INTRAPRENEURSHIP: INTERNATIONAL EXPERIENCE.
A Qualitative Study of Companies in Russia, Sweden and Latvia

Master’s thesis within Business Administration
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Тема: «ИНТРАПРЕНЕРСТВО: ОПЫТ МЕЖДУНАРОДНЫХ КОМПАНИЙ»

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Abstract

Background

Russian economy is going through hard times. Many organizations are looking for possibilities of growth where intrapreneurship can be one of them. Nevertheless, the simple applying of existing intrapreneurship models is impossible in Russian enterprises due to weak corporate cultures.

Purpose

The purpose of the research is to establish the link between corporate culture and the development of intrapreneurship in it, as well as the possibility of using foreign experience of intrapreneurship on enterprises in Russia.

Method

Qualitative approach was used, as the nature of success and failure of intrapreneurship is complex, as well as necessity in deep discussion of corporate culture elements. The empirical findings were conducted by face-to-face in-depth interviews with persons who are connected to intrapreneurship in Russia, Sweden and Latvia.

Conclusion

In conclusion dependence between corporate culture and intrapreneurship was described. For successful implementation of intrapreneurship some fundamentals of corporate culture building were formulated: entrepreneurial spirit; a clear understanding of the status and prospects of development of enterprise in the future; encouragement of initiative; the freedom in decision-making and actions; involvement of employees in the activity of the company. After comparative analysis of Russian and Swedish corporate and national business cultures it was concluded that Russia could use for-
eign experience of implementing intrapreneurship, but this experience should be adapted. The possible way of facilitating the task can be using Latvias entreprises as an intermediate stage.

I hope this work could be useful for future researches in both business and academic areas. It would be pleasant, if this work would have practical application.
Table of Contents

Figures ........................................................................ v

1 Introduction ................................................................... 1  
1.1 Background Study ..................................................... 1  
1.2 Problem Statement .................................................... 3  
1.3 Purpose of the Study and Research Questions ................ 4

2 Methodology Part .......................................................... 6  
2.1 Research Method/Data Collection .................................. 6  
2.2 Primary and Secondary Data ........................................ 7  
2.3 Interviews ................................................................... 8  
2.4 Research Material ...................................................... 9  
2.5 Delimitations and Limitations ....................................... 10  
2.6 Validity and Reliability ................................................. 11

3 Theoretical Framework .................................................. 12  
3.1 Existing Theories about Intrapreneurship ......................... 12  
3.1.1 Defining Intrapreneurship ......................................... 12  
3.1.2 How Intrapreneurship Helps Company to Grow .............. 16  
3.1.3 How to Manage/Implement Intrapreneurship ................. 20  
3.2 Defining Business Culture ........................................... 21  
3.3 Corporate Culture ..................................................... 23  
3.4 The Structure of Business Culture .................................. 25  
3.5 Influence of Corporate Culture on Efficiency of the Company 27  
3.6 Conclusion .................................................................. 31

4 Russian Business and Organizational Culture Analyzes .......... 33  
4.1 Comparative Analysis of Russia and Sweden by Hall model ... 33  
4.2 Comparative Analysis of Russian, Swedish and Latvian Cultures by Hofstede Model .............................................. 35  
4.2.1 Power Distance Index .............................................. 36  
4.2.2 Individualism or Collectivism ..................................... 37  
4.2.3 Masculinity ........................................................... 38  
4.2.4 Uncertainty Avoidance ............................................. 39  
4.2.5 Long Term Orientation ............................................. 40  
4.2.6 Indulgence ........................................................... 41  
4.2.7 Conclusion ............................................................ 41  
4.3 Russian Corporate Culture Analysis .................................. 42  
4.3.1 Post-Soviet enterprises ............................................. 44  
4.3.2 Modern Russian Enterprises ....................................... 46  
4.3.3 International Organizations in Russia ........................... 48  
4.4 Conclusion ............................................................... 50

5 Empirical Findings ......................................................... 54  
5.1 IKEA ........................................................................ 54  
5.1.1 About the Company ................................................. 54  
5.1.2 Interview .............................................................. 57  
5.1.3 Analysis ............................................................... 61  
5.2 Beckers ..................................................................... 62
5.2.1 About the Company ................................................................. 62
5.2.2 Interview ............................................................................. 64
5.2.3 Analysis ............................................................................... 68
5.3 City Group ............................................................................. 69
5.3.1 About the Group of Companies ........................................... 69
5.3.2 Interview ............................................................................. 71
5.3.3 Analysis ............................................................................... 75
5.4 Conclusion ............................................................................. 76

6 Conclusion .................................................................................. 79
6.1 Does the Corporate Culture Affect Implementing of Intrapreneurship? .... 79
6.2 Which Elements of Russian, Swedish and Latvian Culture Differ? .......... 80
6.3 Does Latvia Have the Average Figures in Culture Analyses Between Russia and Sweden? ................................................................. 81
6.4 Which Factors of Corporate Culture in Russia Prevent Success of Intrapreneurship? ............................................................................... 81
6.5 Is It Possible to Implement Intrapreneurship in Russia with Current Corporate Culture? ............................................................................. 82

References .................................................................................. 84
Apendix ..................................................................................... 90
Figures

Figure 1. Formation of new businesses through intrapreneurship (Shulman, Cox & Stallkamp, 2011). .................................................. 19

Figure 2. Development of existing national business culture. Figure created be author (2014). .................................................. 26

Figure 3. Description of corporate culture elements according to Sathe model (Sathe, 1985). .................................................. 28

Figure 4. This figure shows how company growth depends on corporate culture (Peters & Water-man, 1984). .................................................. 29

Figure 5. This figure shows the moderating effect of cultural values on corporate entrepreneurship (Quinn & Rohrbaugh, 1983). .................................................. 31

Figure 6. Comparative analyses of Russian, Swedish and Latvian cultures by Hofstede model. Figure created by author by Hofstede website (2014) ..................... 36

Figure 7. Four types of corporate culture according to Cameron and Quinn. This matrix shows possibilities to transfer from one type of corporate culture to another (Cameron & Quinn, 2011) .................................................. 42

Figure 8. This figure shows the number of sales per region. In this work it shows value of Russian market for IKEA (IKEA, Yearly Summary FY13, 2013) ............ 56

Figure 9. Information about IKEA income for the last two years (IKEA, Yearly Summary FY13, 2013) .................................................. 56

Figure 10. The figure shows the general information about Beckers company, its sales, number of investments and employees (Beckers, 2015). ......................... 63

Appendix

Table 1. Describes how terms of intrapreneurship and corporate entrepreneurship changes through time. Table created by author (2013). ............................. 90

Table 2. Describes several companies that successfully implemented intrapreneurship. Table created by author (2013). .................................................. 92
1 Introduction

1.1 Background Study

A huge number of interweaving social, economic, technological, cultural, political and organizational contradictions characterizes the economic situation in Russia. The entire economy is characterized by disorganized economic rules. Existance of this fact can be explained by a combination of mutually exclusive economic characteristics, such as market trends and stimulation of monopoly. This economic order is not very effective, because the economy is predominantly composed speculative and raw material orientation. Russian economy is an economy fully dependent on external factors (Guriev & Tsyvinski, 2010).

Among the factors that determine the development of the economy social resources occupy a special place:

- objective factors: demographic, scientific and educational potential;
- subjective: moral and motivational;

Educated business elite have position and possibilities that allow them to have a significant impact on the economy, affect the value orientations and behavioral patterns in decision-making. In this respect, they can even try to implement some innovative approaches for company grows, which is referred to as intrapreneurship (Sirmon, Hitt & Ireland, 2007).

The goal of intrapreneurship is to increase efficiency of the enterprise by: activating and using creative potential of employees; more efficient use of enterprise resources; immediate response to changing market needs; rapid implementation of various innovations (technical, organizational); providing basis for further development of production (McKinsey, 2009).

Traditional large Russian enterprises have low efficiency, which is caused by their high capital intensity, outdated technology, technological and
organizational conservatism, fragmentation of ownership, declining interest and responsibility of managers (McKinsey, 2009). One of the options for increasing efficiency of Russian economy can be selection of intrapreneurship as a special approach for enterprises growth. However, the top management still do not understand the profitability for business and for society of intrapreneurial resource. It requires meticulous tracking of reverse flow of material and information at various organizational levels, legalization informal communications, which is clearly not beneficial for many business leaders in Russia (Gaidar, 2004).

The urgency of this problem is that traditional large Russian enterprises are extremely technically and technologically inertial. This system radically resists ways of development and intensive processes of innovation and is not able to compete with innovative mechanisms for the development of enterprises. In this case, key condition is inconsistency in main stages of the production processes weak market-orientated structures, strategies, synergies, organizations and culture of the enterprise (McKinsey, 2009). Nevertheless, from the perspective of intrapreneurship all the changes in culture, structure and strategy of enterprises, production and management should be considered.

In large Russian companies and corporations, exist bureaucratic red tape, which is a significant obstacle for development and introduction of new products, services and processes. At such enterprises, management makes only sporadic attempts to eliminate obstacles on the way to accelerating technological progress, but they are not fundamental nature and intrapreneur’s initiative has not received much support. For the development of Russian economy in conditions of acute global competition it requires that every industry is granted a sufficient number of enterprises capable of technological and other characteristics to ensure the sustainability and innovational development (Bessonova, 2009).
For companies to strengthen and maintain their competitive positions may only happen in case of optimization of their own system-parameters of competitive advantages on the market using intrapreneurship. All of this suggests that there is an objective need to understand and study the essence of intrapreneurship role for the Russian economy in order to apply it in practice of domestic enterprises.

1.2 Problem Statement

Understanding influence that corporate culture has on intrapreneurship in Russia remains poor. Lack of theoretical research in the field of formation and processes in intrapreneurial culture requires conceptualization. As for today there are no scientific nor methodological basis advising on ways to rationalize methods and opportunities for intrapreneurship in modern Russian conditions. In addition, the question of possibility of using foreign experience of intrapreneurship in Russian enterprises remains.

The difficulties that Russian culture imposes on intrapreneurship determined the choice of the topic of my thesis. In my opinion the main factor which can prevent successful implementation of intrapreneurship is corporate culture. In this case, Russian corporate culture has some specifics that I would like to identify.

With the introduction of intrapreneurship, enterprise should take into account features of individual, organizational and national cultures. Entrepreneurship and innovation activities of the company depends on cultural factors. In case of organizations innovation activity is usually built around interaction between individuals and organizations, including the interaction of people at the intersection of national and organizational cultures (Casson, 1995).

Russian economy has different formal conditions compare to the average Europe country. In this case, it is hard to compare organizational cultures. However, it
is still not entirely clear how to define and create a corporate culture that encourages the development of intrapreneurship in Russian conditions. It seems most appropriate to conceptualize the six-dimensional structure of a culture that supports the development of intrapreneurship as the intersection of national and organizational cultures. The core of organizational culture is a miniature of the national culture, therefore analyzing their impact on culture, conducive to intrapreneurship development, based on typology of national cultures is expedient. Based on all above I have decided to analyze corporate culture as an element of national business culture according to the Hofstede and Hill models.

1.3 Purpose of the Study and Research Questions

The aim of this research is to establish the link between culture and the development of intrapreneurship in it, as well as the possibility of using foreign experience of intrapreneurship in Russian organizations. In accordance with intended purpose following research questions have been formulated:

- Does the corporate culture affect implementation of intrapreneurship?
- Which elements of Russian and Swedish cultures differs?
- Where is Latvia allocated compare to Russia and Sweden according to culture analysis?
- What factors of Russian corporate culture prevent successful implementation of intrapreneurship?
- Is it possible to implement intrapreneurship in Russia with current corporate culture?

The object of this study is the corporate and business cultures in Russia, Sweden and Latvia, as well as their national culture.
Key findings, conclusions and proposals contained in this thesis can be applied in companies, which were interviewed. The same theoretical principles can be used as scientific work to analyze the possibility of applying them to particular enterprises.
2 Methodology Part

2.1 Research Method/Data Collection

Methods of research can be divided into two basic categories: quantitative and qualitative.

Quantitative methods involve using statistical approach to data analysis. Among the most common quantitative methods questionnaires and formalized interviews are the most common ones. All of the quantitative methods can be described as “formal” and “mass”. The degree of focus on rigorous methodology fixing a specific set of variables and their quantitative measurement is known as formalization. Therefore, we can use a survey to collect data about a particular product and express it in a percentage. A characterising feature of quantitative methods is that the researcher studies variables that are defined in advance and stick to them in the process of collecting data. Thus, the questionnaire assumes a list of questions that must be answered in a strict order (Cavana, Delahaye & Sekeran, 2001).

Data collected using quantitative methods undergoes statistical processing. As a result, we have information on people’s preferences, but this method does not give us the answer to the question about the reasons for these preferences, or rejection. Getting an answer to the question “how much?” only gives us a digit without reasons behind it (Miller & Salkind, 2002).

In contrast, qualitative methods are not focused on mass collection of data but on achieving a deeper understanding of a problem. The lack of formalization makes it impossible to cover a large number of the objects, which limits its effectiveness by a small number of respondents. However, the rejection of mass collection is compensated by the depth of the study. Depth of research is characterised by a detailed study of the problem in its entirety, and linkages with other themes. Qualitative methods allow more flexible analysis of causal relationships with a more detailed explanation of factors studied. Here the results are rarely
expressed in figures and there is no way to conduct a statistical analysis of this data (Bogdan & Biklen, 1998).

According to the purpose of this thesis and its research questions, qualitative method was chosen. Such method of qualitative analysis as in-depth interview will be used. This method can help learning more about corporate culture and intrapreneurship during interviews. Qualitative method would help to answer questions not only about existing of dependence between corporate culture and intrapreneurship, but also “why?” these terms are dependent. Last but not least, using qualitative method would give answers to the following questions:

- Does the corporate culture affect implementation of intrapreneurship?
- Which elements of Russian and Swedish cultures differs?
- Where is Latvia allocated compare to Russia and Sweden according to culture analysis?
- What factors of Russian corporate culture prevent successful implementation of intrapreneurship?
- Is it possible to implement intrapreneurship in Russia with current corporate culture?

2.2 **Primary and Secondary Data**

In this thesis both types of data: primary and secondary were used. Primary data was received by using in-depth interview, qualitative method of research, and by cultural analysis. Secondary is the data collected previously by any other organization for purposes not related to the purpose of this study. It focuses on internal and external sources. Internal sources of information include financial statements, reviews of complaints of customers, data sales agents and other professionals. External sources of information: data of international organizations, official statistics of state and government, researchers, data from exhibitions and business trainings, information from conferences and meetings. Secondary data
was used in all theoretical chapters and in practical part, when I have been using different models (Ghauri & Grønhaug, 2005).

2.3 Interviews

In-depth interview is a series of individual interviews on a particular subject, conducted pursuant to guide the discussion. Skilled interviewer, who is well versed in the subject, has technique and psychological methods of conversation of conducting the interview. Such type of interview, in contrast to the structured one applied in quantitative survey, allows a deeper insight into the psychology of the respondent and a better understanding of his point of view, behavior, attitudes, stereotypes, etc. These interviews, despite a large amount of time spent, are very useful in situations where the atmosphere is undesirable for group discussion (compare to the focus-groups). This is necessary when studying specific problems and situations, which are not to say in a wide range, or like in case of this research when corporate information is discussed. Finally, in-depth interviews are indispensable for conducting qualitative research, especially when the target group is busy businesspersons, wealthy townspeople, narrow occupational groups, etc (Legard, Keegan & Ward, 2003).

Three companies were chosen for interview. The main topic interviews will be: "how corporate culture affect on succeed of intrapreneurship". Actually interesting successful experience and fails. For wider analysis, I will interview people from different countries, to provide comparative analysis and generalization. To achieve purpose of the thesis it requires close interaction, preferably face to face interviews. Combining all these, I want to achieve following advantages of in-depth interviews: (Guion, Diehl & McDonald, 2011).
To conduct interviews without formulated scenario;

- Closer relationship with the respondents, using familiar to their ears vocabulary;

- The opportunity to interview respondents, who are hard to contact for other methods of questionnaires;

- Ability to obtain personal information, and to identify the subjective about corporate culture and intrapreneurship;

- Ability to obtain qualitative information on possibility of implementing intrapreneurship in Russia.

### 2.4 Research Material

First of all the information about intrapreneurship was searched for. According to the purpose of the thesis it was necessary to analyze intrapreneurship in Russia, unfortunately this caused unsatisfactory results when searching through literature. Most part of information about intrapreneurship in Russia is fully theoretical. During the search of materials a lack of studies on influence that corporate culture has on intrapreneurship in Russia was found.

In regards to this thesis literature from different sources were used: Google scholar, Jonkoping University library database, Moscow State University Economic Faculty library database. Some information about companies was received from official web sites, another part from interviews with stakeholders of these companies. Scientific journals and books constitute a biggest part of resources, preferable language of these studies is English, but some of them were published only in Russia. Russian literature is used due to the fact that only there I was able to find information on Russian business culture. Key search words were intrapreneurship, corporate entrepreneurship, business culture, corporate culture, culture models, implementation of intrapreneurship, intrapreneurship in Russia, corporate culture in Russia.
2.5 Delimitations and Limitations

Factors that do not depend on researchers are called limitations of study (Ghauri & Grønhaug, 2005). My most important limitation for this work is that I was not allowed to have a co-author. One of my best friends is writing his thesis on a similar topic at the same time. Writing a thesis alone deprives possibility of a good discussion and complicated literature searching process. Another limitation is that I had to write one thesis for two different universities, which lead to collision of two separate templates into one. Also, my research was limited by time and place, so it was hard to provide more face-to-face interviews. I assume that honesty of respondents is also a limitation, because interview had many questions about organization and secrets to succeed.

To write work on time and meet the sample some delimitations was used. Delimitations are author’s choice not to do some things in the study or not to take into account some specifics to spend more time studying certain aspects of research (Ghauri & Grønhaug, 2005). This study is talking about Russian big size enterprises, so the intrapreneurship in small and medium size enterprises is not discussed in this work. Another delimitation is generalizing different European countries into one cultural profile. Certainly, business culture in all European countries differs, but according to Russian classification of business culture, we divide into European and Asian cultures. Study does not reveal the company’s figures or analyze their success of intrapreneurship. Work is talking only about corporate entrepreneurship, one of the types of intrapreneurship. Cultural analyses include only three models and provide only three in-depth interviews. The study does not show in figures how popular the model of intrapreneurship is in Russia. Finally, for interviews companies from different fields of work were chosen, because my purpose is to talk about cultural aspects of the company, no matter in which area company exist.
2.6 Validity and Reliability

Validity is how closeresults of the research reach the requirements of certain method (Ghauri & Grønhaug, 2005). Certainly, collection of data has to take in account human factor, in this case chance of mistake and lost information exists. In thesis a lot of information in Russian was used as well as some interviews were conducted in Russian, so when translating in to English some mistakes could appear, the same is for interviews in English. Problems with understanding may arise due to it is not being authors mother language.

Reliability means that results can be repeated with the same measures and show the same findings (Ghauri & Grønhaug, 2005). Using the same method surely will gave the same results in case of theoretical framework. It caused using mainly secondary data. Findings about cultural differences between Russia, Sweden and Latvia would be the same until Hofstede does not change his model. Receiving same answers for interview may lead to some difficulties, because of changing time. Experience of respondents may change, as well as their ideas about importance of corporate culture and its influence on intrapreneurship implementation.

The aim of the study was not only to find the most trustful information but also to recieve information from interviews, which can help to analyze practical aspects of non-published authoritative businesspersons. The advantage of this study is combination of theoretical sources of data with information about practical experience received from interviews.
3 Theoretical Framework

3.1 Existing Theories about Intrapreneurship

3.1.1 Defining Intrapreneurship

The concept of Intrapreneurship has been given great interest since the second half of 1980’s in academic and business fields. During the period, numerous academic studies have been carried out regarding the topic. In these studies the fact that intrapreneurship activity is a very important factor for the businesses to maintain their existence, grow and make profit were acknowledged (Jarna & Kaisu, 2003).

An intrapreneur is a person who moves with an entrepreneurial spirit in a big organization. Intrapreneurs are leaders in converting new ideas to reality. They are action-focused and goal-oriented. Whatever happens, they are ready to achieve their aims. They are not only good thinkers, but also planners. When face to face with a success, they present an optimist attitude. They regard unsuccessful as a latency that is temporary. They do not blame people for their failure, but instead, they focus on how they can do better (Kuratko and Hodgetts, 2000).

Pinchott states that intrapreneurs have their peculiar principles and puts forward 10 conditions related to an intrapreneur. These are (Pinchott, 1985):

- Coming to work in high excitement and willingness every day,
- Nobody is preventing their dreams,
- Preparing projects for work despite they are not being necessary,
- Creating networks to help people,
- Constructing team spirit,
- Curiosity for inventions,
- Delicateness to work and honesty,
- Being forgive for mistakes,
- Being realists regarding goals, and
- Having a strong vision.
Not all organizations in Russia are ready to offer these conditions for their employees. Some of these conditions depend a lot from the employee as a person. This is not typical portrait of employee in Russia. In this case, it will be hard to find a person, who can be a potential intrapreneur. During interviews, I would try to identify how managers find people with these qualities.

The term “intrapreneurship” was coined to describe the entrepreneurship within an organization it reflects efforts made by organization to improve internal work/business through inner markets, as well as it emphasizes on the collective and corporative aspects of entrepreneurship. In the same sense, an intrapreneur is an entrepreneur who works within the framework of an established organization (Pinchot, 1985). The roles are in many ways similar despite of different contexts. Katz (1992) developed a model of intrapreneurship where persons has to overcome three obstacles to achieve independent control over their business:

- They have to prefer independence in business rather then employment
- They must attempt to establish a company
- They have to establish a company successfully, and become independent businesspersons.

It means, that corporate culture has to allow them to do that. Even if potential intrapreneurs are working in the company, it is not guarantied that intrapreneurship can be applied. Therefore, the appropriate culture within organization is very important.

One of possible ways to find proper organization is to look at the level of entrepreneurial behavior. Barringer and Bluedorn (1991) determined three main variables of a firm to enhance entrepreneurial behavior:
• Opportunity recognition (Stevenson and Jarrillo, 1986; Zahra, 1993);
• Organizational flexibility (Murray, 1984; Stevenson and Gumpert, 1985);
• A firm’s ability to initiate entrepreneurial actions, to measure, encourage, and reward innovative and risk-taking behavior (Sathe, 1988; Zahra, 1993).

Certainly, the organizational behavior is one of the main components for implementation corporate entrepreneurship. In this case, I would to like to analyze intrapreneurship and corporate entrepreneurship as similar terms. The third variable of organization is the most friendly for intrapreneurship environment, but nevertheless it is not the only possible way for such innovative actions.

Within the realm of existing firms, corporate entrepreneurship (CE) encompasses three types of phenomena that may or may not be interrelated (Sharma and Chrisman, 1999). These are:

• The birth of new businesses within an existing firm
• The transformation of existing firms through the renewal or reshaping of the key ideas on which they are built
• Innovation

Sometimes these things are interconnected, sometimes not. More interesting is that process in all three phenomena include changes. As a result, companies’ managers need to be ready to rule the enterprise in the time of organizational changes. It is not only about preparing the future intrapreneurs, it is also about preparing whole the company.

The most popular delusion in Russia when people think about entrepreneur, is that they do not acknowledge administrator and entrepreneur as two different terms, since intrapreneuer is able to solve the same tasks, as entrepreneur, the
differences between intrapreneur and administrator would be the same. Good administrator can distinctly solve any managerial problem, but being intrapreneur is more than being administrator. Only a person with entrepreneurial spirit can manage intrapreneurship. Stevenson and Gumpert (1985) describe the contrast between an entrepreneur’s mind patterns in contrast to the administrator’s.

The administrator tend to ask:

- What resources do I control?
- What structure determines our organization’s relationship to its market?
- How can I minimize the impact of others on my ability to perform?
- What opportunity is appropriate?

The entrepreneur tend to ask

- Where is the opportunity?
- How do I capitalize on it?
- What resources do I need?
- How do I gain control over them?
- What structure is the best?

It is hard to say which choice is better. Sometimes companies really need an administrator, especially in case of low risks strategies. In cases when company really wants to be a leader in the field, always to run faster than the market, it is clear that entrepreneur spirit can inspire employees much better. Such person will always look for opportunity of company growth.
3.1.2 How Intrapreneurship Helps Company to Grow

Most part of the enterprises want to achieve growth. There are different types of internal and external growth, but not everybody see intrapreneurship as a possible way for company to growth.

“The term ‘growth’ is used in ordinary discourse with two different connotations. It sometimes denotes merely increase in amount; … sales. At other times, however, it is used in its primary meaning implying an increase in size or improvement in quality as a result of a process of development, …” (Penrose, 1959: 1).

Therefore, it is easy to understand that growth is one of the necessities for companies live, sometimes even existence. Nevertheless, some entrepreneurs mistakenly suppose that size of the company is a guarantee of its growth. Personally, I agree with Whetten (1987), who states that size is an absolute measure, whereas growth is a relative measure of size over time. Therefore, I assume that it is actually incongruously to compare these terms.

Johannisson and Nilsson (1989) describe development of a company through different stages. The process can be divided into the following stages of development:

- Idea
- Initiation
- Growth
- Maturing
- Stagnation and recession

It is necessary to control growth on its every stage. In other cases of companys life cycle can be finished in the most uncommon places. The most popular mis-
take appears when company achieves growth stage and most part of the top management feels relaxed. Enterprise has to find new ways for development all the time to make the process of growth continous.

Developing corporate entrepreneurship can help achieving different types of growth strategies, as well as creating new products, spreading to new markets and finding ways to enhance existing products. Although it is a very complicated process, including different types of changes and preparations inside the company, such type of strategy can give you a serious competitive advantage over competitors in emerging markets.

The nature of companies growth is mainly dependent on entrepreneurs. Logically it is safe to assume, that creating entrepreneurial spirit inside the company will help not only firm growth, but economy in general. Research provided by Antoncic and Antoncic (2011) carried out the dependence and influence of such terms as “employee satisfaction”, “intrapreneurship” and “growth”. It is necessary to pay more attention to some statements from this article due to several reasons: 1) this article show how employee satisfaction lead to growth through intrapreneurship; 2) this article describe small and large size enterprises. According to the Kuratko (2000) article, it is possible to state that corporate entrepreneurship and job satisfaction have positive effect on each other. Such activity as intrapreneurship allows employees to feel that they are an important part within the organization. Mostly, intrapreneurship and employee satisfaction have the same value-related drivers: the attitudes of individuals within the firm (Stevenson & Jarillo, 1990). Therefore, Antoncic and Antoncic hypothesize that “Employee satisfaction is positively associated with intrapreneurship” (Antoncic & Antoncic, 2011:6). The second hypotheses is: “Employee satisfaction is positively associated with firm growth” (Antoncic & Antoncic, 2011:11). And the last one talks about relationships between intrapreneurship and growth. Antoncic and Antoncic (2011) provide arguments about previous researches, which proofs that corporate entrepreneurship is related to small-firm growth (Covin), large-
firm growth (Zahra, Slevin, Covin); and determined that “Intrapreneurship is positively associated with firm growth“(Antoncic & Antoncic, 2011:5).

After data collection and analysis authors make 3 conclusions: (Antoncic & Antoncic, 2011).

- Employee satisfaction (composed of four dimensions) was found positively related to intrapreneurship
- Therefore, employee satisfaction showed a positive relationship with intrapreneurship and firm growth.
- Intrapreneurship can be predictive of firm growth.

The third conclusion proves the idea of intrapreneurship as a possible way to lead company to the growth. In addition, according to Antoncic and Antoncic (2011) intrapreneurship helps employees to feel that they are company's value. This shows high level of employee involvement into organizational processes which are elements of a strong organizational culture. Such empirical research and practical advises given by a number of authors can create a good support for theoretical studies. Also, I would like to say that intrapreneurship can be defined as powerful instrument for company growth, mainly working with employee satisfaction key drivers.

According Shulman, Cox and Stallkamp (2011) research different types of entrepreneurial strategic growth models are:

- a model of corporate entrepreneurship (CE) (attempting to grow a new business within the big firm);
- an approach to corporate spinouts (a mechanism for the parent company to harvest a new venture that it believes no longer has strategic value and that can operate more efficiently on an independent basis);
- corporate venturing (an approach to take the venture capital (VC) model inside the large company);
• corporate venturing with a venture capitalist (this is the same as the corpo-
rate venturing model, but in this situation the venture capitalist adds funds to the parent firm’s contribution and offers its network and independent perspective); and

• strategic entrepreneurial unit (SEU) model (this approach offers a blend of the other models and offers the entrepreneurs an equity stake and operation control while leveraging the parent firm’s intellectual property and financing on an arm’s length basis).

I would like to concentrate my attention on CE, setting it as boundaries for this particular study. Main ideas on other strategies are the same, but requires much more resources and are far more complicated in realization scenario. Despite their differences, entrepreneurial spirit and company growth are essential part of all these approaches.

Corporate entrepreneurship as a strategic growth model was invented to create new ventures within the organization. Enterprise looks for the most entrepreneurial employees and lets them to show their potential. This entrepreneurial team creates a new company within the parent company. The key point is that parent company keeps control of the new venture, by owning all the equity (Shulman, Cox & Stallkamp, 2011) Graphically it looks like:

![Diagram of Corporate Entrepreneurship](image-url)

Figure 1. Corporate entrepreneurship (Shulman, Cox & Stallkamp, 2011).
In simple terms it is business within business. New venture can use any kind of resources that parent family possesses, such as financial, human, distribution channels etc. For this reason, new enterprise in most cases offer beneficial for the parent company goods.

3.1.3 How to Manage/Implement Intrapreneurship

Top Management, which believes that CE can make a significant difference in a company’s ability to compete and achieve successful performance, will pursue an entrepreneurial strategy. This represents a policy decision to seek competitive advantage through innovation on a sustained basis (Mintzberg, 1983). They will:

- Design an organizational context conducive to the autonomous generation of entrepreneurial initiatives, this entails a creation of structures and corporate culture that facilitates entrepreneurial behavior
- Provide a sense of overall direction for innovation initiatives through an entrepreneurial vision
- Ensure that promising ventures receive necessary resources as they move through the uncertain development processes.

Thus, the role of the top management team in firms that pursue an entrepreneurial strategy, is to build an organizational setting that stimulates exchange of information between individuals and develop a culture that encourages innovations. The team also fulfils the role to recognize the value and opportunities presented by specialized knowledge and integrating it to create benefits (Alvarez & Busenitz, 2001).
To make intrapreneurship/entrepreneurship possible, certain conditions have to be present within the organization. The factors which influence the extension of entrepreneurship, are called the entrepreneurial climate (Spilling, 1998). The distinctions between an organization’s culture and climate are not defined clearly, many elements are similar as well as cultures great impact on the climate. However, climate is a wider concept for the organization formed by elements such as structure and particular situation or circumstances. The entrepreneurial climate will to some extent be influenced by the economic development, changes in policy and in institutional matters, and religious norms and attitudes among employees (Burns, 2008).

Organizations with a positive entrepreneurial climate will usually have a larger degree of intrapreneurship than others. Thus culture, social structure and attitude could support innovation, new establishment and development of new and existant businesses, but entrepreneurial climate is not always beneficial for large organizations, it can differ from one department to another. Hence, extention of entrepreneurship within organization can be achieved in several different ways. Such climate can be created by developing corporate culture. That is why strong corporate culture is so important for effective implementing of intrapreneurship. Organization must show that they are interested in entrepreneurial employees. Such things as creativity, risk-taking, self-motivation, goal-orientation and initiative should be encouraged (Burns, 2008). Different types of culture and elements that help company to implement intrapreneurship would be profoundly described further in my research.

3.2 Defining Business Culture

When talking about intrapreneurship in Russia, it is necessary to identify some characteristics of Russian business culture, it will help to analyze corporate culture in Russia and intrapreneurship in Russia. Schein (2011) has a concept of organizational culture, where he assume, that country business culture has a great
impact on organizational culture. Usually corporate culture’s formation is influenced by country culture’s common rules, this is why corporate culture within international organization varies in different countries.

The term “business culture” can be defined as the ratio of the firm to the rule of law, individual, product quality, finance and production obligations, transparency and reliability of business information, it leads to complex rules, traditions, rituals and symbols that are constantly updated and improved. Success of enterprise in market conditions is determined by their reputation as business partner (Casson, 1995).

Understanding foreign business culture is not just about speaking their language but also the ability to behave naturally, tact and dignity respecting country’s political views, religious beliefs and rituals, traditions and national psychology.

To this date there are two poles in the spectrum of business cultures Western and Eastern business cultures. Types of Western cultures are Euro-American and Western European business cultures. The types of East business cultures are Close East, Far East and East Asia (Japan, China and the countries of Islam). The features of these types of business cultures have historical, religious and general cultural background (Hofstede, 1994).

Russia is geographically located between East and West. Russian business culture takes on a number of parameters of an intermediate position between Western and Eastern cultures. Employment growth in Russia’s foreign and joint ventures should be updated by the issues of interaction of different cultures at all levels of business, from ordinary employee to the top management. Knowledge of the polar features of cultures allows you to focus on situations of cross-cultural communication, to optimize the relationship with the other cultural community (McKinsey, 2009).
Despite the general globalization, differences in business culture and to this day remain significant, whereas modern internal and external economic relations make high demands to comply with generally accepted forms of business communication, etiquette, ethics.

3.3 Corporate Culture

Success of intrapreneurship largely depends on internal factors of organization, the majority of which consists in the concept of corporate culture. In the context of this I thought it is expedient to study the concept of corporate culture, business ethics, and to compare the culture of Russia, Sweden and Latvia. At the end of this chapter a classification of types of Russian corporate cultures would be given to determine which of them may implement intrapreneurship. Corporate culture is largely dependent on the business culture and the culture of the country as whole, therefore Latvia is a very interesting choice for comparison. I assume that in this country there is a mixture of Russian and European cultures, in my case the Swedish culture.

Effectiveness of the company depends on many factors: technical and organizational level of production, personnel qualifications, level of motivation and remuneration, and the presence of a development strategy. These mechanisms are usually used in a variety of regulatory documents (data sheets, plans, programs, tariff system and others). At the same time, a team of any organization has such a sphere of relations that defies formal regulation. These relations are formed over the years to unwritten rules under the influence of historical experience, people mentality, local customs and traditions, spiritual values and tastes. This is so-called corporate culture (Denison, 1990).

Corporate culture is manifested in all the activities and relationships of the organization. It cannot dealt with separately from the organization itself, they simply does not exist individually. You can make a competent internal code,
codes of conduct, relations standards. However, these measures will not result in emergence of high-level corporate culture. As corporate culture is a reigning atmosphere in the team, rather than rules prescribed in the paper (Denison, 1990).

Although the concept of corporate culture is not new, people have only recently began to realize that the skillful management of corporate culture can be a major competitive advantage.

Team of several dozens or hundreds of people cannot come to success in future staying together only on a mutual sympathy and love of all the members. These feelings are unstable and irrational. For people to be united they need clearer and stronger bases, such as ideas, rules, norms, taboos. This can be achieved through such elements of corporate culture as shared values, beliefs, and beliefs that are shared by all or almost all members of the team. Carriers of corporate culture, of course, are the employees themselves (Schein, 2011).

Each company has their own idea of corporate culture. This understanding not only depends on the scope of the enterprise, but also from many other individual factors that do not fit into a single, common to all structure. With the same confidence, it is possible to can say that each employee has his/her own understanding and attitudes towards this concept.

Today, most managers agree that the formation of corporate culture is a very important point of the employment relationship. It is one of the most effective means of attracting and motivating employees. For every person is important not only material needs, but he is concerned about his position in the team, shared values, etc. Moreover, here the corporate culture comes to the fore, the nature of which is shown through the following system of relations: (Kotter, 2008).

- The attitude of employees to their professional work;
- Their attitude to the company as to the objective of implementation theirs professional skills;
- Functional and interpersonal attitude to the activities, and to enterprise.
That is why corporate culture should be not only structured and wrote down. Formalization of corporate culture is not enough for creating intrapreneurial-oriented culture. Employee should be part of the corporate culture; the culture should be in their minds. In this case, it is necessary to describe the structure of business culture more detailed and see how business culture is connected with corporate culture.

3.4 The Structure of Business Culture

Business culture operates on three subordinate hierarchical levels: (Denison, 1990)

1. World level.

2. National level (macro level, on the scale of the industry or the national economy).

3. Corporate level (micro level, on the scale of the individual firm and its clients).

Thus, proponents of one view argue that multinational companies are able to form their own corporate management culture, which is an important component of business culture. Although national differences should be considered when building an effective management system in different countries, their role is not decisive. In any case, we are not only able to but should strive to ensure that all the basic culture values professed by the parent multinational corporation were united in all world parts, as well as basic principles of its management (Fritzsche, 1996).

When other view proponents argue that the discrepancy approaches and values of national business culture eventually dominates over corporate culture. In addition, attempts of bringing corporate rules and traditions that do not coincide with the national culture can be resembled as Sisyphean task. Even if the staff of
branches and subsidiaries adopts new corporate values and truly wants to change the national behavioral paradigm for corporation, ultimately it all comes back “full circle” (Schein, 2011).

Hill (1994) writes: Although there is a number of large organizations still believing in the fact that the corporate culture and mission statement can radically adjust personality, to date it should already be clear that employees are not superhuman, they can not separate their national component when working in multinational organization. As it happens, author of this article shares similar point of view.

Formation mechanism of a national business culture (Figure 2) should be considered as a real adjustment to the existing models and standards at the national level to the regulatory business culture. In this case, the latter is seen as a set of abstract rules of integrating global management experience, not the national model.

Real Russian business culture is the continuous improvement of the national model in the direction of creative interpretation of Russian practice in applying a set of generalized rules of management in business. From one side, it is rationalization of processes in local Russian conditions, from another, a practice of interaction with Russian partners and partners from the CIS countries, from the Official law business culture of management.

Figure 2. The mechanism of formation of a national business culture.
third, it is the experience of economic relations with foreign partners from countries with developed markets, with the fourth, practical experience management, representing the evolution of management practices since the Soviet period, and change management approaches and techniques that have occurred over the past decade.

However, globalization conditions of economy are responsible for the creating content of Russian national economy standards of corporate culture and in the face of ever-diminishing barriers of international economic relations, as well as their modern organizational forms: self-organization of commodities production chain and sales on international markets to multinational companies (Michailova, 2000).

Implementation of the principles discussed activity of managers faced with certain difficulties. For managers accustomed to the quantitative performance criteria and are time-strapped, ethical decisions are often painful and uncertain, and they want them to neglect (Fritzsche, 1996). Hypernorms sometimes contradict the micro-level norms and other specific business needs. Here standard methods can be helpful (though to a limited extent) and some new recommendations of American specialists to introduce ethical decisions in management practices (Peters & Waterman, 1984).

### 3.5 Influence of Corporate Culture on Efficiency of the Company

At present, interest in studying the relationship between corporate culture and company effectiveness is growing. The aim of such researches is to study influence of organizational culture on the efficiency of the company. Multidimensional analysis due to the application of the methods of quantitative and qualitative research is used.
There are four basic models describing the influence of corporate culture on the effectiveness of the company: a model of the Sathe, Peters-Waterman model, Parsons model, Quinn – Rohrbaugh model.

Sathe examines the impact of culture on organizational life through six processes (Fig. 3) (Sathe, 1985). The model is based on the postulate of Cathe: the value of corporate culture is the most important mean or instrument in performing model functions. If the organization shares beliefs and values, helps to adapt them for achieving goals together and proves its usefulness to humans and other organizations, it is obvious that such a culture will push organization towards success (Sathe, 1985).

Figure 3. Sathe model (Sathe, 1985).

Culture helps people in the organization to act intelligently, providing justification for their behavior. In companies where risk is valued, employees are willing to take it, knowing that in case of failure they will not be punished, and in case of failure they will gain experience. Thus justifies the actions reinforcing existing behavior, especially when it fits the situation. This process is a source of funds for changing the culture itself. Since people use culture to justify their behavior, culture can be changed by modifying behavior. However, the success of
this process has to be ensured so people wont be able to justify their new behavior by “old” culture (Sathe, 1985).

Peters and Waterman found a link between culture and success in the work of the organization. Modeled on the successful US firms and description of management practices, they took a set of beliefs and values of the corporate culture that led to the success of these companies (Fig. 4) (Peters & Waterman, 1984).

Figure 4. The model of corporate culture and organizational growth (Peters & Waterman, 1984).

In general, the relationship between corporate culture and the organization’s performance is represented in the model by the American sociologist Parsons. The model is developed based on the specification of certain functions that any social system, including the organization must perform in order to survive and succeed. The first letters of English names of these functions are given to the name of the model AGIL: (Parsons, 2001).

- Adaptation;
- Achievement of objectives;
- Integration;
- Legitimacy.

According to this model for their survival and prosperity any organization must be able to adapt to a constantly changing environment, to integrate its parts into a whole, to be recognized as human beings and other organizations and, most importantly, pursue their goals. As the result, activity is always associated with its purpose, the company’s commitment to achieve desired state determines its goal-directed behavior. This state is the purpose of the object (Parsons, 2001).

Parsons ideas were developed and specified by Quinn and Rohrbaugh through the influence of certain groups of values on organizational effectiveness. In the development of AGIL model it was proposed to consider this impact not in one but in three dimensions, so appears the model of so-called “competing values” (Fig. 5) (Quinn & Rohrbaugh, 1983).

1) Differentiation (flexibility)
- 1. Organized internal reactions. Employee development.
- 2. External factors reaction. Growth, profit, flexibility.

2) Reaction to the internal and external factors
- 3. Integrity of the organization. Information control.

1) Integration (control)
- Development
- Structure
- Processes
This model describes the value of organizational culture in connection with each individual approach to determine effectiveness and compares the perspective of one approach with all others. Measurement of competing values in the model Quinn – Rohrbaugh made using “scaled association” questionnaires, so the model can be used as an effective tool for organizational diagnosis. In contrast to the one-dimensional models there can be more than one correct answer on the effectiveness of the organization (Quinn & Rohrbaugh, 1983). The model reveals disadvantages in all four of its parts to the extent that they are present in the organization’s activities.

3.6 Conclusion

Thus main approaches to intrapreneurship and corporate culture were dismantled. It was found that intrapreneurship is a valid strategy for a company growth. An approach to management of intrapreneurship, and conditions necessary for its implementation are described. Corporate culture emphasized as one of the most important conditions. Corporate culture is responsible for creating an environment conducive to the use and disclosure of intrapreneurship and entrepreneurial inclinations among employees. All this is called entrepreneurial climate of the organization, it refers to: entrepreneurial spirit among employees, risktaking, initiative, creativity and innovation.

Once it became clear that all this is due to the construction of corporate culture, it was decided to examine the concept in more detail. Theories found confirmation intrapreneurship is dependant on corporate culture and corporate culture is based on national business culture.

Further, in this paper, comparative analysis of the business culture in Sweden, Russia and Latvia will take place to identify characteristics of these countries. This will allow to create a classification of Russian corporate cultures for identifying the possibility of successful implementation of intrapreneurship in certain
type of Russian business culture. As a result, interviews with successful or failed experiences attempting intrapreneurship implementation will help to formulate conditions, based on which possibility of implementing intrapreneurship in a corporate culture will be analyzed.
4 Russian Business and Organizational Culture Analyzes

4.1 Comparative Analysis of Russia and Sweden by Hall model

Based on comparative studies of different cultural groups Hall (1989) allocated not only their cultural and communication patterns, but also developed a general typology. The typology is based on their relation to the context, the information environment and the accompanying one or another cultural event. He pointed out that all cultures in interpersonal communication use some unspoken, hidden rules, which are important for understanding the events and interpersonal behavior. Cultures differ based on their reading of context, the use of hidden information that encompasses every situation. This means that people pay more attention not only to words, but also to place, time and body language. The contextual information is necessary for understanding of social situation, the higher the complexity of culture. Moreover, the higher the complexity of culture, the more difficult it is for outsiders to correctly understand and evaluate social situation. Depending on the nature of use of space and time, Hall (1989) distinguished between all cultures on high contextual and low contextual Hall (1989).

High context culture is an indispensable element of successful understanding of a particular event, because high density of information networks involves close contact between family members, in constant contact with friends, colleagues and clients. In this case, the relationship between people is always a close tie. Due to the high availability of information and accumulated historical experience such culture can be called homogeneous, they vary little over time and interaction with other surrounding cultures, behavior of representatives of high-contextual cultures generates the same reaction and is predictable. According to Hall (1989), for daily communication detailed information about what is happening is not required, as the representatives of these cultures are constantly aware of what is happening around them. Countries such as France, Spain, Italy, the Middle East, Japan and Russia belong to a number of high context culture countries.
At the same time, there’s a group of cultures in which there are virtually no informal information networks. These cultures are less homogeneous meaning that their interpersonal contacts are strictly separated; representatives of these cultures do not mix personal relationships with work and other aspects of daily life. The consequences of this feature has little awareness and a great need for more information for understanding of other cultures while communicating (Hall, 1989). Germany, Switzerland, the US, Scandinavia and other northern European countries are a type of low-contextual cultures.

In these cultures, words contain most of the information, and not the context of communication. Here, people often express their desires verbally without assuming that it will be understood from the communicative situation. In such societies, the greatest importance is attached to speech, as well as discussing the details, preferring direct and open communication style when things are called by their names. On a scale of high-contextual cultures, Germany with its famous pedantry occupy top position. For representatives of German culture written contracts, agreements, and documents are very important.

A comparison of Russia and Sweden shows that each of them has specific features. Thus, Russian culture Features:

- unexpressed, hidden manner of speech, and numerous meaningful pauses;
- serious role of nonverbal communication and the ability to “speak through the eyes”;
- excessive redundancy of information as to communicate enough of the original background knowledge;
- lack of open expression of discontent in all conditions and results of communication.
In turn, the following features characterize Swedish culture:

- direct and expressive manner of speech;
- small proportion of non-verbal forms of communication;
- clear and precise evaluation of all topics discussed and issues;
- evaluation of understatement as a lack of expertise or low awareness of the interlocutor;
- open expression of discontent.

Comparing characteristics of each type of culture allows to conclude that the mutual communication between representatives of these cultures have to face many difficulties. It is always important to remember that behavior of other cultures can not react in the same way as is customary in their culture. Hall theory (1989) helps to look at different cultures within and facilitates the understanding of cultural communication patterns. However, in practice, it should be noted that this theory does not explain all of the Hall behavior of representatives of one or another type of cultures. As parts of the same cultures can meet their various combinations. Hall’s theory will give a description of features that accompany communication process between representatives of described cultures.

### 4.2 Comparative Analysis of Russian, Swedish and Latvian Cultures by Hofstede Model

Geert Hofstede is a Dutch social psychologist and anthropologist who studies interaction between cultures. Received numerous awards for intercultural research worldwide. One of his most significant achievements is the development of cultural dimensions theory, providing a systematic framework for evaluating the differences between nations and cultures.
The theory is based on the idea that value can be distributed across six dimensions of culture. These measurements include power (equality versus inequality), collectivism (versus individualism), uncertainty avoidance (versus tolerance to uncertainty), the “male” type (against the “female”), strategic thinking and self-indulgence (versus restraint). Most of the information about world’s cultural values Hofstede received from a survey conducted by IBM, American technology and consulting corporation. He suggested rating system on a scale of 1 to 120 (Hofstede, 2005).

![Diagram](image)

Figure 6. Comparative analyses of Russia, Sweden and Latvia cultures by Hofstede model.

### 4.2.1 Power Distance Index

This metric shows how members of the public agree that power is distributed unequally. The index value is manifested in the relationship between superiors and subordinates, to demonstrate excellence in the distribution of responsibility. This principle works the same both in the whole country and in a small compa-
ny. Index shows how boss should behave. Residents of countries with low power distance are responsible and initiative. They realize that the power does not belong to someone but to each member of society. Therefore, they show civic position, fight for their rights and openly express attitude to the government. Conversely, with a large power distance, chief must demonstrate excellence: tuple with flashing lights, a rich residence and appeal to employees ‘top-down’. Without these attributes boss is not a boss (Hofstede, 2005).

At the company level, it works in much the same: if a company sets a high power distance, and new chief arrives to the office by bike, in minds of his subordinates he does not command respect. He did not want to obey and trust. Another thing, if he comes in a “Bentley” with a personal driver and a guard.

According to Hofstede’s dimensions, Russia with 93 points is among the five countries with the highest index of power distance. Ahead of us Malaysia, Guatemala, Panama and the Philippines. Sweden in this respect has a fairly low rate, which may well affect the corporate culture. Considering Latvia, we can say that it is much closer to Sweden. This may be due to territorial being in Europe. Thus, according to this indicator, in Latvia may be more favorable environment for building a corporate culture.

4.2.2 Individualism or Collectivism

When individualism index is high, people are focused on achieving personal goals. When low, people are more concerned with the objectives of the group: the department, company, family, home and country (Hofstede, 2005). Russia has 39 at this index, it means that country has low level of individualism. Therefore for an average Russian citizen public is more important than personal. Sense of community evident in relationships with colleagues. If you were an or-
dinary employee, and then you upgraded to the head, you will not be the friend to increase power distance. If you tell your boss that your colleague is regularly late for work, you will be considered a snitch. Therefore, a typical Russian groups rallied but inefficient.

The low level of individualism characteristic of Eastern cultures. Russia is strongly influenced by Eastern culture, and geographically most of the country is in Asia. From efficiency of corporate cultures point of view, I think that it is a plus for Russia. Indicators of Latvia and Sweden are on the same high level, which shows priority of personal interests. According to this indicator European culture can be summed up in.

4.2.3 Masculinity

This metric has two sides: masculinity and femininity. Index shows what qualities of character are valued the most in society. For masculine societies are characterized by typical male traits: assertiveness, ambition, responsibility, competition, ambition. In societies with low masculinity valued by women: taking care of the quality of life, maintaining relationships. For the economy, a high level of masculinity is useful as it stimulates healthy competition. The people were able to measure their income, they have a lot to earn and spend, which is good for the economy (Hofstede, 2005). In Russia masculinity level is low, about 36 points. Sweden has 5, the lowest rate worldwide. Latvia is also at fairly low rate, 9.

You may think that this figure slightly affects the success of enterprises, if such material prosperous country like Sweden with masculinity of only 5 points. Nevertheless, it is important, as this factor is combined with others. Power distance index in Sweden, is one of the lowest but high individualism.
It is difficult to determine dependence of the corporate culture from the indicator. In Sweden, corporate culture is strong and its rate is low, but in Japan, where corporate culture is one of the strongest data rate is above 90.

**4.2.4 Uncertainty Avoidance**

This index shows how much members of society are afraid of the unknown and try to protect themselves from the controversial events. In countries with high uncertainty avoidance people perceive change as a threat. Typically, in such cultures religion and strict social norms have a lot of power, and laws prescribed in detail. Representatives of such cultures are intolerant of those who are different from them. In cultures with high uncertainty avoidance: (Hofstede, 2005)

- initiative in the work are not welcome;
- conflicts are perceived as a threat to the relationship, not a productive way to solve the problem;
- risk – inadmissible carelessness;
- laws are written in detail;
- deviant behavior is considered dangerous or indecent.

Low level of uncertainty avoidance looks much more optimistic: with it, society is willing to change, easy to perceive new trends, willing to take risks, be open to change, active in the manifestation of their position.

Russia has one of the highest indices of uncertainty avoidance, 95 points. Moreover, this fact can be a strong deterrent to the success of domestic entrepreneurship. I believe this figure has a direct impact on the entrepreneurial spirit and the willingness to take risks and take responsibility. For the success of intrapreneurship it is necessary that these qualities were encouraged in the corporate culture. In Sweden, this indicator is positive. As I suggested earlier, Latvia is located be-
between Russia and Sweden. This confirms the high level of influence of the Russian mentality.

4.2.5 Long Term Orientation

This metric is also called strategic thinking and Confucian dynamism. Indicator measures how far members of the public look into their future. From long-term orientation depends on setting goals for the years ahead, perseverance. In Russia, it is all good.

This index Hofstede introduced immediately. Initially, his theory has been criticized for the fact that it shows the world a Eurocentric point of view. Long-term orientation is a tribute to the eastern culture, because it is linked to Chinese philosophical tradition. How to perceive time in cultures with a short-term orientation: (Hofstede, 2005)

- time moves in a circle;
- present and future based on the past;
- what has been done today can be done tomorrow;
- we have to live today.

Society, future-oriented, while perceived directed line. They are economical, they do not look back into the past and appreciate results.

This criterion has a direct impact on the type of corporate culture and personal qualities of employees. Once again we see a picture that Latvia is located between Russia and Sweden. This may be due to the confluence cultures, including those within the organization. More importantly, this index shows the possibility to think strategically, and strategic thinking is very important for an intrapreneur. Thus, by this factor Russia takes a successful place.
4.2.6 Indulgence

This index reflects the willingness of members of the community to meet their immediate needs. For those cultures that recognize self-restraint as a positive quality, characterized by strict social rules and restrictions. One of the main virtues of modesty is considered. Usually representatives of restrained cultures are cynical and pessimistic. They pay little attention to rest and do not know how to relax, constrained by social norms and consider the realization of their desires as something wrong (Hofstede, 2005).

In Russia and Latvia, this figure is low, and thus the corporate culture will be a little geared to achieve personal desires. In such conditions, it is difficult to find an employee who is ready to implement their own ambitions. Consequently, it is difficult to find a suitable candidate for an intrapreneur position. Quite the opposite situation is observed in Sweden.

4.2.7 Conclusion

Having considered these three countries on the model of Hofstede I can draw the following conclusions:

1) Latvia really is a symbiosis of a classical European culture (Sweden) and Russia.

2) Many factors inherent in Russian culture, leading to the difficulty of creating a corporate culture that is conducive to the introduction of intrapreneurship.

3) There are some elements on which Russia exceeds Sweden and Latvia, in terms of development intrapreneurial-oriented corporate culture.
When Hofstede described these cultural dimensions, he regarded them as immutable. However, he was wrong. After ten - fifteen years his followers began to carry out new researches and comparing results of different years. It turned out that many things are changing. Hence, the portrait of nations and mentality changes, and it does not require even a century. Changes in mentality will be noticeable within 1-2 generations.

From this, we can assume that Russian culture, in particular corporate, is not yet fully ready for intrapreneurship. These changes largely depend on the economic and political situation in the country, and under favorable conditions can have a positive trend in terms of an effective corporate culture for intrapreneurship.

4.3 Russian Corporate Culture Analysis

In addition to an environment conducive to intrapreneurship, corporate culture is important in terms of employee development. After all, one of the most difficult stages of the implementation of intrapreneurship is to find a suitable candidate. Below I will try to consider several types of corporate cultures of Russian business, and determine which of them work with the staff is suitably constructed.

When candidates apply for a job often receive answer that they do not take place because they do not correspond with company’s corporate culture. Nevertheless, not everyone can clearly explain what this corporate culture is, and how candidates meet its requirements.

According to the classification of Cameron and Quinn there are four types of corporate cultures: (Cameron & Quinn, 2011)

Figure 7. 4 types of corporate culture (Cameron & Quinn, 2011).
• Companies with clan (family) culture put solidarity, concern for people as their priority. Organization is brought together due to the dedication and traditions. Leaders being subordinated as “parents” or “mentors”.

• Firms with adhocracy culture, value experimentation, innovation, willingness to take risks. Encourages personal initiative and freedom. Leaders behave primarily as creators experimenters. Success is considered to offer new and unique products.

• Organizations with bureaucratic (hierarchical) culture are focused on internal integration, combined with stability and a high level of control. Management formalized and structured. The organization brings together the formal rules and official policy. Success is in the cost saving, security of supply, and the implementation of plans.

• Companies with a market culture focuses on achieving goals, concrete results. Highly valued desire to win; focus on success (which is perceived as taking ev-
er—greater share of the market). Leaders are harsh, rigid, demanding. The department—hired employees actively use internal competition.

Certainly, corporate culture is dynamic. It depends on the history of the origin of the company, and the stage of its life cycle, which company is experiencing at the moment. In the early stages, company simply must have elements of the market and adhocracy cultures, or it will simply not survive. Mature and aging organizations, contrastantly tend to be stable, and therefore they are characterized by manifestations of bureaucratic and clan cultures (Cameron & Quinn, 2011).

After making an analysis of different Russian corporate cultures, including interviewing companies, my parents businesses and organizations where I have worked, all entreprises can be divided into 3 groups:

• Post-soviet entreprises

• Modern Russian entreprises

• International organizations in Russia

4.3.1 Post-Soviet enterprises

It is the direct descendants of industrial giants back from USSR, change of ownership, and often the name, did not change its “suffing”. Basis of their corporate ideology is the pride of past services. Respect on the work depends on the length of time working in organization, not on professional achievements. Neither post nor the actual results of the work it does not matters much. Human resources of these organizations consist mainly from people of pension age. Failing attempts of preparation of engineers is a consequence of the 90s (Filatotchev, Wright, Buck & Zhukov, 1999). The company is willing to hire young people, but they
do not come. Moreover, those who do accept the offer do not stay there long. Young employees do not like general atmosphere, and of course, the level of remuneration. Nevertheless, after 2-3 years of work in such organization young employees are desirable candidates for international organization. Of course, international organizations offer much more attractive terms (Ledeneva, 2006).

The remuneration system is as follows: low salaries, but mass of allowances (for language, for the degree of tolerance, etc.) plus a premium: monthly, quarterly, and 13th salary. Everything is so complicated and confusing that understanding what you pay for is almost impossible. No one is even particularly trying. Job growth provided mainly by work experience. Leaders are engineers may well have specialists in their field, but do not have any managerial trainings and I am to believe that it is completely replaces by experience. Generally, the word experience is the main orientation. In order to grow at least to a minimum managerial positions, it is necessary to work with the company for decades (Filatotchev, Wright, Buck & Zhukov, 1999). For today’s young professionals it is not acceptable. Therefore, in an attempt to somehow ensure a flow of fresh blood, post-soviet enterprises create a separate youth division, sometimes it works out but sometimes does not. The working day starts at 9.00 Am., lunch at 1.00 Pm and at 6.00 Pm. they leave. Rush jobs are regularly at the end of each reporting period. Weekends, holidays, vacations are sacred (Bazarov & Eremin, 1998).

As for the control system, it is, of course, practically remained untouched from the old times. The same organizational structure, post workflow. Decisions are taken only top, mysterious and behind the scenes. Delegation of the mechanism is not well developed, as it expects a certain level of confidence in the top to the lower classes, and it is associated with risk. Initiative is punishable in every sense. However, any decision taking process takes months, and organizational changes are being made (if being made) in years. Do not think that the Post-Soviet enterprises are found only in the military industry. Described a corporate culture characterized by institutions of any industry, not only in industry where
monopoly is preserved, there is no need to deal with competitors and the client (customer) is the state or a few well-established with past times consumers (Ledeneva, 2006).

4.3.2 Modern Russian Enterprises

Their culture is diametrically opposed to that described above. Most of them have two main slogans: “Make money!” And “Take more!”. It is understandable, because these organizations were born in accordance with historical standards, as recently as in the 90s of the last century, and were created as fully commercial. Some of their founders heard about such interesting western undertakings, as the mission of the company, corporate ethics, and so, and even tried to create something of sort. However, very soon convinced that these things do not lead to the effect (Fey, Nordahl & Zätterström, 1999).

Human Resources Policy is chaotic and depends on the situation. In pre-crisis years, these companies have grown by leaps and bounds, without any human resources planning, mostly on the initiative from below. Line managers are increasingly demanded for their subordinates, service staff tried as best as they could, whereby a mass of workers have no clear responsibilities and qualifications. Vast majority of employees are young people. Rarely where you will meet people over 35 – 40 years and those over 50, not all the candidates are considered (Barinov, & Makarov, 2002). Accordingly, among the leaders of all ranks dominated by 30-year-old or even younger. Until recently, Modern Russian enterprises replenish their human resources only with the labor market. The first thing that HR has done, were climbed to the Internet. Now slowly beginning to ripen the idea of forming its own personnel reserve, but most of well-known companies of this type are still have poor to approaches like this (Ledeneva, 2006).
Few hopes for career growth in such companies, so young people gain experience, gain entry to the job, some managerial courses, and then find a better job for themselves. If employees of Post-Soviet enterprises usually worked in them for life, among employees of Modern Russian enterprises it would be hard to find someone, who does not change in 3-4 years. Labor legislation of Modern Russian firms began to honor only recently. At the same time increasing respect for HR outsourcing and demand for specialists (Fey, Nordahl & Zätterström, 1999). In USSR, as we know, one of the few troubles was leveling in wages: wages tied to anything except the results. Post-Soviet organization mainly inherited this sore, but Modern Russian from the beginning proclaimed the primacy and power of the ruble earned. Until now, in many companies a significant part of the staff receives earnings by the result (Barinov, & Makarov, 2002).

Meanwhile, it became clear that employers which provide a stable income, much more attractive to employees. Nevertheless, what size should it be? The answer was the same: by an agreement. As a result, confusion reigns: no one understands why Worker A receives 30% more then employee B, although they do the same thing. In addition, it is simple: because at some point in time it was agreed. Only recently, managers recognized the problem and started bringing in some order. Effective incentive systems, while attractive for employees and profitable for employers now is a problem for many Modern Russian enterprises, however, this issue is beyond the scope of discussion threads (Fey, Nordahl & Zätterström, 1999).

From the very beginning of our Russian business in the 90’s it was clear that the old Soviet methods of control do not work, but for creating their own there was particularly no reason, (fantastic profitability allowed not to worry too much about handling). Events of subsequent years and the competence of the owners and top managers have forced the surviving Modern Russian enterprises to engage seriously with enterprise management. Appealed to international experience, since it became available, and realized that not all things work in Russia.
Many recognized and widespread international management tools (such as the balanced scorecard, engineering business processes, budgeting, quality management systems, etc.) with great difficulty are implementing in Russia and require too much time and money. They usually met with great resistance from their staff, and as a result often only cause disappointment (Ledeneva, 2006).

4.3.3 **International Organizations in Russia**

Ideological component, including corporate mission, values, ethics, etc., have in their lives is very important, and it is not a whim and not an accident. Saturate all representation expats it’s expensive and not realistic. It is necessary to expense of local staff. However, relying on each occasion for the local labor market, education and qualification, mentality and other socio-cultural characteristics can be difficult. Therefore created a strong corporate culture is necessary. One of the main features for employee in such organization is compliance with corporate standards in competence and in attitudes, motives and behavior. First of all is complete loyalty to the corporation. This objective fully corresponds to the human resource management policy, which is worth considering in detail (Bagrinovskiy, Bendikova, Isaeva & Hrustalyev, 2004). If Post-Soviet organization, when experiencing shortage of new workers, is trying to implement youth workers, Modern Russian, with so quite a young contingent, on the contrary, is wary of graduates, preferring the more experienced candidates. In transnational corporations, youth is the basis of human resource recruitment. The hunt for talent acts almost worldwide. Competition is very high, requirements as well, but promised dividends are worth it. Experience in local (especially Russian) companies is not welcome; with the exception of highly qualified specialists (engineers, programmers, scientists) (Optimal Staff, 2013).
First years of the company is not only the development of performance standards and the acquisition of qualifications, but largely ideological preparation. For this, trainings and seminars exist, advanced system of mentoring, job rotation, training and many other tools. At the same time young person must prove themselves as much as possible, to show himself worthy of working in the corporation. From early beginning employee is able to show that he/she is ready to be a part of corporate culture. One of the key words inside organization is the team. The whole organization is one big international team. Department is the team of associates. Project group is a close-knit team. Teambuilding training. And so on and so forth. The next most important words are mission and values. Both need to be known by heart and regularly demonstrated. Employee is a part of corporate culture. Finally, leadership, if you want to grow, you have to acquire leadership skills (Aksenova & Rumeeva, 2008).

It is necessary to mention that the newcomers in such companies constantly feel attention and respect. Regularly meet with senior personnel. This is in sharp contrast to many Modern Russian entreprises where a new employee can wait a week providing a workplace, and after a month of waiting you do not really know who is his boss and what are his duties (Fey, Nordahl & Zätterström, 1999).

Incentive system also has fundamental differences from those we have seen in both types of domestic companies. There is a tariff system (the system with grades according to Key Performance Indicators), it is not a secret, and everyone knows when and under what conditions they can count on rise. For this reason, by the way, in multinational companies are not afraid of evaluation and certification: as a rule, they mean a subsequent increase, aimed at training, including in the talent pool and other nice things. Bonuses are also there, but on KPI, so that every employee knows what is required, what results to be achieved (Parmenter, 2011).
Finally, a career. In Post-Soviet firms, it is necessary to wait a decade, and conditions are not transparent. In Modern Russian it is commonly done by moving from one company to another, in multinational corporations it is not. Career planning is one of the tools of HR-management. This creates advantages both in terms of employee motivation and for workforce planning: for the majority of jobs created reserve replacement (Ledeneva, 2006). Nevertheless, as opposed to domestic companies nobody is scared, managers know that one of the conditions of their own career is to educate replacement. It should say more about training and development of staff. In both types of Russian companies it is usually dependent on opinions of senior management. For the transnational corporations with their policy of growing it is necessary to educate employees at all the stages. Therefore, constant training in the workplace is the most common thing for all categories of staff (Aksenova & Rumeeva, 2008).

Thus, at this stage, I see the possibility of the introduction of intrapreneurship only in western companies and several young Russian companies. As mentioned earlier, culture, corporate in particular, is volatile thing. The difficult economic situation and increased competition are a good stimulus for the fact that Russian companies would pay more attention to the importance of corporate culture and valuable employees. Nevertheless, even now workers of international corporations, with high level of involvement into corporate culture and personal growth inside the company, are possible candidates to be intrapreneurs.

4.4 Conclusion

According to Hall (1989) Russia and Sweeden have two different types of culture. Analyzing specifics of both culture types following features for Russia were outlined:

- unexpressed, hidden manner of speech, and numerous meaningful pauses;
- serious role of nonverbal communication and the ability to “speak through the eyes”;
- excessive redundancy of information as to communicate enough of the original background knowledge;
- lack of open expression of discontent in all conditions and results of communication.

Also, features of Sweedish culture were formed:

- direct and expressive manner of speech;
- small proportion of non-verbal forms of communication;
- clear and precise evaluation of all topics discussed and issues;
- evaluation of understatement as a lack of expertise or low awareness of the interlocutor;
- open expression of discontent

These features can be useful for analyzing corporate behavior of Russian and Sweedish employees.

Using comparative analisys method by Hofstedes model I was able to conlude the following:

1) Latvia really is a symbiosis of a classical European culture (Sweden) and Russia.

2) Many factors inherent in Russian culture, leading to the difficulty of creating a corporate culture that is conducive to the introduction of intrapreneurship.

3) There are some elements on which Russia exceeds Sweden and Latvia, in terms of development intrapreneurial-oriented corporate culture.

First conclusion is useful in terms of the possible use of Latvia as an intermedi ate step towards creation of Russian intrapreneurship model. It is necessary to
examine in more detail, what elements of Latvian business culture are closer to Russian, and which to European cultures. This will make it clear whether these factors are important for introduction of intrapreneurship or not. It will be possible to identify by an interview with a Latvian businessperson, which will be analyzed further down.

Second conclusion tells us about difficulties in application of intrapreneurship in Russia. This does not mean that it is impossible to do, but only that the high power distance, uncertainty avoidance, indulgence impose limitations on applying foreign experience. This experience must be adapted in accordance with certain conditions.

Third conclusion is the most interesting of all. Having a positive factor confirms relevance of study and feasibility of a deeper analysis, that factor is collectivism. From one point of view it negatively affects implementation of own ideas and ambitions what is necessary for the entrepreneur, but in case of intrapreneurs can happen and vice versa. Soviet Union has made a strong contribution to the development of this factor. People united by a common idea are fully committed and perform outstandingly to meet the objectives that are beneficial for society. If employees will think of their coworkers as of society and companies mission will become their common idea it will open a potential for innovation development.

Thus there is a logical question, whether there is a company with a such corporate culture that will one hand be able to unite people and on the other to create a entrepreneurial climate. Based on experience and knowledge I have divided Russian companies into 3 categories: Post-soviet entreprises, Modern Russian entreprises and International organizations in Russia. The post-Soviet entreprises have lost their ability to unite people and have a low level of corporate culture development. Modern Russian entreprises often have a corporate culture in the bud stage, and most of them are not yet ready for intrapreneurship. International organizations in Russia have the best chance of successful implementation of in-
trapreneurship as they have the most advanced corporate culture, but Russian employees do not always share views and values of these corporations what prevents a successful use of intrapreneurship.
Three interviews were conducted with different companies in different countries. All of them were in-depth face-to-face. Since all interviewees are busy people, it was hard to take a lot of their time. Nevertheless, it happened, and every interview was over 40 minutes long. Logical structure of every interview was the same. Interviewees were introducing themselves, their position; and where and when they were facing with intrapreneurship. After that, it was followed by a long discussion about facts and elements, which were having an affect on the process of implementing intrapreneurship. All of them are working in organizations which have or want to implement intrapreneurship, so for corporate security reasons they have asked not to reveal their names.

5.1 IKEA

5.1.1 About the Company

IKEA is a Swedish company, selling house good and furniture all over the world. All companies are combined and managed by a group of companies. The biggest market of the organization is Europe, especially West Europe. There are huge number of believes about company, the most popular are that there is no houses in Western Europe without any good from IKEA, that products is not high quality and sometimes products are difficult to assemble by own (Dahlvig, 2011).

“IKEA business idea is to improve daily live of many people, offering a wide range of comfortable and functional home furnishing products at prices so low that as many people could buy them.” (IKEA, 2014).
IKEA is selling different goods and commodities like furniture, textile, flowers, lighting, crockery and house electronics. All together it is more than 9,500 different titles. The network is wide, about 350 stores in more then 40 countries (Barlett, Christopher, Dessain, Vincent & Sjoman, Anders, 2006). “In the IKEA Group operates 31 distribution center in 16 countries. These units supply the IKEA stores with goods” (IKEA Yearly Summary FY13, 2013:3).

One of the features of the IKEA is opportunity to become the cover of the cataog for any customer. The club of regular customer, which is called IKEA FAMILY also gain a lot of benefits for members. To make shopping process more professional for IKE FAMILY members some special events are provided. Company have a strategic plan for development for next 5 years, and to the end of this period IKEA want to grow predominantly at the expense of emerging economies (Dahlvig, 2011). Organization have a very ambitious mission and goals, to achieve them a big team of qualified employees is required. In 2013 total number of worker were more than 130 thousand people. (IKEA, Yearly Summary FY13, 2013).

Europe is the biggest market, but it is not one country. All European countries give IKEA 69% of sales, but Russia alone give 7%. It is big figure for one country, so Russia is one of the aim markets for IKEA. (fig. 8).
Figure 8. (IKEA, Yearly Summary FY13, 2013).

<table>
<thead>
<tr>
<th></th>
<th>2013 (in millions of Euros)</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>28,506</td>
<td>27,628</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>15,765</td>
<td>15,723</td>
</tr>
<tr>
<td>Gross profit</td>
<td>12,740</td>
<td>11,965</td>
</tr>
<tr>
<td>Operating cost</td>
<td>8,709</td>
<td>8,423</td>
</tr>
<tr>
<td>Operating income</td>
<td>4,011</td>
<td>3,482</td>
</tr>
<tr>
<td>Total financial income and expense</td>
<td>81</td>
<td>427</td>
</tr>
<tr>
<td>Income before minority interests and others</td>
<td>4,092</td>
<td>3,909</td>
</tr>
<tr>
<td>Tax</td>
<td>775</td>
<td>695</td>
</tr>
<tr>
<td>Income before minority interests</td>
<td>3,317</td>
<td>3,214</td>
</tr>
<tr>
<td>Minority interests</td>
<td>-15</td>
<td>-12</td>
</tr>
<tr>
<td>Net income</td>
<td>3,302</td>
<td>3,202</td>
</tr>
</tbody>
</table>

Figure 9. (IKEA, Yearly Summary FY13, 2013).

The fig. 9 shows that company have sustainable growth. All indicators, on which measuring growth is based on increasing gradually. Nevertheless, such a big company can hardly make a sharly growth without innovation. Intrapreneurship can be possible solution.
5.1.2 Interview

Interview was conducted in Sweden with person, who had an experience of intrapreneurship. He pleased not to publish his name, only thing I can add, is that now he is still working in IKEA in Malmo. His point of view can be very usefull because he is an ordinary employee and has look from the organizational level of implementation of intrapreneurship.

Q: How long are you working in IKEA? Have you climbed the corporate ladder?

A: I am working in IKEA more than 10 years. I have come to the company directly after graduation from the university and received basic position. Now I am a middle manager, but it takes a lot of time to obtain current position.

Q: Have you ever heard anything about intrapreneurship?

A: Yes, certainly. I have read some articles during the study, but it was not as much popular that times. Nevertheless, I have faced with those things on my work several years ago.

Q: Do you have an intrapreneur experience?

A: No, not me, but I was working in such a project.
Q: Can you tell a little bit more about the project?

A: Sure. Have you ever seen how shipment is going on? More than half of the century transport companies all over the world were using wood pallets. Certainly they have advantages, because they are reusable, easy to repair and they bear the weight about 1 ton. People in IKEA suggested, that wood pallets is not the best decision, and, as always, they were looking for better choice. Finally, about 5 years ago, smart idea come to one’s mind and he realized, that paper pallets can be better choice. This idea was realized as an intrapreneurial project. He formed a group and start to create new paper pallet, I was one of the members of that group.

Q: Thousands of companies are using wood pallets, why did not this person who invented a paper pallet on his own did not just sell the project?

A: He did not want to leave the company. IKEA was the best place for work for him. Company trust him, allow to realize his own ideas.

Q: Interesting. However, how was the process of recruitment team for intrapreneurial project done?

A: The inventor was responsible for it. Certainly, he was looking for professionals, but all our staff is professional. As I said early he was much betrayed for the company, and he was looking for the same persons. In simple words, he was looking employees he can trust.
Q: Sounds like an ideal worker. How is it possible to have such loyal employees?

A: I can answer from my point of view. For me it is corporate culture. I really like IKEA’s corporate culture. It helps me to reveal myself, to achieve high bar, to develop myself, feel the freedom in my actions and decisions. I assume that in his case was the same. Corporate culture allow him to be entrepreneurial. He felt, that organization carry about his personal growth, really interested in his ideas.

Q: Which element of corporate culture is the most important for implementing intrapreneurship?

A: I cannot say only one. Entrepreneurial spirit is very important; level of trust is very important, level of feeling that you are the part of the organization. Because intrapreneur is close to the entrepreneur. Certainly, he had lower risks, but still he had it. You, as a top manager, cannot just give such a big opportunities for somebody. You have to trust that person, see, that he betrayed being a part of organization.

Q: What can you say about the possibility of using intrapreneurship in Russian office of IKEA?

A: I have heard a lot about IKEA in Russia. Your country is a huge market for IKEA, and it is very valuable market. Year after year IKEA open new shops, but
still there are two main problems. Corruption and blocking corporate culture. Every time IKEA is trying to open new shop, corruption appears. I do not know how Russian colleagues solve these problems, but I think it is difficult. Nevertheless, it is normal thing for Russian economy, business culture and it mainly appears on the first stages of opening shop. The second problem is internal, and it connected with employees. They do not want to be a part of big family.

Q: How company is trying to solve this problem?

A: As I know, IKEA is trying to exchange Russian employees to Sweden. As experience shows, after living in few month in Sweden people are more likely to meet the corporate culture.

Q: So, do you think that it is a problem of Russian people?

A: I think the problem is that Russian people have different vision on the importance of the work. For you it is just a place, where you earn money for living. IKEA is trying to build other values.

Q: Summarizing all this, is Russian society ready for intrapreneurship?

A: I cannot say about all the companies. Maybe in some companies relationships are built in another way, in your Russian way, and in that companies you can implement intrapreneurship. Nevertheless, if we were talking about IKEA, it would be hard. Until employees would not realize the importance of corporate
culture, I can hardly imagine intrapreneurial projects in Russia, but maybe I am mistaken.

5.1.3 Analysis

A man who had never faced a corporate culture in Russia directly was interviewed, though he works in an organization present on the Russian market. Since the rest of the respondents are members of the Russian culture, opinion of this interviewer can add objectiveness to this research.

In this interview I was able to obtain useful experience of successful intrapreneurial project. Though the respondent was not intrapreneur himself, but he worked in such project. It was highlighted that talented, loyal to this company, employee became an intrapreneur. Indeed, if employee is not devoted, and he has a good business idea, it would be difficult to keep him within the company. According to respondent an organization has to show employees that creation of a business within it is possible. This problem can also be solved by corporate culture.

Discussing the Russian market, interviewee noted a high level of resistance to corporate culture and negative external factors.

“Entrepreneurial spirit is very important; level of trust is very important, level of feeling that you are the part of the organization” – these elements of corporate culture were stressed out by the interviewee in his answers as factors conducive for implementing intraprenuership. According to the respondent implementation of intrapreneurship in Russia is difficult, he sees a greater chance of introduction in the Russian company, with the current Russian corporate culture than in a Swedish one.
5.2 Beckers

5.2.1 About the Company

Beckers is well known all over the world coating company. The activity of the company consist of developing, producing and selling environmental friendly solutions for pre-coated coil and paints.

Beckers is private organization, found in 1865. Now company have leading positions in Coil Coating, Industrial Coating and Consumer Design Finishes. More than 150 years company are trying to present for the market modern and innovative solutions. Beckers have 22 production sites in 18 countries and big reseller network in other countries.

Customer orientation is one of the strong sides of the company. Managers always are trying to understand customer needs and challenges. As a result, organization offer high quality innovative goods from reliable supplier.

Beckers have own design laboratory, big research and development department, combining all this with international reach allow company to have customers all over the world. In big countries Beckers has local companies that specialize in own field and market, it create benefits of flexibility for local features.

Company have focus on long-term orientation and sustainability. To achieve this company in looking for talent people with desire for development. “We target to be the indisputable industry leader in strategically chosen segments and regions. We want to be highly regarded by our customers for our dedication and professionalism and be known as the most sustainable coatings company. Beckers Group shall grow to become a place with a strong performance culture and be the Employer of Choice.” – Dr. Boris Gorella, CEO Beckers Group said.

The Beckers values are:
Drive and Passion – in innovation, setting the standard, and building our future

Trust and Integrity – respect for our employees, our customers and our environment; integrity in all our actions

Business Minded – a strong commercial approach, open to new ideas and results-driven

Customer Focus – for long-term, mutually profitable relationships

Unified and Working Together – a transparent and integrated approach; recognizing our efforts and achievements

From the fig.10, it is clear, that company have a large staff of employees and cash turnover. High level of investment stresses innovative orientation of the company.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4328</td>
<td>4159</td>
<td>4433</td>
</tr>
<tr>
<td>Investments</td>
<td>85</td>
<td>131</td>
<td>90</td>
</tr>
<tr>
<td>Avg. No. Of employees</td>
<td>1686</td>
<td>1700</td>
<td>1631</td>
</tr>
</tbody>
</table>

Figure 10. (Beckers, 2015).

Beckers is seriously trying to reduce negative impact on the environment. This opens new opportunities for development and ideas. Corporate culture of the company is oriented on development employees and looking for new ideas from them, such approach benefit all stakeholders.
The desire to be environmental friendly does not comply with law. Beckers Code of Conduct is official corporate document, which adheres to 10 conditions of the United Nations Global Compact.

Beckers is an innovative company with strong orientation on corporate culture. Nonetheless, company do not have successful intrapreneurial project in Russia, but company have all capabilities for using intrapreneurship. (Beckers, 2015).

5.2.2 Interview

Interview was conducted in Russia, with the top manager of Russian department. The length of interview was about an hour, so I took only parts, in which corporate culture and intrapreneurship were discussed.

Q: For how long are you working in this company?

A: I am working in the company for quit long period of time, and last 5 years on top position.

Q: Have you ever heard anything about intrapreneurship? Have you ever tried to implement it?

A: Certainly, I have heard. I even was a part of experiment with implementing it in our company, but the project failed.
Q: What was the reason behind this failure? Can you tell a bit more?

A: First of all, let me tell a little more about our company. Beckers is an old company, and our Russian subdivision is young by the standards of the company. Despite great age of the firm, Beckers is still family business, and it has a great impact on corporate culture. Corporate culture has high standards, especially in case of employees. Company is seriously oriented on staff development, and organization expected the full benefit from employees. In addition, at this stage Sweden management faces with the great problem. When they were trying to implement intrapreneurship, they do not realize, that business in Russia is differs. They were trying to do Swedish business in Russia, and were trying to build up Swedish corporate culture in Russia.

Q: You are talking about these things in past time. Did the situation change?

A: Yes, and I see in this fact my merit. For long period I was argued, that Russian people differ, and approach demands to them should differ. Moreover, finally, top management realize it, and as a result code of conduct is not a book of our behavior, it is a book of ideal behavior. Certainly, employee still trying to follow the code of conduct, but Sweden colleagues take into account fact, that they cannot achieve appropriate behavior immediately. The main now is aspiration.

Q: Nevertheless, not everybody is trying to correspond with this corporate culture?
A: Yes, and in this case we have a big advantage. All our employees are young and qualified. They are friendlier for such Western terms as corporate culture. From my personal experience, people, who grew up and worked in the Soviet Union in most cases, are not friendly for corporate culture. They do not want to change their style of working, and I guess that changing their minds is impossible task.

Q: And closer to the intrapreneurship, you think that after changing top managers minds this situation is more likely to change?

A: Exactly, we have very entrepreneurial oriented corporate culture. Employees are likely to take decisions by theirs own, and with this decision, they took risks and responsibility. Such approach help to receive number of initiative from employees to make companies life better, even if they are mistaken. As a result of this, we are not blamed for the failure. It does not mean, that we are nor oriented on the result and KPI of employees. It only mean, that even if decision lead to the failure, it is still experience, important and expensive experience. Still, not all employees are using this opportunities. The reason to it is our Russian mentality, our typical business culture. The common Russian worker do not feel him/herself as a part of a company. For the most part of Russians, work is a place where they have to go from 9 o’clock until 18 o’clock to earn money. We are trying to show employees, that we are a part of big family. For example, when top management comes to Russia, our office is going to restaurant with them. None of the Russian companies can allow sitting the CEO and the common worker in the one table, but we do, and it is a part of Swedish corporate culture that employees like. The feeling that you are the part of big international
company is necessary for implementing intrapreneurship, it proves that you initiative can really matter something in the company.

Q: How are you trying to involve people into organizational culture more?

A: The most successful thing is team building. Unfortunately, this year Swedish office decrease costs on team building. Nevertheless, the process of creating team in Russia, which would be corporate culture friendly, is difficult task. For example, few months ago we had a team building with Norwegian trainer. Employees prevented most part of European innovations. The only possible way is adaptation, as in case with code of conduct.

Q: So now intrapreneurship can be implemented?

A: Our corporate culture is close to be ready for it. Nevertheless, external business culture is rough. I suggest that it is very difficult to implement such as innovative things, as intrapreneurship in business culture, where even win-win principle does not work.

Q: You talked about Russian business culture. Do you think it has a serious negative impact on implementing intrapreneurship?

A: No, it has a specific impact, but not negative. This culture only shows that methods and approaches should be modified and adapted. In addition, our Swedish colleagues understand it. They usually said that they realize specific of
Russian business culture, and influence of this culture on corporate culture. Therefore, they are nor trying to impose own culture, they just show it. My personal opinion is that implementing intrapreneurship in Russia possible, but it requires very strong and innovative corporate culture and all approaches should be adapted to the Russian business culture, especially at low level of entrepreneurial spirit, fear of risk-taking and influence of the Soviet Union.

5.2.3 Analysis

Thus this company had a bad experience in intrapreneurship. The main reason for the failure, as I see it, was a weak corporate culture. Russian branch was quite young and had not yet managed to build a strong corporate culture. Although Swedish office tried to build intra-oriented business culture, companies staff prevented this. It is not enough to just write a code of conduct, it is necessary to make it so that people would want to follow it. In my opinion this company is well positioned for a successful future implementation of intrapreneurship. Senior management has realized that it is difficult to impose values of another culture, so gave time and opportunity for Russian branch to come to an effective culture of themselves.

Interviewee noted that among Russian people level of entrepreneurial spirit is quite low, especially in people of soviet generation, this is due to the strong influence of Soviet past. Confirming my classification of Russian corporate cultures, following can be said: majority of post-soviet entreprises and managed by such leaders who are stuck in the Soviet Union. Of course, this factor negatively affects the possibility of intrapreneurship. In company Beckers basic elements of corporate culture, aimed to create an entrepreneurial climate, are risk-taking, freedom in actions and responsibility.

During the interview, differences between Swedish and Russian business culture were noted, which do not allow a complete recreation of Swedish of intrapre-
neurship application experience. Adapting corporate culture can be one of the most important elements for the successful application of intrapreneurship in the enterprise. Probably a reverent attitude towards employees, their relation to each other and due to the type of in-house culture of the company is a family business. As corporations increasingly requires strict adherence to the elements of corporate culture.

Respondent does not acknowledge that Russian specifics have a negative influence on intrapreneurship implementation and also thinks that it is possible after changes have been made in Bekers Russia.

5.3 City Group

5.3.1 About the Group of Companies

The company is located in a huge respectable office, consisting of several floors. It employs hundreds of people elected by talented professionals, workers for the benefit of its further development and achieve outstanding results. The company operates autonomously, each person occupies the desired position, and there is a strict division of labor. The company has a large number of regular customers who appreciate CityGroup as exclusive business partner.

CityGroup consists of several businesses. The first is the CityRadio. The radio station was opened on May 7, 2009, and in the fastest time has become a market leader. The radio broadcasts in Russian. In the broadcast plays Russian and Western music. CityRadio is fashionable music, interviews with interesting people, lighting world music events, gossip, latest news, exciting games and the sea of good mood! Radio station has a high level of long-term contracts and often holds events on the city level.
The second project within the CityGroup is watch boutique CityTime. The boutique was opened in a year after radio station. The store hours best brands.

The third and largest project is the CMG Club. This club is a commercial project and operate mostly with CityRadio clients. As a result, this business unit also operate on B2B market.

Description of the club: the club of regular customers is a group of companies, united fellowship, founded and operated by the CityGroup. Within this club, the organizers of the club’s regular direct contact with their customers by offering them a certain valuable package of benefits. Based on emotional relationships to increase the activity of CityRadio customers and their loyalty to the company, with the support and development of the business club members is the purpose of the club. Loyal Customer Club offers real and tangible value to its members. Club benefits, special services, a variety of modes of communication and special rates are designed to bring added value to the services that CityGroup sell.

It is organized the interaction between participants of the club: Members – participants, club – media (popularization of the club), within company (CMG club must be part of corporate culture, club regular customers is more than just a loyalty program it is the foundation for business development).

Club is aimed at:

• Maintaining and developing the business key clients;
• Increased loyalty of key partners;
• An in-depth study of key partners in order to develop long-term relationships;
• Creating opportunities for communication between members of the club to strengthen the relations between them, as well as the exchange of professional experience, business ideas and recommendations to clients (buyers), etc.;
• Improving the image and status of the CityGroup.
Interview was conducted in Latvia. It was the longest one interview, because two problems were discussed. The first was about intrapreneurship and corporate culture. The second one was about business and corporate culture in Latvia.

Q: Have you ever heard anything about intrapreneurship? Have you ever tried to implement it?

A: Indeed, I have heard about it, but I have never deal with it. I think it is innovation for Latvian market.

Q: So you think that Latvian market is not developed enough?

A: We still have a great impact of post-soviet times. It touches upon with companies and people. Many people are still living in soviet times, but time is go on. Nevertheless, there are some individuals, who show high level of innovation and effectiveness of the company. I believe that every person can be changed, the same thing with employees. However, the expectation that people will change
themselves is invalid. To change/refresh the company, the lifestyle of the company is task of the owner of the business. I suggest that everything in organization start with trust. It is the fundamental thing in management, leadership and entrepreneurship.

Q: You mean that age does not affect the possibility of a person to change?

A: Exactly, age not always correlates with worldview. Person’s possibility for changes more depend on personal characteristics, attitudes, because I have an experience of working with senior man, who was open for changes. The idea is to give them new experience, because they are living according to their rich experience. Nevertheless, if we are talking about business, the speed of creating business is very important, so it is more logical orient on people, who are easy for changes. As statistics show, this factors still depends from the age.

Q: You are working in the country with two different cultures combined: Russian and Latvian. What are their specifics?

A: In my last project, I have worked with 200 persons and 20% of them were Latvian. The main differences are in reactions and action of people. Latvian people show fewer emotions and are more restraint. When I am trying to inspire people, Russian people are easy to open for the audience. They show emotions, personal examples.

Q: This insularity of Latvian people may lead to the problems in building up trust relationships? Because trust is necessary for intrapreneurship.
A: No way. I can say even more, they are more likely to build trust relationships with colleagues. They do not show emotions, but they experiencing there. It is not a barrier.

Q: What is needed to successfully implement intrapreneurship?

A: Strong corporate culture and desire to be independent on work even with taking risks. In addition, at this case Latvia is on transition time. We are geographically between Russia and Europe, and the business is between. Certainly, we do not compare businesspersons with criminal people from 90’s, but in Latvia still do not see big benefits from entrepreneurship. Some people understand, that business is main instrument for economy development, some people still do not understand. One my project faces with officials, and unfortunately, even they do not realize worth of business. Nevertheless, the common level of people with entrepreneurial spirit is low, especially in young generation. We do not see new start-ups; most part of big companies is international branches or businesses from 90’s. However, intrapreneur and entrepreneur is a little bit different persons. Intrapreneuer have lower risks, than common entrepreneur. Due to risks and personal characteristics, I see in Latvia more possibilities to find out intrapreneur, than entrepreneur does. The common situation of business environment is also between Russia and Europe. We have visible creation of business support from banks, government, European founds. Nevertheless, real goals of banks and government does not aim at business growth. The programs are done, but they are not working.
Q: From your personal experience, what is the main obstacle for implementing intrapreneurship?

A: People. If we talk about Latvia, it is poverty. In addition, this mean that people are not ready to live by win-win principle. They think that they are poor because somebody is reach. Therefore, if you failed, the society will be happy, because they think that they can win on your failure. For intrapreneur the support from organization is very important. Colleagues in Latvia are not ready to this, because they see competitors even inside one group. In this case, the inner core is required for the successful intrapreneurial work. Another problem is corporate culture. Most part of enterprises in Latvia do not try to build up corporate culture. We can see strong corporate culture only in international organizations and few innovative Latvian companies.

Q: In your companies, were you trying to build a corporate culture? What were the challenges?

A: In all my projects, I have a strong vision and ideology. If somebody does not share these ideas, I am ready to fire him. Corporate culture is principles of living, of building relationships. Even one persons, who does not share these principles, can be a danger, a disease for the whole company.

Q: Imagine that you are newly appointed manager. What will your actions be to create a corporate culture?
A: Education and personal example. Telling stories and examples of successful following this principles, and in contrast negative results. All corporate culture should be built on examples.

Q: Summarizing all factors, are you ready to implement intrapreneurship in Latvia?

A: Yes, it is possible. In countries where people and more knowledgeable in intrapreneurship, it would be easier to implement. In Latvia, we will faces with more barriers. As for me, I am innovator and pioneer and Latvian business. I have succeed in number of projects, and I am not afraid of possible challenges. I see a big opportunities for company growth through intrapreneurship. It is so hard to find the talent employees in Latvia, so intrapreneurship is a good way to hold them inside the organization. The first stage that I have done is Starbucks principle of partnership. Every employee have a share in a firm. It shows that every persons is a part of company. However, I do not look at implementing intrapreneurship as a goal; it is just method for company growth. Nevertheless, if I will see a real intrapreneurial talent in somebody, I will try to do my best to arouse it from him.

5.3.3 Analysis

This respondent has never personally came across intrapreneurship, but wants to try applying this approach to his project. A lot of information about business culture in Latvia and corporate culture of some entreprises companierd of this country received. Interestingly, that the description of different types of corporate cultures of Latvia are very similar to ones I have determined in Russian
companies. One of the main problems is a strong residual influence of the Soviet Union, which lead to a low entrepreneurship level, lack of initiative, reluctance of people to live on win-win principle of, people's lack of understanding of the importance of entrepreneurship. All of these are factors preventing the introduction of intrapreneureship.

Interviewee is the owner of the business, so valuable information on how and what was built a corporate culture built on in its organization was provided. As the basis of corporate culture he stressed out vision, ideology and trust.

During the interview elements of both Russian and European cultures were identified. As the respondent mentioned Latvia is somewhat between countries of Europe and Russia and that elements of both their cultures are present in it.

Interviewee responded positively on the possible intrapreneurship implementation in both Russia and Latvia. He believes corporate culture of his company is suitable for this task and that he will be able to find suitable men and open up their entrepreneurial potential.

5.4 Conclusion

In an empirical study representatives of different countries, different positions in the organization took part, but all of them noted corporate culture as a key factor in the development of intrapreneurship. All have stressed out the need to create an environment that supports the entrepreneurial spirit. Despite cultural differences, factors contributing to the development of this spirit did not change much. As authors of theoretical articles, interviewees noted: the ability to make their own decisions, the desire to take risks and taking responsibility. All paid special attention to trust within the organization. The reason behind it is probably the fact that intrapreneurs endowed with great potential and influence and
company must truly trust him. In Russia it has become one of the major obstacles for successful application of intrapreneurship.

When a question of corporate culture in Latvia and Russia was discussed it was noted that Soviet Union had a strong residual influence. People living at that time are stuck in it and do not want any changes. The approaches to this issue divided. Respondent number two says that this problem is difficult to overcome, and should make a greater emphasis on younger people. Respondent number three on the contrary, believes that anyone can be changed, but the problem is not just of the managers but the owners of the company. Nevertheless, Soviet Union has made a strong negative contribution to the use of intrapreneurship in the organization and in people's minds.

During the discussion of national business culture, all the respondents identified the existence of a specific Russian business culture. It is characterized by a low level of entrepreneurship, bad attitude to entrepreneurs in society, complex environment (corruption component, unfavorable to business laws), the reluctance of businesses to operate on win-win principles even with partners, low level of involvement in the corporate environment. All this completes a list of barriers on the way to successful intrapreneurship.

There were no categorical answers to the possibility of using foreign experience of intrapreneurship in Russia, none of the interviewees stated that it is impossible. But all of them noted that you can not simply copy international experience, it must be adapted to peculiarities of Russia. A good example would be the Beckers company's experience, which when faced difficulties conducted changes to its corporate culture. But before you try to learn from this experience, you need to create the appropriate conditions, mentioned earlier, within the organization.

According to Hofstede's (2005) comparative analysis, Latvia by some indicators was between Russia and Sweden. During an interview with a businessman from
Latvia more and more evidence of this was found. It is not just between them, it is the symbiosis of Russian and Western cultures which can even lead to a synergy of best parts from both sides. People in this country are more positively disposed towards Western values, have a European attitude and more stable legal environment. Despite this, there are many Russian people with appropriate behavior in the country. An attempt to use intrapreneurship in such an environment can be a good experiment towards the creation of the Russian model of intrapreneurship.
6 Conclusion

During the data collection, cultural analysis and interviews, answers for the research questions were found. It is still hard to answer which element of culture have more influence on implementing intrapreneurship, but existing of influence is evident. Certainly, there are number of other factors, internal and external, but to analyze them was not the purpose of this work. At the beginning of the work five research questions have been set. The logical way of answering them is verify firstly in dependence of corporate culture and intrapreneurship. Analyze the elements of business culture of Russia, Sweden and Latvia. Verify the hypothesis about Latvia was possible by Hofstede model and interview with Latvian businessmen. According to interview with person who succeeded with implementing intrapreneurship in Russia and compare his answers with respondent who failed, were identified factors, which prevent successful implementation of intrapreneurship. Summarising all this that possibility of implementing intrapreneurship with current corporate cultures was concluded.

6.1 Does the Corporate Culture Affect Implementing of Intrapreneurship?

According to all interviews corporate culture has a direct impact on intrapreneurship. All the respondents notice, that without appropriate corporate culture it is impossible to implement intrapreneurship. Respondent №1 noticed that it is impossible to implement intrapreneurship without corporate culture, which oriented on entrepreneurial spirit. In addition, respondent №2 said, that now he realizes that, he failed mostly because of weak corporate culture. The third interviewee remarked that corporate culture helped him in implementing intrapreneurship. This practical findings can be proved by Morris, Avila, Allen (1993) which said that entrepreneurial activity strongly developed in those companies whose organizational cultures achieved a balance between the
orientation on individual achievements and team achievements. Therefore, it is once again stresses entrepreneurial activity as one of the main elements of intrapreneurial-oriented corporate culture.

6.2 Which Elements of Russian, Swedish and Latvian Culture Differ?

According to Hall (1989) theory, Russia is a high-contextual country. This means that people in Russia are more likely to use body language and pay into account time and place of receiving information. Sweden is a low-contextual country. The consequences of this feature has little awareness and a great need for more information for the understanding of other cultures while communicating. According to theory that the mutual communication between representatives of these cultures have to face many difficulties. This mean that in some cases for Russians it would be hard to understand Swedish corporate culture and approaches to the intrapreneurship.

The third analysis was done using Hofstede's (2005) model. According to this analysis Russia has vary numbers at all indexes. Russia has an extreme high level of Power Distance and Uncertainty Avoidance, and it is not positive for implementing intrapreneurship. Sweden has a high indicates in Indulgence and Individualism. It can positive affect on implementing of intrapreneurship due to the personal ambitions.

From the interviews, I have concluded the following differences:

1) Sweden is friendlier for corporate culture.
2) The level of entrepreneurial spirit and initiative in Sweden is higher.
3) Russian people are trying to resist changes in organizations that comes from the west.
4) In Russia people are distant from organization and its corporate culture.
This findings does not lead to conclusion about impossibility of building strong corporate culture and implementing intrapreneurship. They just showing that possible challenges may arise.

6.3 Does Latvia Have the Average Figures in Culture Analyses Between Russia and Sweden?

From the Hofstede (2005) analysis, it is obviously that Latvia is between Sweden and Russia in most indexes (see fig.6). From interview with Latvian businessperson it is also clear, that Latvia is between Russia and Sweden, in geographically, cultural and in legal terms. This is explained by combination of two nations living in Latvia: Latvians and Russians. In business environment terms Latvia is also between, this country just got up on the way from Russia to economically developed countries of Europe.

6.4 Which Factors of Corporate Culture in Russia Prevent Success of Intrapreneurship?

- First of all, it is not willing to be a part of the corporate culture. Typical worker in Russia sometimes even do not try to share the corporate culture.
- Another problem is that in common post-soviet enterprise organization is expected strict adherence to defined rules. This is dangerous for intrapreneurship.
- One more problem is low level of creativity in work. In some organizations, managers are afraid of talented employees and they do not allow them to realize all the potential.
- The common level of negative attitude to the entrepreneurs have an impact on low level of entrepreneurial spirit, even within organizations.
- Low level of organizational integration with external environment.
6.5 Is It Possible to Implement Intrapreneurship in Russia with Current Corporate Culture?

The answer to this question is controversial. As it was mentioned in paragraph 4.4, Russian enterprises can be classified into three groups. Based on information that was received through interview it will be practically impossible to implement intrapreneurship in Post-Soviet enterprises. The international organizations in Russia have appropriate corporate culture and can successfully implement intrapreneurship.

Modern Russian enterprises just started to move in right direction. The main advantage is that some of them realize the importance of corporate culture and are working on building the strong corporate culture. Looking at Sweden’s experience Russian corporate culture should be transformed, but it should not be just a copy, all the elements should be adapted.

Elements that have the most influence on value creation should be created, shaping the employees commitment to their organization and its objectives, concerned with the case, the development of creativity and initiative, the best possible realization of their entrepreneurial potential:

1. A clear understanding of the status and prospects of development of enterprise in the future inspires employees and serves as an additional incentive and guide.

2. Encourage initiative. The employee must feel the freedom in decision making and actions.

3. Involvement of employees in the activity of the company leads to an understanding of the relationship between their personal goals and strategic objectives of the company, and as a result, long-term care for the welfare of the enterprise.
4. Interaction between different units and employees to achieve general corporate purposes. This may be a key factor in the integration, coordination and control across the enterprise, which would form a high degree of employee loyalty, a clear set of rules of conduct, a clear understanding of business principles.

Simple realization of certain values and even a positive attitude is not enough to ensure that corporate values have become personal to the employee. Therefore, it is necessary to include employees in daily activities of the company aimed at the realization of these values. Then cultural values of the organization will become individual, taking place in the motivational structure of one’s behavior.

It is possible to create a new culture, but it cannot be implemented in the form of an order. It is necessary to create conditions for realization of their entrepreneurial potential. Actions needed to take place to strengthen the identification of employees within the organization.

Nevertheless, it is a great job to create such a corporate culture. Latvia still does not have a lot of experience with intrapreneurship and has some similar problems with corporate culture. Nonetheless, the common level of readiness for implementing intrapreneurship is higher. In this case, Latvia can be an intermediate stage for implementing intrapreneurship.
References


Bessonova, A.A. (2009) Entrepreneurship is the most important part of business in crisis time. Russian analytic journal Business People № 3 p. 103.


## Table 1. Corporate entrepreneurship and intrapreneurship definitions.

<table>
<thead>
<tr>
<th>CORPORATE ENTREPRENEURSHIP</th>
<th>Author(s)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>The extent to which new products and/or new markets are developed</td>
<td>Jennings &amp; Lumpkin</td>
<td>(1989)</td>
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<tr>
<td>The process of creating new business within established firms to improve organizational profitability and enhance a company’s competitive position or the strategic renewal of existing business</td>
<td>Zahra</td>
<td>(1991)</td>
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<tr>
<td>A process of creating new business within established firms to improve organizational profitability and enhance a company’s competitive position</td>
<td>Carrier</td>
<td>(1996)</td>
</tr>
<tr>
<td>The presence of innovation plus the presence of the objective of rejuvenating or purposefully redefining organizations, markets, or industries in order to create or sustain competitive superiority</td>
<td>Covin &amp; Miles</td>
<td>(1999)</td>
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<tr>
<td>Corporate entrepreneurship may be viewed as consisting of two types of phenomena and processes: the birth of new businesses within existing organizations, whether through internal innovation or joint ventures/alliances and the transformation of organizations through strategic renewal, i.e. the creation of new wealth through the combination of resources</td>
<td>Dess et al.</td>
<td>(1999)</td>
</tr>
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<td>Corporate entrepreneurship centers on re-energizing and enhancing the ability of a firm to acquire innovative skills and capabilities</td>
<td>Ucbasaran et al.</td>
<td>(2001)</td>
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<tr>
<td>A process of organizational renewal associated with two distinct but related dimensions: creating new businesses through markets developments or by undertaking product, process, technological and administrative innovations redefinition of the business concept, reorganization, and the introduction of system-wide changes for innovation</td>
<td>Hornsby et al.</td>
<td>(2002)</td>
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<tr>
<td>Entrepreneurship inside large corporations</td>
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<tr>
<td>Entrepreneurship inside the corporation</td>
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<tr>
<td>The introduction and implementation of a significant innovation for the firm by one or more employees working within an established organization</td>
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<tr>
<td>Individuals and groups working within the corporation to: identify ideas for new products or services turn these ideas into profitable products or services</td>
<td></td>
<td></td>
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<tr>
<td>A process that goes on inside an existing firm, regardless of its size, and leads not only to new business ventures but also to other innovative activities and orientations such as development of new products, services, technologies, administrative techniques, strategies and competitive postures</td>
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</tbody>
</table>
Table 2. Example of companies in implementing intrapreneurship.

<table>
<thead>
<tr>
<th>Company</th>
<th>Example of in-house ventures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermo Electron (USA)</td>
<td>The company is a pioneer in the concept of growing new businesses within their company.</td>
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<td></td>
<td>At Thermo Electron Company now the process of forming project teams is working stable on the</td>
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<td></td>
<td>basis of which subsequently created a new company (spinout), which is closely related to the</td>
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<td></td>
<td>parent company through financial (through cross shareholdings and financial control) and</td>
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<td></td>
<td>industrial relations (joint professional and administrative services, support in marketing</td>
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<tr>
<td></td>
<td>and management).</td>
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<tr>
<td>Corning (USA)</td>
<td>The company is a striking example of the benefits of in-house ventures. The central point</td>
</tr>
<tr>
<td></td>
<td>of the corporate strategy is the creation of new industries involving cross-functional teams.</td>
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<td></td>
<td>In this case, Corning relies on entrepreneurial people, their ability to solve problems,</td>
</tr>
<tr>
<td></td>
<td>to lead innovation and confidence to move forward. Corning provides employees with high-</td>
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<tr>
<td></td>
<td>quality equipment, access to resources, the possibility of long-term liabilities, as well as</td>
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<tr>
<td></td>
<td>pay a good reward employees, including shares.</td>
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<tr>
<td>3M</td>
<td>More than 30 years lead the strategy of creating small business group (business development).</td>
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<tr>
<td></td>
<td>Existing within the company venture capital funds designed to support internal business,</td>
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<td></td>
<td>successful implementation of the ideas which automatically puts them at the center of a new</td>
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<td></td>
<td>business with a high level of autonomy and well-defined market orientation (both external</td>
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<td></td>
<td>and in-house on the market).</td>
</tr>
</tbody>
</table>

(International Centre for Scientific and Technical Information; 2012)