundaries are created they tend to be stable; and when there is an intention to change them, there are forces in the organization trying to keep them (Dumez & Jeunemaitre, 2010).

Thinking about the questions designed and placed in the CEIA (Hornsby et al, 2002) and later in CECI (Kuratko et al, 2011), it can be argued that the organizational boundaries, in their point of view, are referring to existence of standard operating procedures, standard practices, and rules for performing major tasks; state of certainty about organization's expectation from employees; clarity in standards of performance in job description including quantity, quality and time-lines of output; and regular and frequent discussions with supervisors about work performance (Hornsby et al, 2002; Ireland et al, 2006; Kuratko et al, 2011).

As a result, organizational boundaries can be defined in variety of methods by different intention. For example, as mentioned above, boundaries could be specific limits to one person's activities, a border on a departments operation, redlines in layers of a hierarchical structure, outlines of organizational domain, or even setting up limits for teams functionality. Although the latest definition drawn from the CEAI (CECI) instrument seems to have several intersection with the second factor (work discretion), this is the main definition that we used throughout this study. This selection is mainly made in order to keep the unity of the instrument since it was tested and there was a supporting evidence for it in the two-stage empirical analysis performed by Hornsby et al, (2002) and the "structure held up on the second confirmatory factor analysis using an entirely separate sample of middle managers".

Bacon and Blyton (2003) have seen the move to teamwork in line with the changes in job boundaries and responsibilities, and have argued that it exerts a positive impact on levels of employee knowledge and skills, especially when it is accompanied by more training and regular job rotation (Bacon & Blyton, 2003). Folkestad and Gonzalez (2010) present the temporary project teams as the teams that are usually consist of individuals with different age, culture, technical expertise, and even personal values. Therefore the same authors argue that this diversity in the teams break down the traditional hierarchy, and by bringing people from all levels of the organization the organization would be able to identify innovative solutions.

Parry et al (1998) point to the Barker (1993) study of self-managing teams, which argues for more control in the organization "by transferring the locus of control from the formal bureaucracy into the teams' values, norms and rules". The same concept of transferring control to the team has been argued by Gallie et al (2012). However, they believe that teamwork systems are able to replace supervisory control with an equally constraining form of normative control which is also less visible, and in this way the team can encourage employees to internalize the organizational goals.

2.3. Framework for using the concepts

As it was mentioned in the first chapter of this paper, there is no concrete research on how project teams and teamwork process affect EC of the organization in a different way than individual work process does. However, as it was presented in this chapter, different scholars have separately touched upon different effects and impacts that teamwork process might have on one or more factors of EC.

We tried to present our findings and build our analysis in this research in different steps. First step of this model was to review and connect all the findings from various types of literature and put them alongside each other, in order to present what is the framework of literature we are going to use as a base for our study. Secondly, the findings of the empirical data that was gathered in different phases from Wackes were presented. The last step of our model was to compare findings of empirical data with framework of literature and make conclusions about how some of previous studies can explain and approve our findings while others might not be very consistent with our results.

Chapter 3. Method

3.1. Overall research design and process

As it was introduced, the purpose of this paper was to investigate how does the teamwork process in project and development teams affects EC of organization compare to individual work concept. Adjustments of work process for some of the customers or projects of organization and establishment of teamwork concept in the company can change EC of organization in several different ways. For example, teamwork process in project and development teams can increase the level of entrepreneurship and have positive impact on several or maybe all entrepreneurial factors. Or possible result is to reduce the level of entrepreneurial spirit which might happen after several or all of factors are affected negatively. Other possibility is to maintain the same level of entrepreneurship because of no influence on any of entrepreneurial factors compare to individual work process.

In order to pursue this research, we believed that it was necessary to get familiar with the individual work process and teamwork process in teams that were used for several projects. We managed to collect information while talking with top management and employees of the company in order to ascertain what the differences were those groups recognized when comparing both work processes. In this case, qualitative research method assisted us to view the events and situations in the company "through the eyes of the people that were studied" (Bryman & Bell, 2003, p.293). However, the main intention of this paper was to know more about the impacts of teamwork process and introduced project and development teams on EC of the organization compare to individual work process.

To get better understanding about work processes and project and development teams acting in the organization, it was useful to know more about the history of the company. In our research we were interested in how company came up with idea to employ the new work process, what were the reasons to adjust it for some customers and projects, how this work process might be affected by integration of acquired company, and etc.

As it was mentioned earlier, we had performed an EHA (Appendix 1) earlier to this research in Wackes. In this appendix there is detailed information provided about quantitative research that was made in order to investigate EC of the organization. As level of entrepreneurship and entrepreneurial activities in the company are influenced by climate of the organization, we used CECI to measure this level in the organization (Ireland et al, 2006). This instrument assesses five possible factors that influence employees to initiate entrepreneurial activities. Findings of EHA provided us with background information of the organizational climate of the company that was based on individual work process at that time. Thus, as this paper presents findings and results how different work processes influence EC of the organization and we managed to gather information about team work process based on interview guide, the EHA is very important document to introduce more detailed information about individual work process and effect it has on EC of Wackes.

For the research of this paper we used qualitative research method (Bryman & Bell, 2003, p.280) to investigate possible answers to our research question. To do this qualitative research, we used semi structured interviews to collect necessary data (Bryman & Bell, 2003, p.343), because this

type of interviewing, according to the same authors, is very flexible and allows not to follow the exact way of the schedule. Wackes was studied as a case and above mentioned data was collected from interviewing employees and our observation from the company. We also looked for sources of secondary data, like case studies or articles that present similar situations to gather more information for analysis (Bryman & Bell, 2003, p.213). Then we analyzed the collected data from Wackes and compared it with the current theories presented in the literature and other cases to find similar patterns and logical explanation about the research question. We also compared the EHA results with the results of this study to evaluate the validity of the result concluded from that quantitative study.

Most of previous researches were done in order to investigate the process of forming different types of teams, what are benefits and drawbacks of having them in the organization, what impact those teams have on organizational performance as well as on employees who are involved in teamwork. We believe that there is a gap in literature about the impacts of individual and team work processes on EC of the company. Therefore we think that by connecting literature related to teamwork and their impact in the organization from one side, and theories about EC of the organization from the other side we can find a reasonable explanation about the relation between these two interesting subjects in the field of entrepreneurship.

3.2. Data collection

To collect the necessary data for the EHA we used a web based survey which was addressed to all the employees, we tried to collect useful data to evaluate the EC in Wackes. In order to collect necessary information from the interviewees to investigate the subject of this study we used a semi-structured qualitative data collection method (Bryman & Bell, 2003, p.343) and developed an interview guide (Appendix 2) which helped us to follow a certain direction to get all the information we needed for our research. This interview guide was mainly based on the questions of CECI but this time we used semi-structured interviews to collect data. We tried to ask questions in a way which were not limiting or guiding the interviewee towards specific answers. There was a designed order for asking the questions, but we were not strictly stick to that order because some of questions arose during the interview and answers from interviewees led us to some new questions (Bryman & Bell, 2003, p.343). In this case we were using these new questions in the upcoming interviews and sometimes going back to already interviewed people to get their opinion as well. Hence, to be more precise, the interview guide was basically developed and completed during the process.

The other point to consider was to ask some questions differently and there were some different questions asked from different interviewees based on their position, experience, personality, and the location they worked in. We arranged interviews with employees of the company who are from different positions and departments to gather as more many-sided data as possible to make objective conclusions. This sample included CEO of Wackes (at the same time one of the owners, a board member, a member of the management committee, and Sales director); CFO, who was also involved in the teamwork projects (one of the owners, Logistic director, and a member of management committee); Branding Director, who was basically the initiator of teamwork process (a member of management committee); Purchasing director, who was

involved in the teamwork process (a member of management committee); Assortment director (one of the owners); two KAMs which one would be Sales deputy director in the new organization and the other one was involved in the teamwork process; two project managers which one of them was involved in the teamwork process; one business development managers, who was the owner of one of the previously companies acquired by Wackes; two sales back up which one was involved in sales as well; two art directors both present at the teams; two purchase managers which one was a team member in the work process.

Three of these interviewees were basically located at Borås office. The rest of the employees were working in Lund office. However, some of them had regular trips to other offices in Borås and Stockholm. We also managed to talk to some of the country managers while they were at the Lund's office. Therefore we had to take into consideration that employees who were interviewed would have different points of view because of their position in organization, history with the company (some of them are new to the company and others have worked for a long time in the company and they got used to the situation), experience in industry in general, relation to the company (some of employees are the owners of the company), locations they work (case of country managers in different countries).

To gather information for this study we interviewed employees, who had experience in performing in both work processes, because there were competent to compare individual and team work processes to provide us with necessary data. It is also important to keep in mind that there was no one in the company who was just involved in the teamwork process. However, on the other hand, there were some people in our sample who were just involved in the individual work process.

3.3. Method for data analysis

For analyzing the data, gathered from the employees during the interviews, we went back and forth to the literature and the collected data in order to find similarities and differences in already existing models and theories and the examples of work processes that have already been implemented in Wackes. Also we had a purpose to assume all the possible impacts that both of work processes had or will have on the firm's EC. In this way we used grounded theory as a method for data analysis (Bryman & Bell, 2003, p.424). We believe that this method is appropriate for our analysis because "in this method, data collection, analysis, and eventual theory stand in close relationship to one another" (Bryman & Bell, 2003, p.428). According to the theory, there are several tools that could be used in order to investigate research question, but in our paper we were concentrated on theoretical sampling and constant comparison.

Theoretical sampling is a process that consists of data collection for generating theory whereby analyst collects and analyzes data in order to decide what data to collect next to develop the theory, model or concept (Bryman & Bell, 2003, p.329). It was more or less the same method in our research since sometimes after some interview and comparing the result with the literature we had a clear picture for one part of the study and could target our next interviews to get clearer answers for other issues. This was an ongoing process rather than single stage in data analysis process. The second tool constant comparison was chosen because this method refers to a process of maintaining a close relation between collected data and conceptualization in theory

(Bryman & Bell, 2003, p.429). Advantage of this tool is that researcher can constantly compare data of phenomena so that a theoretical elaboration can emerge and open new perspectives towards topic the researcher is interested in.

3.4. Reflections of method choices

We believe that semi structured qualitative interview was the best way to collect data since the feedback we received after performing the EHA showed that people prefer to explain their answers and this is the only way that we can reduce the degree of uncertainty between respondents. One of the main barriers in collecting the reliable data from Wackes was the "language". Although the company has made considerable effort to go global, they are still a very Swedish company and people feel uncomfortable just responding to a questionnaire specifically when it is in English. Another reason for choosing this method for collecting data was to overcome a difficulty we were facing in process of data collection and analysis, which was the fact that the people who were working in the project and development teams, were actually the same people who were working in the individual work process as well. Therefore it was difficult to separate and categorize the answers and decide if answer is referring and relating to the teamwork process or the individual work process. Therefore we had to follow up with complementary questions. So we asked employees those additional questions about specific customers and sometimes requested for the examples from their daily work in order to make it clear and relate that particular answer to its corresponding process, and it could not be achieved by using a quantitative data collection method.

Since the time frame for this research would just let us study Wackes as a company in more details, in a short period of time we looked for similar case studies that investigated the impact of teamwork on the EC. We wanted to use the knowledge gathered in these studies to add to the validity to the research. However, there was no study available to discuss this subject, so we used the studies on the effects teamwork has on the one or more factors of EC. When it comes to methods of data analysis, criticism towards grounded theory is that there are practical difficulties. This is due to the lack of time and tight deadlines that a researcher has to follow while doing the research. So our case study and the interviews that we made and analyzed were limited in time and that results that data might be analyzed in more details and have effect on final conclusions and findings.

However, between the methods this way of analyzing data was more fitting to our study because it covered different paths like comparison of different literature, theoretical sampling and also analysis of collected quantitative data during the interviews. This is one of the reasons grounded theory has become the most widely used framework for analyzing qualitative data. Since Analytic Induction is more appropriate when researcher wants to make hypothesis and test, redefine and reformulate it during the study, and considering that this is not the way we plan to do our research, then we think grounded theory is the most appropriate way of approaching the analysis in our study.

Chapter 4. Presentation of results

4.1. Presentation of Wackes' Structure and Work processes

As it was mentioned earlier and according to information that we managed to gather during interviews with employees of the organization, there are actually two work processes existing in Wackes. In order to explain how these processes differ and what impact they have on EC factors, we presented our findings in this chapter. First of all, the company's structure and work processes were explained in details in order to introduce differences between them. In the second place, we described findings related to all 5 factors of EC from the organization in individual work process and teamwork process of project and development team.

4.1.1 Company's Structure

The company consists of 6 different departments (each consists of members that have more or less the same competence within a specific area) which are Sales, Sales Back Up (SBU), Purchasing, Branding, Logistic, and Administrative departments. At the top of the organization there is a management committee which is formed from the heads of each department. The head of Sales and SBU departments is also the CEO of the company. Recently after the acquisition of the Stadium Promotion two new positions have been added to the organization. One of the Deputy Sales Directors is located in Lund office, and the other one is located in Stockholm office. Both of them are in charge of the Sales and SBU people active in corresponding offices. It is necessary to mention that some of employees working in the organization are also owners of Wackes and they are also Board members.

Generally the main decisions are made and the strategies are discussed in the management committee, and the operational decisions are directly introduced to the organization. However, strategic and important decisions should get approved by the Board. The Board consists of the owners of the company and some other people. Some of these Board members are not actively involved in the daily operations of the company and are mainly helping the firm in decision making and providing more resources and advices, since they have been selected as members of the Board due to their experiences, expertise, and successful careers.

In general the structure of organization is very flat and there are not so many layers existing. However, the layers and the hierarchical structure are not limiting employees form directly going to CEO or other Directors to discuss their ideas or problems. It is not far from reality to say that there are two layers in the organization. One is top management team (directors of different departments) and the other one is employees of different departments (Sales, SBU, and so on).

4.1.2 Individual work process

The first work process that exists in the organization is called individual work process, which is traditional one, and the main role in this type of work process is played by Salesperson or the KAM. Salesperson or the KAM are actually doing the same job and the only difference is in the size of their customers, the big customers is called account, then the salesperson who is responsible for that account is called KAM, therefore hereafter we refer to this job as KAM. The KAM is in charge of providing the offer and signing the contract with the customer. Also he/she is responsible to get the agreement on the price, quantity of the order, and the overall quality of the services (how to deliver the products and etc.).

To create this package and respond to customer's need, KAM is asking people from Branding department to do the design based on the customer's request (logo, printing, and other adjustments that are related to branding competence area). KAM contacts Purchasing department about the price and the feasibility of the delivering the products with the agreed price. The same person keeps in touch with Logistic department which should confirm that it is possible to deliver the products as customer needs. It is important to mention that in this work process it is not typical that employees who belong to the same department collaborate with each other on a specific project. Generally, since they usually share their information, all of them have the same information about products, services, suppliers and so on, so they are competent to answer all questions and solve problems that are within the range of their working area.
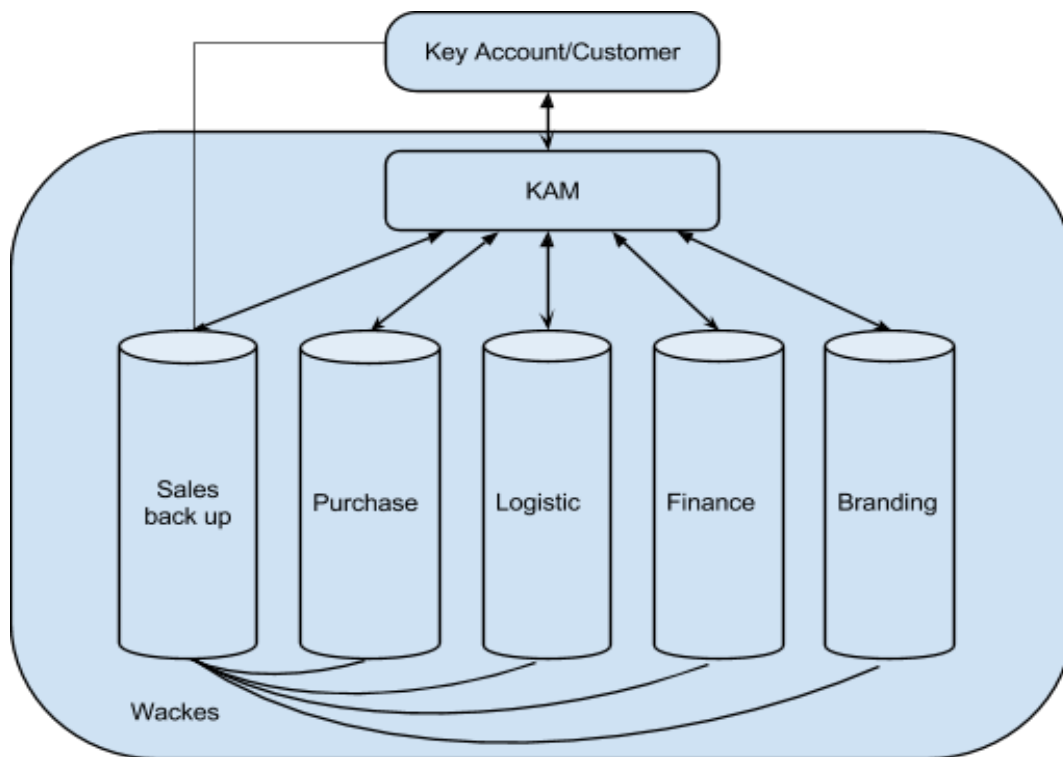
Figure 1. Individual work process

After all necessary information is gathered and put together, people from SBU department are actually handling all these settings, putting the orders, making sure of on time deliveries and so on (figure 1). This type of working process is named as individual work process in Wackes in this paper. This process is fairly easy to understand, the company has used this method for a long time, and most of the competitors are working in this way as well, but some difficulties are arising during the process. For example, when the KAM takes the designs to the customer they might ask for some adjustments or do not approve it, which makes the KAM run the process again from the beginning. The same problem might arise with Purchase department when purchasing people might not be able to provide the price of the products as promised, so the KAM should get the new confirmation from the customer. If customer is not satisfied with suggestions from the company, then there should be a new product and new design made, so the circle of the same actions starts again and process begins from the same point.

As it was described, a lot of going back and forth might happen during this process which takes a lot of time and sometimes can cause overlapping among different functions of the organization. Overlapping is one of the weaknesses of individual work process in the organization. It might happen, for instance, because people from Branding department in order to design new product contact Purchase department to know if particular product is available in assortment that Wackes provides. In that case, Purchase department has to provide the same information not only for the KAM, but also to several different people from different departments who are working with the same customer.

4.1.3 Teamwork Process

The second work process was introduced as project and development teams which were aiming to serve some of the customers, target new clients, create an attractive package to offer, and finally sign the contract. This work process was called teamwork process in this paper because these teams consist of members from different departments formed to approach the customer (figure 2). Based on this work process usually everyone from the team was participating in the meeting to prepare the offer and include all the necessary information from the beginning of the process in order to deliver the concept of products and services to the customer. After signing the contract this team that is responsible for responding to customer's inquiries, was introduced to the customer, so they know which people from which departments in Wackes are working to deliver the services.

In this process KAM again has the key role and actually is the person who keeps the team together. In project and development team KAM leads the team and sets the strategy to achieve the best result. However, the difference is that he/she is not the alone for creating the package and has the team beside him/her in the process, where all the members share the responsibility for the quality of the offer. Necessary information from different departments is provided

directly to the team at once without sending information from one department to another in order to add more information. In the case of Wackes, in this process of working, other team members were accompanying the KAM in the meetings with customer to get the specific information about their needs and also to explain some particular issues which were their area of expertise. Usually the project and development team consists of 4-6 people from different departments. For example, the combination of KAM, person from Sales Back Up, Branding, and Purchasing departments is the most common for particular projects. Sometimes there are people from Assortment or Logistics involved as well.
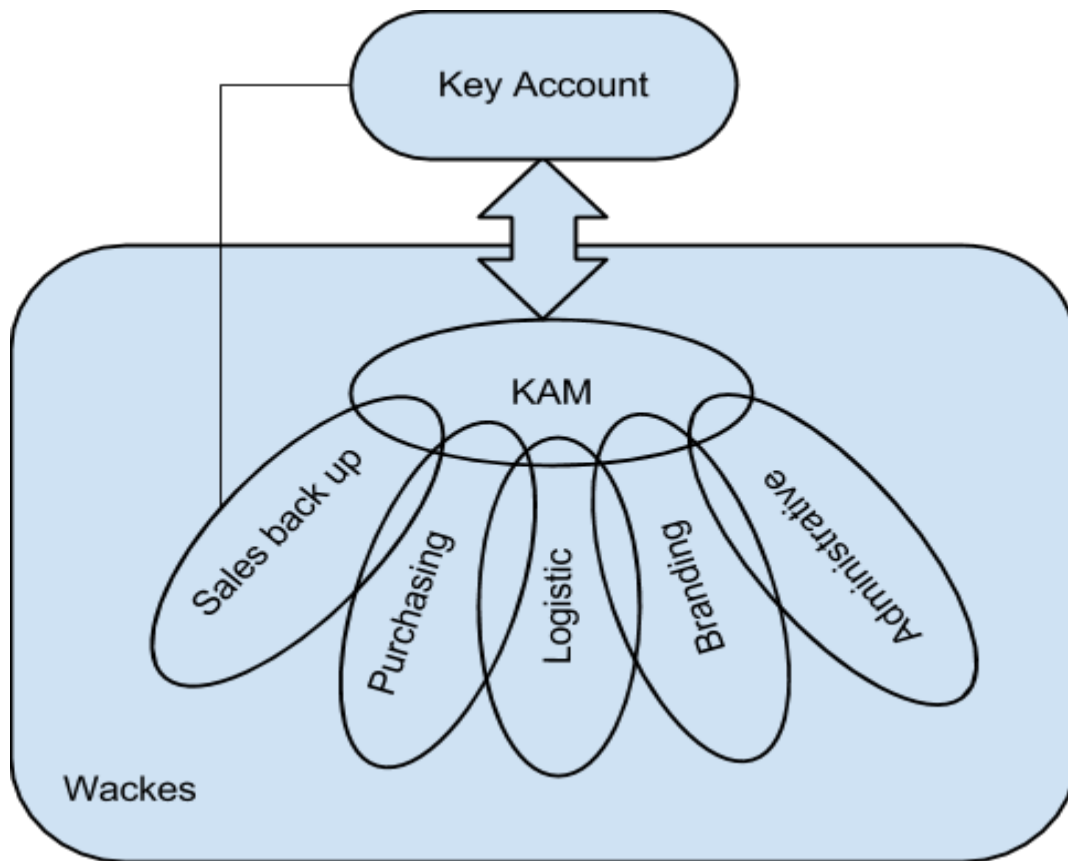
Figure 2. Cross-functional Project and Development Team work process

Creating the offer in teamwork process was in a way easier and more efficient because of several reasons. Firstly, there were more ideas discussed in the group because of mixture of people with different experience and expertise. Secondly, it was more secure because the customer would not receive an offer that the company could not afford. Thirdly, everyone in the team (representatives of different departments) shared collective responsibility to approve possibilities of the products and services that company could provide, so in this way work process, in project and development teams, was more professional. For example, the type of the products, designs

and printings, the storage, and delivery solutions that company has in its disposal were discussed together at the same time during meetings of the team.

4.2. Presentation of findings on each factor

4.2.1 Management support

The company's history reveals that almost all of the entrepreneurial actions (acquisitions and mergers, redefinition of the domain of activity, market expansion), which has happened throughout the last years, has been initiated mainly in the top management level of the organization. It seems that this willingness to grow has been communicated to the staff as the support of management for innovation. Because the results of EHA showed that employees believe that there is a good level of support from management for entrepreneurship (Martinkutė & Skandarioon, 2012).

The following interviews, made in order to answer research question of this paper, also approved this view. For example, when one of the KAM suggested taking a new role in the organization, he was given time and opportunity to develop that role. In another case new biweekly meetings among Sales department and SBU people started by the suggestion of another KAM. As it is seen from examples, there is no difficult approval cycle for new ideas or new processes in the company.

This point of view was also confirmed by the people who were involved in the teamwork process as well. They did not mention any significant changes in the management's attitude or reaction towards innovative ideas when they were asked to compare when the idea came from a teamwork process or individual work process. One interesting and important point that was noticed about the teams was the presence of one or more person from the management committee as a member in these teams.

4.2.2 Work discretion

An overall conclusion on this factor from the EHA showed that the company enjoys a very high rate of work discretion and respondents mainly agree that they have a high level of work autonomy in Wackes (Martinkutė & Skandarioon, 2012). One of the main reasons for having such autonomy is the long experience of most of the people in the industry which has taught them how to work. The other factor of high level of autonomy might be flat structure of organization, because there are not so many layers in the structure and strong bureaucracy (solid hierarchical structure and complicated and time consuming approval cycles) does not exist.

The data from the interviews in relation to this research also confirmed this issue. For example, most of employees were saying that there is a job description for the particular position in the company, but it is not been updated for a long time and is not very much valid for the moment. Others said that the existing job descriptions are very loose and it is not limiting the person. More interesting was to hear the opinion of some people who stated that there is no job description for their position. For example, one of the employees mentioned that "you can plan for your tomorrow's work, but it will become invalid before 10 o'clock in the next morning, because everything might change and you never know what is going to happen". So basically a big part of the job should be done by ad hoc decisions and it is not possible to put these kind of job in a structured format.

As it was mentioned before, the same people in the company are involved and working in both work process. When we wanted to compare if there is a big difference of work discretion between work processes, basically there was no big distinction. This was mentioned by several employees of the company: "we were dividing the job in the team, but it was my own decision how to do my part" or "it was up to me to decide how my job should be done".

During our interviews there was just one case when interviewee mentioned that "the mistake made by one of the team members made the management team very angry", but there was no harsh reaction or severe consequence to this mistake.

4.2.3 Reward and reinforcement systems

The results of EHA showed that employees feel appreciated for the efforts they show in their daily work. But the high standard deviation shed some doubts on the validity of the result. One of the possible explanations for such uncertainty in the results was the differences in departments that employees belong to. We had an assumption that there might be some employees in the company who receive bonus for their work (most often it happens for the people from Sales department in the organizations). The other reason that answers related to this factor varied so widely was the language barrier in the organization. As it was mentioned earlier, despite the fact that company is going global, the organization is still very Swedish and some people might had misunderstanding about the questions of the questionnaire. Thus, there was a need for further investigation in this field (Martinkutė & Skandarioon, 2012).

After the first interview, which was made for this study, we understood that there is no a financial bonus or rewards offered to employees for their work performance. Further questions revealed that actually there was no appraisal system, to evaluate the employees' performance in his/her work, except the yearly budget which was fixed for the sales people and it was mainly their own prediction. The only financial reward which was mentioned by the managers was the promise of the one month extra salary for everyone if the company reaches a specific target in

the turnover. Nevertheless, people from top management claimed that this suggestion for reward was not very welcomed by employees and they received some negative feedback in this regard (interview with CEO).

The other reward system mentioned by the managers was the yearly trips organized by the company. These types of trips were organized once in a year to different countries and top management of the organization had several intentions behind this method of motivating employees. First of all, these trips were organized as a team building activities to gather employees from different offices together. Secondly, there were conferences, exhibitions, and seminars organized during these trips in order to gain some new ideas for products and services that company provides. Although this technique of motivation system sounded like a good reward for employees, not everyone in the company were happy about them. For most of the employees these trips were considered like work trips. Moreover, sometimes these trips were organized on weekends or holidays without any overtime payment, so employees did not appreciated it very much.

The other rewarding system mentioned by the CEO of the company was an intrinsic reward. As he said "we appreciate a good employee's effort and encourage him, for example, on the company's intranet announcing about important targets he/she managed to achieve". These latest incentives (intrinsic rewards) are more obvious in the teams. For example, one of the staff active in one of the teams clearly remembered that "after preparing the presentation management said that this was the best presentation they have ever heard".

4.2.4 Time availability

Based on the data gathered in EHA the results confirmed that there is a lack of time availability in the organization. However, the high rate of uncertainty in the answer suggested the need for further investigation and study. Our general conclusion about the company was that employees are busy simply trying to keep up with their daily jobs and routines (Martinkutė & Skandarioon, 2012).

The interviews made to answer research question of this study showed the same conclusion since everyone were saying that they are completely loaded with work. There was just one respondent saying that "you can always find time here, and people who are saying they are busy are exaggerating". On the other hand, the CEO had his own opinion about this issue saying that "while some people are really working full-time and even more, there are cases when others who lay back and wait until the job gets done by others". However, in general majority of employees who were working in the individual work process were complaining about several problems. Despite the fact that they were feeling lack of time for the daily work and routines, the

overlapping in the job was mentioned as one more issue, because employees had to spend time of taking responsibility of the job that is actually other people's duty.

It was an interesting finding that most of the people involved in the team working process believed that working in teams (dividing responsibilities, deciding what to do, how to do it, and who is responsible for particular task) is incredibly time saving. Respondents were saying that "work in teams saved a lot of time for me, because responsibilities were divided clearly, and all the responses we received were faster". Also there were expressions like "the work process we had in team could be established as a routine in my work, it would have saved time for everyone, because 70-90% of work process in our company can be standardized". This teamwork process in project and development teams helps to avoid not only overlapping, but also prevents possible errors. Employees told us "when we had meetings in team there was divide of tasks, so everyone knew what his responsibility is, and I was responsible only for my part of the work, so later we could put everything to one offer".

The fact that the team made sure and secured that the items mentioned in the offer is possible to provide, was also saving time since if it was not the case (as it happened sometimes in the individual work process), people who were involved in individual work process had to do the job again because of not receiving confirmation straightaway about possibility to order new products, or create new sketches, and etc.

4.2.5 Organizational boundaries

As a result of EHA, we concluded that although organizational boundaries are not seriously confronting entrepreneurial activities in the firm, they are not very supportive factors for entrepreneurship in Wackes. However, the high standard deviation in the responses in this factor made the final conclusion a little bit blurry (Martinkutė & Skandarioon, 2012).

Further questions, based on the subject of this study, in the interviews showed that the organization has a very flat structure and, as it was mentioned earlier, there exist lots of overlapping in everyone's daily job. This is mainly referring to the individual work process. For example, one KAM in his interview mentioned that "I know that SBU people are very busy, so in order to speed up the job, sometimes I take care of the job myself. I can do that mainly because I had previously worked as SBU, so I have the experience and I know how to do it and I also know how busy they are". The other respondent who is working as a SBU said: "sometimes I complete details of the order myself by asking KAMs what they want, because sometimes they forget to give all the necessary information". One more example of problem of overlapping was mentioned by Sales person saying that "sometime I find the source for the product and then ask the purchasing to negotiate terms and conditions; however they have to find the source themselves".

Based on our findings during the interviews that were described here, it can be argued that the information from EHA was not complete to make a final conclusion in this factor. There are some reasonable arguments for this statement. First one is the language barriers (English Questionnaire and the very Swedish characteristics of the organization). Second, since the respondents belonged to different departments, the data was scattered and made the conclusion shaky. Third factor that influenced uncertainty in conclusion might be the selection of questions, since we did not use all the questions suggested in the instrument for data gathering. Finally, the characteristics of the questions could have been confusing for the respondents (reverse scale questions in questionnaire) (Martinkutė & Skandarioon, 2012).

The information gathered during the interviews and conclusions made regarding organizational boundaries showed that situation is different in the teamwork process. Since everyone in the team was participating in decision making on "who does what", there was less overlapping in the responsibilities, thus everyone was going after his/her task to complete the whole process.

Chapter 5. Analysis and discussion

5.1. Content and focus driven by RQ in Chapter 1

In this chapter we are concentrated to introduce the analysis that we made to answer the research question, based on the empirical data that was presented in the previous chapter, and the theoretical framework which was presented in chapter 2.

The purpose of this study was to investigate how EC of the organization is affected by teamwork process in project and development teams compare to individual work process. Our discussion like the previous chapters would be based on the different factors of the EC. On the same heading for each factor we are going to discuss how much the literature can explain the data and to what extent our findings are in line with the theories or can contribute to already existing literature.

As we had possibility to gather information about two different work processes in Wackes, in this part we were able to compare them. EHA on Wackes provided us with basic information about the EC when people are working based on individual work process, since majority of respondents were not working in cross functional teams and the rest were working in both processes. We extended our knowledge about factors of EC in individual work process while interviewing employees to answer research question to this study as well as to understand how the EC is when employees are involved in project and development teams. Interviews made based on purpose of this paper provided us with information about the EC and all five factors of EC when employees are the part of teamwork process or work in the individual work process.

5.2. Analysis of each factor

5.2.1 Management support *(individual work process and teamwork process)*

Analysis of empirical data and theory

Literature that analyzes importance of management support as a factor for high level of entrepreneurship states that top management support has significant influence on team success (Hitt, 1999). As it was already mentioned in chapter 2, some of scholars state that teams receive less management support compare to individual work process. According to our findings from EHA and interviews with employees about management support and the differences between this factor in individual work process and in teamwork process, where project and development teams were in place, there was not a big difference mentioned by employees between top management attitude and reaction towards both work processes. This finding is contradicting to Judeh's (2011) and Hitt's (1999) judgment that after employees join team, support from top management becomes less to teamwork compare to individuals in the organization. Respondents

declared that management supports potential initiatives independently on who was the one that started entrepreneurial activity. In this way, our case study negated conclusion made by Hitt (1999) and Judeh (2011) that top management more treasures the outcome that employee achieves while working on basis of individual work process.

When employees were asked to compare the level of support from top management while participating in both work processes, they mentioned that as long as promising profitable ideas are generated there is support from management of organization. This approach can be explained by theory that different units like individuals, teams, and departments can perform in establishing innovative objectives (Kuratko, 2011, p.392). As long as positive result is delivered, top management team is satisfied independently on who is responsible for successful performance.

Our findings about management support in Wackes case, confirmed that level of management support is the same towards both work processes in organization. Although company does not have separate Human Resource Management department, top management can provide both work processes with the same level of support. This results in objecting Irelands et al (2006) statement that it is necessary to have concept or model that foster entrepreneurship in the company in order to provide the same support that does not differ due to work process.

Although respondents provided us with information that the level of top management support to individual work process as well as to teamwork process was equal, the fact that teams were put together had expertise in different areas and the possibility of taking full advantage of each departments abilities, can be interpreted as providing the team with more resources (Hornsby, 2002) compare to individual work process, which again means more management support. The other assumption for more management support for teams compare to individuals was made because during the interviews we were informed about the presence of one or more members from the management committee as members in those project and development teams.

In this condition, this member brings the management support to the team with him/herself as a part of the team. In this way, our finding confirms Jackson's (1996) theory that diversity of status in the team can provide team with higher level of management support compare to individual work process. As it was mentioned, possible advantage here is to have power in the team to negotiate about possibility to provide team with necessary resources. On the other hand, this member might also block the process of idea generation inside the team because of this member's wider authority. This assumption can be confirmed by Jackson (1996) who made the same conclusions in her research. But once something is decided in the team it means that this team member from the higher level of hierarchy believes in the potentials of the concept, thus he/she would act as the sponsor for the new idea and the team as the entrepreneur (Kuratko, 2011, p.359).

5.2.2 Work discretion *(individual work process and teamwork process)*

Analysis of empirical data and theory

The review of already existing literature that is related to factors of EC, as they were presented in chapter 2 of this paper, provided the information that the majority of scholars believes that people working as a member of teams have more autonomy, take more responsibility, and have more power to decide on their daily routines compare to employees working on basis of individual work process. Each of these scholars has a different argument for their findings.

One example is Bacon and Blyton (2003) study which relates this to more experience and skill acquired by team-members mainly due to the training they received. This argument is partly valid comparing to our empirical data since, as it was described earlier, there was no extra training provided for team members in Wackes. However, it is reasonable to accept that these employees gain more experience and skill by working in the team which might be useful for them in individual work process as well.

The other example is the discussion of Parry et al (1998), which they believe that new work routines will be generated by team members which would be more flexible than those created from standards. Although this appears as a valuable argument, we did not find any evidence which supports or denies this argument since in the teams, that we studied, there was no decision made regarding how each member should act to fulfill the team's objectives. As our study showed, it was the member's decision on how to perform his/her part in the team.

Another rich discussion is based on the Gallie et al (2012) study resulting in the direct link between self-directive teamwork and positive task discretion, because it gives employees the opportunity to use their knowledge, skills, and abilities. However, teams and team members, that were the subject of our study, did not recognize any difference between teamwork process and individual work process, since they had the possibility of using their own knowledge, abilities, and expertise. This is mainly in line with Harley's (2001) findings that showed no significant effect from teamwork on employee task discretion (Gallie et al, 2012). What is certain in this case is that there is no difference originated formally in the organization for those working in teamwork process, which means there is no different (tighter or looser) job description. The other sign of existing same condition towards this factor in both work processes is the similar reaction to mistake made by employees which was not different for team members or non-team-members.

The only possible but hidden impact of teamwork process in work discretion, that our empirical data can approve, is the strengthening of team members experience and skills which alongside with the freedom to use them (already existing in the organization) points to the higher job discretion.

5.2.3 Reward/reinforcement *(individual work process and teamwork process)*

Analysis of empirical data and theory

Putting the literature and our findings from the company alongside each other, the absence of a functional and motivating financial reward and bonus system is clearly noticeable, and it might raise some doubts on the validity of the result of EHA (presented in 4.2.3). However, having a deeper look at the definition of intrinsic rewards and its examples mentioned in chapter 2, one can argue that the organization has created some well-taught systems to make the high level of commitment, and to keep the level of motivation high. To mention some: providing acceptable level of job security, expanding job responsibilities of the successful employees, giving great deal of autonomy, appreciating employee's good performance in front of other colleagues, providing occasional training opportunities, and, finally, arranging yearly trips for the whole organization, although not as visible as financial bonuses can be considered as strong points of this organization in appreciating its employees efforts.

Although several articles indicated importance and efficacy of bonus and rewards systems for teams (Folkestad & Gonzalez, 2010), it is not a tested discussion in our studies since no extra bonuses was introduced for teams. By definition rewards and reinforcement systems are aiming to increase employee's job satisfaction and organizational commitment. As it was described earlier, there are several studies associating teamwork with more job satisfaction and the have different argumentations.

Based on our findings we can conclude that teamwork process increases job satisfaction among team members due to different reasons. First reason is that they can participate in idea generation process which is in line with Wisner and Feist (2001) argument that team members feel more encouraged to innovate. This is mainly for people from departments other than Sales, since they were not involved in process of selection of the products in the individual work process. However, in the teamwork process people from Purchasing, Branding, even Logistic and Administration departments can have a say in product selection process. This can also be translated as the sense of empowerment discussed by Wisner and Feist (2001) and Gallie et al (2012) which refer to team members feeling more influence in the overall performance of the company.

5.2.4 Time availability *(individual work process and teamwork process)*

Analysis of empirical data and theory

Discussing availability of time for innovation is very controversial, since many managers believe in intensive work schedules, without any spare time, as means of achieving success. However, as it was described earlier, scholars like Hornsby et al (2002) and Kuratko et al (2011) argue that

without dedicating time for experimentation, innovation is unlikely to happen. As it was presented in chapter 4, employees of Wackes were facing a lack of time for thinking about new ideas, and considerable amount of their time was being wasted in fixing errors or dealing with overlapping tasks.

The possibility, that teamwork process slows down the processes of decision making and implementation, was discussed by Jackson (1996) which compare to our empirical data, as it was presented earlier, does not confirm this line of thinking. However, her second part of the argument about increasing the team's carefulness about the quality of their decisions is completely in line with our findings (Jackson, 1996). Most of the employees active in teams had pointed to time saving as the biggest advantage of teamwork process, because the task was breakdown to team members so everything was happening in parallel rather than being sequential. In addition to that, the process of teamwork avoided errors which was time saving itself.

As it was described here and in the findings (chapter 4), our data denies Hill's (1982) opinion which sates "groups generally need more time to process" and his argument about loss in one or more stages of group process is again not supported by our findings, since in teams, that we studied, aggregation of information is a parallel process and error checking is happening inside the group before offering the final package, there is no loss in these two stages. Integration of information in this teamwork process (in Wackes) if not shorter it is not longer than individual work process and division of labor is not happening in this case (Hill, 1982).

5.2.5 Organizational boundaries *(individual work process and teamwork process)*

Analysis of empirical data and theory

Variety of opinions and definitions -each from a different angle and viewpoints about organizational boundaries, as some was described in the earlier chapter of this paper- makes it difficult to make a concrete conclusion about this factor. It is even tougher considering the fact that different work processes might create different organizational boundaries. The effect of work process on this factor also depends on which type of boundaries organization has. Boundaries might be in context of bureaucracy, when process of decision making is time consuming and approvals are confirmed only based on top-down management, which is named as entrepreneurial barrier (Kuratko et al, 2011, p.352). Also there are organizational boundaries when there is a need to collaborate among different units or departments. Boundaries can be found even inside the team where different members act, for example, "theories specify boundaries of the influence of leader behavior inside the team" (Griffin & Mathieu, 1997). For example, using cross functional teams in the work process might change the interdepartmental boundaries into boundaries between teams. Therefore, in this paper we tried to stick to the

definition of organizational boundaries which was drawn for CEAI (later on CECI) instrument and presented in chapter 2 of this paper.

As it was described in chapter 2, some scholars believe that teamwork decreases job boundaries and have argued that it happens because teamwork is usually accompanied with more training and regular job rotation (Bacon & Blyton, 2003). However, this did not happen in case of Wackes since there was no job rotation between the employees and no extra training was used for team members. Every member of the team continued to do his/her job in line with the team's requirements, with more clarification and more focus created as the result of participation in division of work.

Folkestad and Gonzalez (2010) argument, about the breaking down of the traditional hierarchy due to the diversity in the team, and bringing people from all levels of the organization, seems to be a relevant argument in big organizations which consist of several hierarchical layers. Although, as it was mentioned earlier, people from different levels of organization were present in the team, since there was no traditional hierarchy in the company, there was actually no change in the hierarchical level, which makes this argument not appropriate to explain our empirical data.

The idea of using self-managing teams as the new means of control in the organization "by transferring the locus of control from the formal bureaucracy into the teams' values, norms, and rules" (Parry, 1998) can be a valid argument in this case. People, who were working in teams and had meetings with other members of the team, were provided with more responsibility and had to report their efforts in team meetings and had to produce results. Due to that, employees could not lay back and waist time (as it was mentioned by CEO of the organization). It is important to keep in mind that, although the intention of setting up these teams was not to increase the volume of control over the employees, these teams actually had such a result.

By creating these teams organization did not make formal standard operating procedures or rules for performing a specific task. Therefore one possible discussion would be that the same level of organizational boundaries exists in both processes. Whereas people, who were working in teams, were more certain about the expectations from them and responsibilities they have to meet. Employees who were involved in teamwork process had less doubts about the standard of their work performance since it was discussed in the team meetings. This process was also avoiding overlapping which simply means people did not have to do other people's job. In other words, this actually means employing teamwork process in the organization created more organizational boundaries.

Chapter 6. Conclusions and implications

6.1. Conclusions (related to RQ)

Based on the findings and analysis parts of this paper, that were presented in chapter four and five, this study provided the empirical evidence for investigating the effects of different work processes on Entrepreneurial Climate of the company. The conclusions of this research were made by comparing the effects of two different work process (individual work process and teamwork process) on the five factors of EC (management support, work discretion, reward and reinforcement systems, time availability, and organizational boundaries). Prior to this, an Entrepreneurial Health Audit (using a quantitative method of data collection) was performed on the organization which was a great asset to this study. Rest of the information and data for this study was gathered through semi structured qualitative interviews and all these information from both studies were put together alongside with current existing literature and theories relevant to the subject and was analyzed with precaution.

Overall conclusion from this investigation is that "employing cross functional teams in the work process creates a better Entrepreneurial Climate for the organization compared to the individual work process".

As it was discussed in details in the previous chapter, cross functional teams more often enjoy more management support mainly because more resources is provided for the team. One more reason to confirm this conclusion is also the presence of one or more senior managers in the team, who brings the support of management to the team.

Executing tasks while employing a teamwork in the process, speeds up the process through preventing overlaps in the process and is very time saving since it is avoiding possible errors. The biggest difference noticed, when comparing teamwork process and individual work process and their impact on EC, was on time availability factor that is influenced by those two processes. This extra time saved during the teamwork process provides an opportunity for thinking about or shaping new ideas. Working in the teams and achieving results with the team provides team-members with a higher job satisfaction, job security, and feeling of empowerment. All of these feelings points at the characteristics of a reward and reinforcement systems which are the tools to foster entrepreneurship.

The analysis of the empirical data showed that teamwork process does not provide a significantly better EC in the factor of work discretion. This study indicated that there is no significant difference in the work autonomy of the team-members and non-team-members. Although this was supported by some of already existing literature, it might be different from one organization to another. However, the main conclusion based on this research is that teamwork process is not decreasing the level of the work discretion compare to individual work process.

The only controversial results from this investigation were the formation of more or different organizational boundaries when employing teamwork process in the organization. As it was described in chapter 2, organizational boundaries are not generally in favor of creating a supportive environment for innovation. However, as it was presented in earlier chapters, depending on the definition of organizational boundaries some level of boundaries would be beneficial for innovation. For example, when creation of these boundaries makes it possible to open time for innovation, then it is not necessarily a negative aspect. The other discussion relates to change in type and functionality of organizational boundaries, which makes it difficult to decide which one is more in favor for entrepreneurship.

To sum up the results of this study, this investigation provided the empirical evidence to show that using cross functional teams in the work process can positively affect three factors (management support, reward and reinforcement systems, and time availability) of EC in favor of providing better environment for innovation. This evidence also presented that one factor (work discretion) is not noticeably affected and the impact is more of a positive rather than a negative impact. Finally, based on the given argumentation if we consider any negative impact on the EC, based on the formation of (or change in) organizational boundaries, this negative effect cannot diminish the whole positive impact of the other factors on the EC.

6.2. Implications for future research

This research, as any other study, also had some limitations that should be taken into consideration when planning to implement practical application of the conclusions.

Research was made based on case study, where employees of the company were involved in the teamwork process as well as in individual work process. We believe that future studies can confirm or negate part or all of our findings and conclusions when investigating other cases where employees work only on basis of one work process and have never experienced the other case. Investigation like this can highlight differences employees feel about every factor of Entrepreneurial Climate due to type of work process.

Also some broader conclusions can be made while studying experience of employees who had worked based on one of the work processes before starting to work on the second one. Findings in this kind of study, we assume, might be much closer to our conclusions in this paper.

Our suggestion for future studies would also be to explore the condition of EC of the organization based on combination and existence of both work processes, where condition of every factor would be described in context of teamwork and individual work processes together.

Reference list:

Bacon, N. & Blyton, P. (2003). The Impact of Teamwork on Skills: Employee Perceptions of Who Gains and Who Loses. Human Resource Management Journal. No.2. p.13-29

Bateman, T.S. & Snell, S.A. (2007). *Management: Leading & Collaborating in a Competitive World*. 7th Edition. McGraw-Hill Irwin, New York.

Batt, R. (2004). Who Benefits from Teams? Comparing Workers, Supervisors, and Managers. *Industrial Relations*. No.1, p.183-212

Beech, N. & Crane, O. (1999). High Performance Teams and A Climate of Community. *Team Performance Management*. No.3, p 87-102

Bryman, A. & Bell, E. (2003). *Business research methods.* 1st edition. Oxford University Press

Cohen, S.G. & Bailey, D.E. (1997). What Makes Team Work: Group Effectiveness Research From the Shop Floor to the Executive Suite. *Journal of Management*. No.3. p.239-290

Devine, D.J., Clayton, L.D., Philips, J.L, Dunford, B.B. & Melner, S.B. (1999). Teams in Organizations: Prevalence, Characteristics, and Effectiveness. *Small Group Research*. No.6, p.678-711

Dumez, H. & Jeunemaitre, A. (2010). The Management of Organizational Boundaries: A Case Study. *M@n@gement*. No.3, p.151-171

Feldman, M. S. & Pentland, B.T. (2003). Reconceptualizing Organizational Routines as a Source of Flexibility and Change. *Administrative Science Quarterly*. p.94–118.

Folkestad, J. & Gonzalez, R. (2010). Teamwork for Innovation: A Content Analysis of the Highly Read and Highly Cited Literature on Innovation. *Advances in Developing Human Resources.* p.115-136

Fry, A. (1987). The Post-It Note: An Intrapreneurial Success. *Corporate Scientist*. p.4-9

Gallie, D., Zhou, Y., Felstead, A. & Green, F. (2012). Teamwork, Skill Development and Employee Welfare. *British Journal of Industrial Relations*. p.23–46

Glassop, L.I. (2002). The Organization Benefits of Teams. *Human Relations*. p.225–249

Griffin, M.A. & Mathieu, J.E. (1997). Modeling Organizational Processes Across Hierarchical Levels: Climate, Leadership, and Group Process in Work Groups. *Journal of Organizational Behaviour*. p.731-744

Halkos, G.E. (2012). Importance and Influence of Organizational Changes on Companies and Their Employees. *Journal of Advanced Research in Management*. p.90-103

Hill, G.W. (1982). Group Versus Individual Performance: Are TV+1 Heads Better Than One? *Psychological Bulletin*. No.3, p.517-539

Hitt, M.A., Nixon, R.D., Hoskisson, R.E. & Kochhar, R. (1999). Corporate Entrepreneurship and Cross-Functional Fertilization: Activation, Process and Disintegration of a New Product Design Team. *Entrepreneurship Theory and Practice*. p.145-167

Hornsby, J.S., Kuratko, D.F. & Zahra, S.A. (2002). Middle Managers' Perception of the Internal Environment for Corporate Entrepreneurship: Assessing a Measurement Scale. *Journal of Business Venturing*. No.17. p.253-273

Interview with CEO of Wackes (Thomas Davidsson). (2013)

Ireland, R.D., Kuratko, D.F. & Morris, M.H. (2006). A Health Audit for Corporate Entrepreneurship: Innovation at All Levels: Part II. Journal of Business Strategy. No.2. p.21-30

Irvine, D. & Baker, G.R. (1995). The Impact of Cross Functional Teamwork on Workforce Integration. *The International Journal of Conflict Management*. No.2, p.171-191

Jackson, S.E. (1996). The Consequences of Diversity in Multidisciplinary Work Teams. Chapter 3. Handbook of Work Group Psychology

Judeh, M. (2011). An Examination of the Effect of Employee Involvement on Teamwork Effectiveness: An Empirical Study. *International Journal of Business and Management.* No9. p.202-209

Kuratko, D.F., Morris, M.H. & Covin, J.G. (2011). *Corporate Innovation & Entrepreneurship.* International 3rd edition. South Western Cengage Learning

Martinkute, T. & Skandarioon, K. (2012). Entrepreneurial Health Audit on Wackes.

Montes, J.L, Moreno, A.R. & Morales, V.G. (2005). Influence of Support Leadership and Teamwork Cohesion on Organizational Learning, Innovation and Performance: an Empirical Examination. *Technovation*. p.1159–1172

Parry, J.V., Tranfield, D., Smith, S., Foster, M. & Wilson, S. (1998). Reconfiguring Your Organisation: A Teamwork Approach. *Team Performance Management*. No.4, p.166-176

Santos, F.M. & Eisenhardt, K.M. (2005). Organizational Boundaries and Theories of Organization. *Organization Science*. No.5, p.491-508

Solansky, S.T. (2008). Leadership Style and Team Processes in Self-Managed Teams. J*ournal of Leadership & Organizational Studies*. No.4, p.332-341

Strozniak, P. (2000). Teams At Work. *Industry week*. p.47-50

Vilkas, M. & Stancikas, E.R. (2006). Modelling a planned change of organizational work process in terms of process' internal structure. *Engineering economics*. 4(49). p.76-86

Wisner, P.S. & Feist, H.A. (2011). Does Teaming Pay Off? *Strategic cost management.* p.58-64

Appendix 1 (Entrepreneurial Health Audit):

Lund University

Master program in Entrepreneurship
Corporate Innovation and Entrepreneurship

Entrepreneurial Health Audit on Wackes AB
2012-12-12

by

TOMA MARTINKUTE
KIAN SKANDARIOON

1. Background

Entrepreneurial orientation, innovation and creativity is one of the main goals in today's constantly changing business environment in order to achieve and maintain competitive advantage. Ironically innovation and creativity is an elusive commodity and many firms struggle to display this competency (Arshi A, 2012). However, there is a certain level of entrepreneurship in every company (Kuratko, 2011). This report investigates and assesses level of entrepreneurship and entrepreneurial performance of Wackes by using concepts of Entrepreneurial Intensity (EI) and Corporate Entrepreneurship Climate Instrument (CECI). Systematic approach of these two concepts is called Entrepreneurial Health Audit (Kuratko, 2011).

Wackes started its business in 1983 with supplying sports clubs with branded clothing. While growing, company switched to helping mid and large corporations with promotional products. Today Wackes declares that the company "creates business opportunities through promotional products that excite clients and employees leading to stronger brands". The company has already started a series of changes in their business model and services they provide for their customers. The main goal of the Wackes now is to develop and change the concept and the value of the products and services that they combine and provide for customers. According to these changes that the company is willing to implement, Entrepreneurial Grid and CECI can be considered as reasonable instruments to measure and indicate company's position and level in terms of entrepreneurship.

2. Method

In order to understand the entrepreneurial intensity of the organization, it is necessary to explore three main dimensions of entrepreneurship: innovativeness, risk-taking and proactiveness (Kuratko, 2011), which their combination leads to the concept of Degree of Entrepreneurship. Different combinations of these three factors are possible, because not necessarily all of them change positively together. It is possible to measure degree of entrepreneurships by using either multiplicative

or additive functions of the scores of three entrepreneurial dimensions. Combining Degree of Entrepreneurship and Frequency of Entrepreneurship (number of events) "brings us to the concept of Entrepreneurial Intensity" (Kuratko, 2011), which can be illustrated on a two-dimensional matrix called Entrepreneurial Grid.

There are five possible scenarios given as a starting point to find a position of the company, but absolute standards do not exist, entrepreneurial companies can capture different points on the grid according to results of combination of degree and frequency of entrepreneurship (Kuratko, 2011). It is clear that the level of entrepreneurship and entrepreneurial activities in the company are influenced by climate of the organization. To evaluate the internal environment of the company for entrepreneurship the Corporate Entrepreneurship Climate Instrument (CECI) is used. This instrument covers five possible factors that influence employees to initiate entrepreneurial activities. These factors are: management support, work discretion, rewards/reinforcement, time availability and organizational boundaries (Hornsby, 2002). By using a web based survey and making deep interviews with top-level management of the company, we tried to collect useful data to evaluate the entrepreneurial climate in Wackes.

In order to evaluate and determine the level of entrepreneurship and entrepreneurial performance of Wackes, a set of questions were prepared for a survey to conduct from employees of the company. It consisted of 34 questions that 8 of them were evaluating Entrepreneurial Intensity and others were measuring five factors, that were mentioned earlier, and entrepreneurial climate in the organization. To be more precise, questions regarding EI were related to Degree of Entrepreneurship and were selected to measure the three dimensions of entrepreneurship. In order to measure the Frequency of Entrepreneurship, interviews with top management were made. Questions to measure EI and items of every factor were selected by analysis of Kuratko book and Hornsby article where items were discussed in detail in a workshop.

The final version of questionnaire was standardized in order to make it suitable to apply to different companies. The questionnaire consists of Likert-scale items where results varies from 1 representing strongly disagree to 5 representing strongly agree (Hornsby, 2002). In questionnaire there were reversed-scored items involved as well (the final version of questionnaire can be found in appendix.) in

order to interpret the given answers to this reversed scaled question, a positive answer (agree or strongly agree) was translated as not supportive for entrepreneurial and vice versa. In calculating the Means and Standard Deviations the value of answers were calculated reversely, for example 1 (strongly disagree) was changed to 5 meaning that it supports the entrepreneurial climate.

Data were collected via a web survey by sending questionnaire to 43 employees of the company. 24 employees answered the survey (representing 55.81% organization participation rate). Answers were received from respondents working in different departments, different positions and different countries (country managers of USA, China, Norway and France). In order to measure the Frequency of Entrepreneurship, 5 interviews with top management team were made. In this qualitative data collection the CEO, the CFO, Purchasing director and Branding director and a Project manager (one of the shareholders of the company) participated. All the results were collected to an Excel file and analysis was made.

3. Presentation of findings

In order to conclude the findings about EI and to place it on Entrepreneurial Grid, the findings about three dimensions (innovativeness, risk-taking and proactiveness) and level of frequency of entrepreneurship will be presented. According to the results, the final conclusion will be made and organization will be placed on the Grid. The second part of findings consists of analysis of five factors that influence entrepreneurial climate in the company. By presenting the results of every item final conclusions about factors will be introduced. The possibility of translating the questionnaire into Swedish was presented to the managers; however they preferred to keep the survey in English since the company intends to globalize and expand to other markets. As a result we believe that there was a negative impact on the participation rate and second it has been considered as one of the main reasons in having high rate uncertainty as it will be explained in some items (according to the managers the level of English language is not very high in the organization)

Based on the interviews and our understandings about the firm, Wackes has an almost flat organization and many people have cross functional responsibilities therefore we did not consider it necessary to make a comparison between different departments, moreover there was no clear consistency in the answers of people from the same department. For each of the respondents we calculated the Mean for each Factor separately and the overall Mean for each Factor was the Average of the Means of all respondents. We also calculated the overall Standard Deviation for each factor based on the Means for each participant. The number of items in the following is based on its number in the final questionnaire as it can be found in the appendix.

3.1. Entrepreneurial Intensity:

3.1.1. Degree of entrepreneurship:

As it was mentioned earlier Degree of Entrepreneurship is consist of three dimensions: innovativeness, risk-taking, and proactiveness. In this part findings will be described on each dimension:
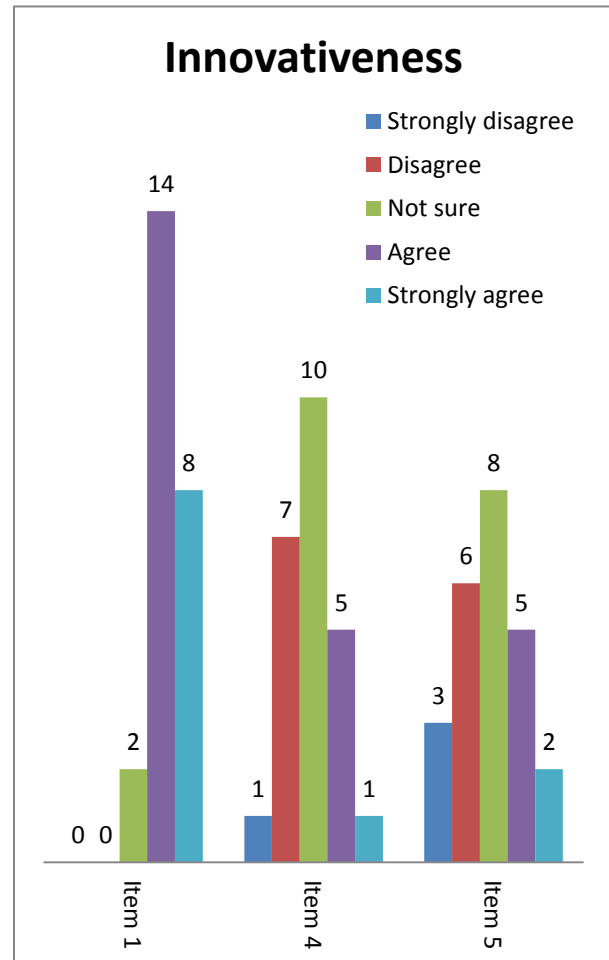
a.   Innovativeness:

In order to capture the degree of innovativeness in the company we used three items in the survey to understand to what extent employees believe that their company is innovative or willing to be innovative.

Items:

1. Our company is characterized by an emphasis on continuous improvement in methods of production and/or service delivery.

4. Our company is characterized by a top management philosophy that emphasizes on proven products and services, and the avoidance of heavy new product development costs.

5. In our company, top-level decision making is characterized by cautious, pragmatic, step-at-a-time adjustments to problems.

Most of the respondents believe that Wackes emphasizes on incremental innovation, by providing a positive response to the first item. The degree of agreement for this item has the highest average comparing to other items in the survey, which might be the result of simplicity in formulating the question and more importantly indicates that the company has successfully provided this picture for employees that they are willing to improve their services. Based on the answers given to items 4 & 5, it might be concluded that the company is not so much innovative, but if we look closely to the answers, we can find out that the people who have agreed on these statements also agreed on the first item.

Innovativeness

Legend:
- Strongly disagree
- Disagree
- Not sure
- Agree
- Strongly agree

Item 1: 0, 0, 2, 14, 8
Item 4: 1, 7, 10, 5, 1
Item 5: 3, 6, 8, 5, 2

However these two items have been scaled in an opposite direction comparing to the first item, which means that if someone agrees with them they believe that the company is not innovative, and logically if someone agrees with these two statements he/she should disagree with item No.1 which is not the case here, so we believe that these items being reverse scaled have confused some of the respondents. There isn't even a consistency between the answers to these two items.

As a conclusion we believe that all in all the company enjoys an acceptable level of innovativeness, this is also evident from the company's history and the way they have competed in this industry, as it was mentioned by the CEO, many companies

were in this business 10 years ago which do not exist anymore, while Wackes has become one of the most successful players in Sweden and Europe. This could not have been reached without continuous modifications in products, concepts and services. In Wackes case products or services are not unique but company is trying to compete with innovative projects that are introduced in distribution approaches, selling methods and purchasing programs (Kuratko, 2011, p.59).

b.   Risk-taking:

In order to evaluate the level of risk taking dimension of the Entrepreneurial Intensity in the company we used two items in the survey:

Items:

2. Our company is characterized by risk-taking by key executives in seizing and exploring chancy growth opportunities.

8. In our company, top-level decision making is characterized by large bold decisions despite uncertainties of the outcomes.

While 50% of respondents agree or strongly agree that Wackes' key executives are open to take risk in exploring opportunities, 30% are not sure about it and just 20% disagree that the company is willing to take risk.
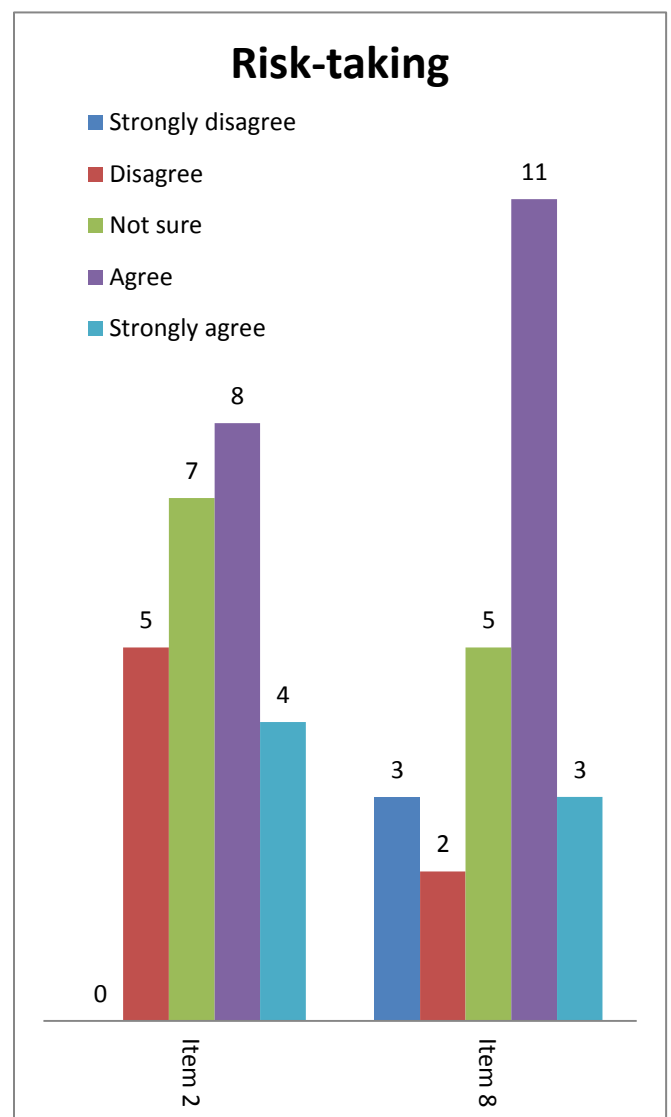
At the same time 60% of the respondents (strongly) agree that top-level managers are prepared to take risks in spite of uncertainties, whereas 20% of them think that top-levelmanagers are not risk-takers, however comparing the result of this item with the answers in the second item which captures similarly the risk taking characteristic of the firm we can see a positive consistency in answers except for two of the participants. The result of consistency can be caused by understanding that risk-taking can be viewed as an individual level trait, as well as an organizational level concept (Kuratko, 2011, p.67).

Therefore it could be concluded that the company has not been a huge and noticeable risk-taker during the past, though according to our interviews with the top management the upcoming changes could be considered as evident risks to take. Because company lacks some competencies it seeks more security in the form of input from consultants in order to avoid one of risk equation that is called "missing the boat" (Kuratko, 2011, p.70).

c. Proactiveness:

Three items were employed to measure the level of proactiveness in the company. Employees were asked to agree or disagree with the following items:

Items:

3. Our company is characterized by seeking of unusual, novel solutions by senior executives to problems via the use of "idea people", Brainstorming, etc.

6. In our company, top-level decision making is characterized by active search for big opportunities.

7. In our company, top-level decision making is characterized by rapid growth as the dominant goal.

The interesting point about the third item is that none of the respondents disagreed with the statement which among the items measuring dimensions of Entrepreneurial Orientation is a unique aspect, and while 60% of the respondents agree that the firm looks for novel solutions, the rest of them are not so sure about

it, this might be due to the fact that concepts of "idea people" or "brainstorming" might not be very familiar concepts for everyone.

Except for two respondents who disagreed on the item No.6, others are mostly in favor of the statement, this is regarded as another sign showing that Wackes has proactiveness as a strategy, however comparing the answers given to this item and the seventh item it creates a little confusion. Since we believe that these two items are supposed to capture the same value, but the results are somehow different. For example there are some people who have responded that their managers are looking for big opportunities, but they are not sure or disagree that their managers want to achieve rapid growth which seems a little bit contradicting. Based on this input and our findings of interviews it would be reasonable to say that Wackes' management is actively looking for new ideas to provide new concept or services before their competitors do so although this dimension is mostly difficult to define (Kuratko, 2011,p.71). Therefore we believe that Wackes have a good level of proactiveness.
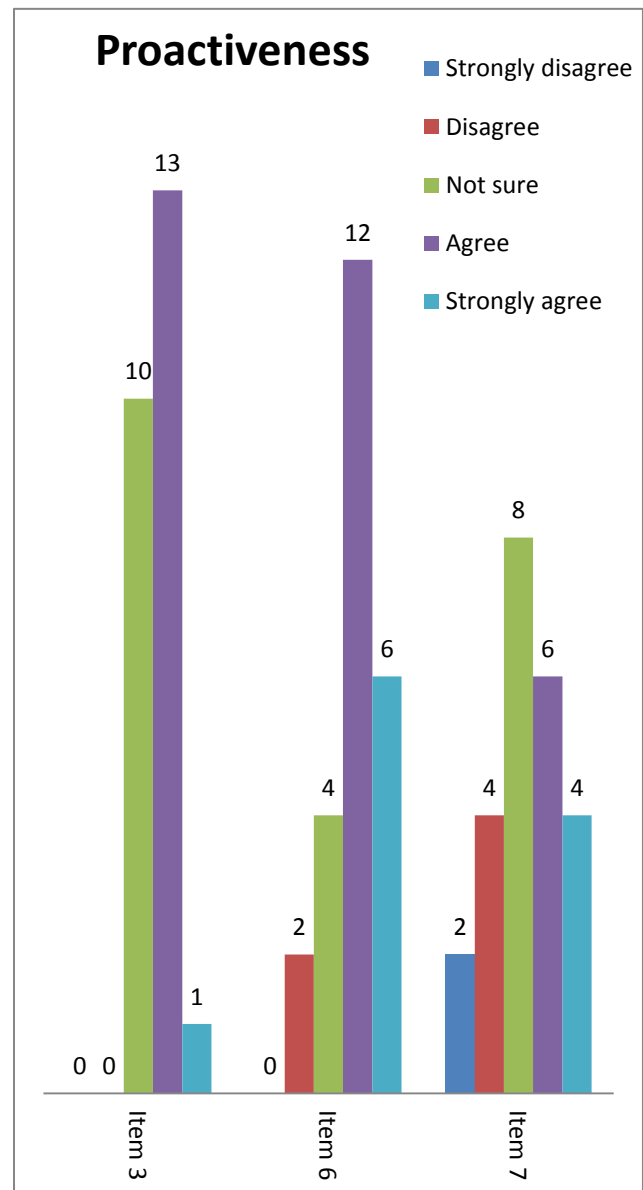
3.1.2. Frequency of Entrepreneurship:

In order to evaluate and measure the frequency of entrepreneurship in the company we used the second part of the EI measurement instrument as it is described by Kuratko (2011, p.379) and made in depth interviews with top-level managers in the company to get the answers. Due to the industry that the company is active in, it is very difficult to come up with a certain and accurate answer to the questions.

When it comes to new products, the first step would be the definition of new products. Since Wackes provides promotional products for customers, if we categorize every product that the company has never provided for specific customer as a new product, the company has been very active in using and introducing new products to their customers. Employing this huge range of products to provide the services for customers mainly drives from being a customer oriented company which in itself could be considered as a source of entrepreneurship. However to be customer oriented in this industry is a necessity and is not a new concept. We believe that this definition does not provide a complete picture about the business, therefore we intend to define New Product as: ideas and concepts developed by Wackes for their customers which outlines the ways and methods they can use a specific product to empower their image and brand.

Taking this definition into account there have been some new products introduced by Wackes and more importantly there have been lots of small improvements to the products provided by company. Among these continuous changes in concepts and ideas provided by Wackes, there have also been some products that were new to the market. Considering the services, which are becoming more and more important in this industry, Wackes have been obliged to constantly improve its services in order to survive in this business environment. They have also managed to introduce some new services which were new in the market, though the number could have been better according to the top managers. During the past few years Wackes has been certified as ISO 9000 and 14000 and has subscribed to the UN Global Compact principles for businesses -with respect to human rights, the environment and work against corruption - which within these two actions several changes in their process has happened. They are also planning and moving toward
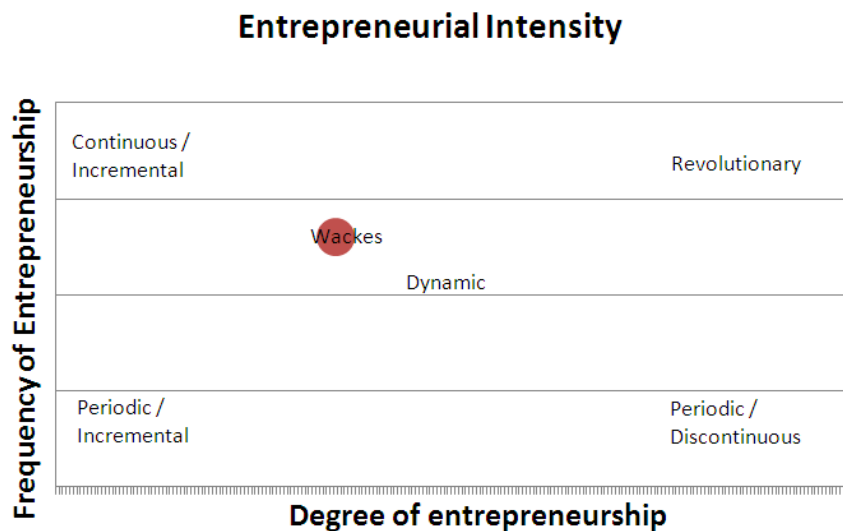
some changes in their processes in the next year, but there have not been serious changes in the last two years.

Although most of these activities can be interpreted as entrepreneurial actions, it should not be forgotten that most of them have been pursued by a demand of a customer; quick reaction to changes in the markets; or a response to a competitors' actions. Wackes have even introduced some new products or services ahead of their competitors, as it was mentioned earlier, however due to the characteristics of the industry these new products and services would not last for a long time as a source of competitive advantage since these concepts can be easily legally imitated by competitors, and none of them can be considered as a breakthrough in the industry. However, according to all improvements, changes and new products or services that were introduced, the type of innovation which dominates in Wackes could be called as continuous innovation that consists of new features or opportunities that are added or new applications that are developed (Kuratko, 2011, p.68). The company has been better in comparison with its Swedish competitors in terms of product and service improvements, but a lot of strong competitors exist outside Sweden and more improvements seem necessary to reach economies of scale as it is part of the management's objective in the firm.

3.1.3. Conclusion and the Entrepreneurial grid:

To place Wackes on the Entrepreneurial Grid two dimensions have been studied: first the degree of Entrepreneurship which includes the level of Innovativeness, Risk-taking and Proactiveness; second the Frequency of Entrepreneurship. During past years Wackes has gone through a variety of changes in products, services, processes and even organizational changes. From time to time they have acquired other firms and they have also joined with other companies rather creating a joint venture such as SAG or collaborating on different issues.

As a conclusion, considering the data we collected and was presented above, we intend to place Wackes not very high when it comes to degree of entrepreneurship since they cannot been considered as an evident risk-taker and their level of innovativeness and proactiveness although adequate, is not extraordinary. In the meanwhile their level of Entrepreneurial Frequency is considered fairly high as it was explained earlier.

Entrepreneurial Intensity

Continuous /
Incremental

Revolutionary

Wackes

Dynamic

Periodic /
Incremental

Periodic /
Discontinuous

Frequency of Entrepreneurship

Degree of entrepreneurship

3.2. Findings on entrepreneurial climate (CECI):

Corporate Entrepreneurship Climate Instrument (CECI) covers five possible factors that influence entrepreneurial activities. These factors are: management support, work discretion, rewards/reinforcement, time availability and organizational boundaries

3.2.1. Management support:

Management support factor was measured by 9 items which were selected to evaluate different areas of the factor: encouragement of employees to start and work on new ideas, possibility to get necessary resources to implement projects, acceptance of innovative work methods in the company and top management experience in innovation processes. Results of every item will be explained in details further on.

Item 9: My organization is quick to use improved work methods that are developed by workers. None of respondents strongly disagreed with the item, while 3 out of

24 respondents disagreed with it. 29% of the respondents were not sure about this point. More than half of respondents were positive about speed of the company to adapt improved work methods: 58% (strongly) agreed with the statement. The average of the item is relatively high and acceptable.

Item 10: In my organization, developing one's own ideas is encouraged for the improvement of the corporation. According to the results there are no respondents who (strongly) disagreed with the item. Only 5 respondents were not sure about the statement. 80% of employees who answered the survey (strongly) agreed that development of new idea is made in order to reach improvement of the organization. This item enjoys high average.

Item 11: The "doers on projects" are allowed to make decision without going through elaborate justification and approval procedures. 1 out of 24 respondents strongly disagreed with the statement and 4 of them were not sure about their opinion, but there were no respondents who disagreed with the item. 70% of respondents agreed on that "doers on projects" are allowed to make decisions without going through approval procedures and only 2 of respondents strongly agreed with this item. The mean of this item is relatively high.

Item 12: Many top managers have been known for their experience with the innovation process. There were no respondents who strongly disagreed and strongly agreed and it was only 1 answer out of 24 that disagreed on the item. Half of respondents were not sure about the statement and almost 46% agreed that top level managers have experience in innovation process. The average of the item is not very high.

Item 13: There are several options within the organization for individuals to get financial support for their innovative projects and ideas. None of the respondents who answered strongly agreed or strongly disagreed with the statement. 2 respondents disagreed with the item and there were 6 of them who agreed that there are several options to get financial resources to support creative ideas. Almost 67% of the respondents were not sure about the item. According to the results of survey the average of the item is 3.17, which prove that respondents are not familiar with possible financial options in the company.

Item 14: Individual risk takers are often recognized for their willingness to champion new projects, whether eventually successful or not. Options strongly disagree and strongly agree received 1 answer each. 3 respondents out of 24 disagreed and 8 of them agreed with the item. Again majority of respondents almost 46% were not sure about the statement and average which is 3.2 shows that employees are not familiar with this kind of situation in the company.

Item 15: This organization supports many small and experimental projects, realizing that some will undoubtedly fail. None of respondents strongly disagreed with the item, but there were 4 of respondents who disagreed with it. Again almost half of respondents (46%) were not sure about the statement and 37,5% of them (strongly) agreed with this point. According to the results again not high average is the characteristic of the item.

Item 16: An employee with a good idea is often given free time to develop that idea. 3 respondents answered that they disagree and 7 of them are not sure about the statement. More than 58% of respondents (strongly) agree with the item. Average of this element is not high.

Item 17: People are encouraged to talk to employees in other departments of this organization about ideas of new projects. There were no respondents who (strongly) disagreed with the statement. Only about 17% of the respondents were not sure about this item. Majority of respondents, more than 83%, (strongly) agreed that employees are encouraged to interact with other divisions in order to share ideas about new projects. High average describes this item.

To sum up, analysis of items shows that respondents have high level of uncertainty related to several statements of this factor. Average of the factor is fairly high (3.56) and standard deviation is the lowest between all the factors (0.28). Due to that we believe that results are reliable, however there are areas top management could improve, because employees are not familiar with possible procedures that are related to innovation, accessibility of resources and support from management.

3.2.2. Work Discretion:

To evaluate the condition of Job discretion and its relation to the entrepreneurial environment and to understand to what extent the level of work autonomy in the

firm is supporting the entrepreneurial initiatives in the company, eight items among the items in the CECI instrument described by Hornsby (2002) were selected and used in the final questionnaire. The items and the results will be presented in the following. The number of items in the following is based on its number in the final questionnaire as it can be found in the appendix.

Item 18: I feel that I am my own boss and do not have to double check all of my decisions with someone else. The level of disagreement and uncertainty were low on this item where 8% of the respondents answered not sure and 12% disagree on the statement. No one strongly disagreed with the item while 80% (strongly) agree that they do not have to get approval for all of their decisions. Therefore the item has a good average; however it is the lowest mean comparing to other items in the factor which might be due to the wording of the question. For example "to be own boss" could be interpreted negatively.

Item 19: Harsh criticism and punishment result from mistakes made on the job. This item was reverse scaled and no one agreed that they will face harsh criticism based on a mistake, but 5 of the respondents are not yet sure about it. The high mean after reversing the values received in the item can be translated as the company's tolerance for failure

Item 20: This organization provides the chance to be creative and try my own methods of doing the job. There are almost 20% of the respondents, who are not sure about the statement, whereas 80% (strongly) agree that the organization gives them the opportunity to be innovative.

Item 21: This organization provides the chance to do something that makes use of my ability. The item challenges the issue of if the firms has hired the right people and has placed them in the right place. In response to this subject 4 of the respondents stated that they are not sure, however a great majority, 83%, (strongly) agree that Wackes makes use of their ability. Still no one disagree.

Item 22: I have the freedom to decide what I do on my job. There is just 1 person who disagreed with the item and 3 were not sure. Therefore 83% are in favor of the statement and believe that they are free to choose what to do. The mean for the item is the second lowest comparing to other items in the factor.

Item 23: It is basically my own responsibility to decide how my job gets done. There is again no disagreement on the item, and just 17% are not sure that if they can decide on how to do their job. The high mean is mainly resulting from the fact that most of the respondents do (strongly) agree with the item.

To draw an overall conclusion on the factor it is reasonable to believe that the company enjoys a high rate of work discretion and respondents are mainly agree that they have a good level of work autonomy in Wackes. The Mean for the factor is higher than 4 which is the highest one comparing to other factors in this study. The good level of consistency in responding to different items for almost all of the respondents also makes the conclusion more reliable, especially when it comes to items that support each other in one way or another.

3.2.3. Rewards/reinforcement:

In order to investigate how creativity and innovative approach are appreciated in the company Rewards/reinforcement factor should be analyzed. Survey of this factor consists of 4 items that were selected according to Hornsby (2002) ranking of the items. Analysis and results related to this factor will be presented in the following.

Item 24: My manager helps me get my work done by removing obstacles and roadblocks. 1 respondent disagreed and 4 of them were not sure about the item, but 79% of respondents (strongly) agreed on this statement. Due to these choices average of item is high (4).

Item 25: The rewards I receive are dependent upon my innovation on the job. 3 respondents (strongly) disagreed with the element. Answers of being not sure and agreeing on the item shared almost the same number of participants: 10 and 11 respectively. The average of item is not high.

Item 26: My supervisor will increase my job responsibilities if I am performing well in my job. Only 1 respondent disagreed with the item and 25% of the respondents were not sure about it. Almost 71% of respondents (strongly) agreed with the point. The average of the item is quite high, almost 3,9.

Item 27: My manager would tell his/her boss if my work was outstanding. This item received no answers that respondents (strongly) disagree with it. 5 out of 24 respondents were not sure about their managers' behavior but more than 79% (strongly) agreed on the statement. As we can see from answers the average of the item is the highest in this factor and scores almost 4.2.

To sum up, the mean of rewards/reinforcement factor is high that leads us to conclusion that employees feel appreciated because of efforts they show. But the standard deviation is relatively high so answers vary significantly. We believe that evaluation of items differ because of different departments that employees belong to. For instance it is easier to reward sales department rather than to measure and motivate branding department. This idea can be supportive by average of answers of every respondent, because the results in this calculation also differ in high rate.

3.2.4. Time availability:

Time availability is described by Hornsby (2002) as one of the "internal organizational factors that influence entrepreneurial activity within established companies." So to measure this factor we used 4 items of the CECI, which three of them were reverse scaled, to get a better picture about the impacts of the employees' work load on their entrepreneurial activities.

Item 28: During the past 3 month my workload kept me from spending time on developing new ideas. 14 people have (strongly) agreed with the statement, and considering that the item is reverse scaled it means that 58% of respondents believe that they don't have extra time to spend on new ideas if it is not relevant to their daily job. 33% of the respondents have said answered "not sure" and just 9% of them believe that they still have time to develop new ideas. The item has the lowest average (after reversing the values of the answer) to support entrepreneurship in the organization.

Item 29: I have just the right amount of time and workload to do everything well. There were 11 people who have (strongly) disagreed with the item, which means (as the purpose of the instrument) they believe they have extra time for innovation, however it seems that wording of the statement was confusing for some of the respondents, since the question of "do you just have enough time to do your job?"

could be answered negatively in different ways such as "no I have more than enough time" or "no I have less than enough time". Again 30% of them are not sure and just 25% of respondents agreed with the statement.

Item 30: My job is structured so that I have very little time to think about wider organizational problems. 46% of the respondents are not sure about the item which is the highest level of uncertainty in this factor, which we believe is due to the wording of the statement. This item was also reverse-scaled which means 8 out of 24 have said that they have available time for innovation, whereas 5 people voted against it.

Item 31: My coworkers and I always find time for long term problem solving. Agreement and disagreement on this item share almost the same number of participants, and as a result the Mean on the item ends up at 3.

Kuratko et al (2011 p.356) mention that most of the time entrepreneurship does not happen because people in the company are busy simply trying to keep up with their daily jobs. This might be the case in Wackes as well since based on the data presented here; it seems that there is a lack of time availability in the organization. The overall Mean for the factor is just 2.91 validated by the low standard deviation at 0.29, which means if the firm wants to foster and encourage entrepreneurial initiatives, there is a big opportunity for improvement in this area. However the high rate of uncertainty in this factor (34% in average) needs further investigation and studies.

3.2.5. Organizational boundaries:

By the same method as the other factors, to measure the impacts of organizational boundaries on entrepreneurship in the organization, three items were employed. All of these items are considered as reverse scaled since the positive answer to these items shows the existence of standardized procedures in the organization which is not usually in favor of entrepreneurship.

Item 32: In the past 3 month I have always followed standard operating procedures or practices to do my major tasks. While 10 individuals (strongly) agreed with the statement, 9 others did oppositely and (strongly) disagreed with the item, which

leaves the overall decisions about how respondents perceive the organizational boundaries of the firm in uncertainties.

Item 33: On my job I have no doubt of what is expected of me. Almost 80% of the respondents answered positively on this point, which shows the presence of clear expectations from each employee. There were just 2 people disagreeing on the item, which makes the conclusion easier.

Item 34: My job description clearly specifies the standards of performance on which my job is evaluated. If there are specific standards about one's performance in a firm it means that it would be difficult for him/her to think of new ideas or being creative, because then he/she might put his/her career in danger. 16 people agreed about this statement which is a majority of respondents comparing to just 3 people disagreeing with the item.

As a result, it seems that the organizational boundaries are not a very supportive figure for entrepreneurship in Wackes and the overall average of the factor (2.44) is a confirmation on this matter. However the standard deviation staying at 0.64, which is the highest one comparing to other factors shows that further studies needs to be done to get a clearer picture, but at least these figures show that there are no serious confrontation to the entrepreneurial activities in the firm.

4. Analysis of findings:

As it was mentioned, there is no absolute standard when evaluating the entrepreneurial intensity and companies can capture different points on the entrepreneurial grid (Kuratko, 2011) and it might vary based on many factors such as type of the business the company is active in, the position of the company in the market etc.

Kuratko et al (2011, p.324) believe that "the ability to continually produce highly entrepreneurial initiatives that are (1) consistence with the company's overall strategic direction, (2) are actually implemented, and (3) produce tangible results requires strong managerial commitments." This is also visible in the case of Wackes since a short look to company's history reveals that, almost none of the

entrepreneurial actions which has happened through-out the years would have been possible if there was not the managers' desire to change constantly. It seems that this willingness to change and support for innovate has been communicated to the staff as well, because as it was described, they believe that there is a good level of support from the management for entrepreneurship. However as it was described organizational structure in Wackes is flat and there is no visible middle level manager, therefore top management is responsible not only for fulfilling the roles in entrepreneurial process but also for synthesizing information and championing projects (Kuratko, 2011, p.331).

Based on expectancy model (Kuratko et al 2011, p.255), there are three points that can describe how much an employee can be motivated to take an entrepreneurial initiative. These three points are:

• how much a person perceives a direct relationship between the efforts he/she puts forth toward some behavior or task and successful performance on the company's employee appraisal or evaluation system

• How much that person perceives a direct relationship between a good performance appraisal and achievement of rewards

• Is the company offering the correct rewards?

According to the findings and considering the expectancy model it is logical to believe that Wackes has put a good reward system in place to keep their staff motivated to be innovative, take calculated risks and be proactive. However "entrepreneurial activities require employees to act and think in ways not normally associated with highly structured or bureaucratic organizations. Detailed and overlapping policies and procedures, along with centralized decision making, tend to constrain action alternatives and inhibit the proactive decision making necessary for successful entrepreneurial actions." (Kuratko et al 2011, p.249)

Standard operating procedures, clear expectations and specific standards of performance which were questioned in the survey and their existence were approved to a certain degree (according to the findings) can be very costly in terms of entrepreneurship since they can lead to complex approval cycles and elaborate documentation requirements. "These obstacles not only consume an inordinate

amount of the corporate entrepreneur's time and energy but also frequently serve as well-designed mechanisms for incrementally dismantling an innovative concept." These organizational boundaries can also lead to another problem which is to impose unrealistic time-tables and performance benchmarks on entrepreneurial programs by the existing policies and procedures. In some cases innovative ideas might be compromised when they face with deadlines and/or performance standards that reflect everyday operations. (Kuratko et al 2011, p.353)

5. Conclusions and implications

As a conclusion we believe that Wackes does not enjoy a very high degree of entrepreneurship and they should improve risk-taking dimension as well as innovativeness and proactiveness, while at the same time maintaining the Frequency of entrepreneurship if not improving it. However, it is necessary to admit that in terms of innovativeness the company is looking for better ways to accomplish a task or function (Kuratko, 2011, p.59). Also better result can be achieved after working on one direction towards all of dimensions because the level of risk taking vary greatly with the type of innovation in the company (Kuratko, 2011, p.68). The management support for innovation is not very high so top management should improve this aspect as one of the most important internal factors in fostering entrepreneurship. The company enjoys a high rate of work discretion which could be considered as one of the main reasons behind the successful performance of the company throughout the previous years.

The other internal factor which has helped Wackes in growing fast in the past is the functional rewards/reinforcement system in place; however there is still room for improvement in this area and developing the system for encouraging all the employees in different parts of the company can help Wackes to be more entrepreneurial. As it was mentioned before, company can improve in this factor while using model of expectancy in their rewarding system. The lack of time availability and organizational boundaries function as obstacles in the way of entrepreneurship in this company and there exist a huge opportunity for improvement in these areas for Wackes. The charts in figure 2 & 3, are visualizing the analysis which were introduced for each factor earlier. To sum up, in order to

achieve higher level of innovation, company should create appropriate climate inside organization.

Figure 2. Overall Mean for each Factor.

Figure 3. Overall Standard Deviation for each Factor.

Reference list:

1.   Arshi A, T. (2012). Entrepreneurial Intensity in the Corporate Sector in Oman: The Elusive Search Creativity and Innovation. International Business Research. pages 171-183.

2.   Hornsby, J. S., Kuratko, D.F. & Zahra, S.A. (2002). Middle managers´ perception of the internal environment for corporate entrepreneurship: assessing a measurement scale. Journal of Business Venturing, 17, pages 253-273.

3.   Kuratko, D.F., Morris, M.H. & Covin, J.G. (2011). Corporate Innovation & Entrepreneurship. International 3rd edition. South Western Cengage Learning.

4.   Wackes website. Available at <www.wackes.com> [Assessed 12 December 2012].

Appendix 2 (Interview guide):

1. Do you consider that some of the customers were approached in different way compare to the ordinary work process in Wackes?
2. How was this process different? (explain it)
    a. Can you compare it to the normal work process?
3. Did you notice some different behavior or attention from top management comparing those different work processes? What was it? Example?
4. Did you feel any change in the support from top management when working in teams rather than individually? More or less? Why? Example?
5. When working in teams did you feel the difference in time spent on the project? Example?
    a. Did you have to spend more time or less?
    b. Why was the needed time different compare to other customers?
    c. Did you feel that you saved time for other tasks while working in teams?
6. How did your day routine changed because of the teamwork process?
    a. Was there any job description in teamwork?
    b. Could you decide what to do and how to do it?
7. Were there other advantages when working in teams?
8. Were there any rewards for team for successful project?
    a. Do you think your job was more valued in teams?
    b. Was there better recognition for you in teams?
    c. How was your feeling when the team failed or succeeded?
    d. Do you prefer to work in teams or individually?
9. Were you very dependent on other colleagues while working in teams?
10. When working in teams did you feel any problems or difficulties to contact other people from the team?
11. Was there a difference to contact other people from the company when comparing different work processes?
12. Did you face obstacles in the organization when comparing different work processes? What were they? Example?
13. Do you see one of the work processes having more advantages than the other one? What are they?
    a. Job overlapping?
    b. Quality?
    c. Affordable promises?