How innovation culture affects the performance of Internal Corporate Venturing (ICV)?
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Abstract

Background: Digital disruption has forced organizations to transform the way they do business. In order to secure their long-term survival and success, organizations must pay more attention to how they enable innovation, which is one of the key drivers of digitalization. As a form of corporate entrepreneurship, internal corporate venturing (ICV) is an acknowledged strategy for creating innovation, but it requires a proper (innovation) culture around it, in order to function.

Purpose: The purpose of this thesis was to examine the distinctive characteristics of innovation culture and how those are associated with the performance of internal corporate venturing. Moreover, our thesis had a particular focus on geographically dispersed business units within an organization, and how their different cultures were supporting ICV across the organization.

Method: As our study concerned a single organization, our methodological choice was an embedded case study. In addition, semi-structured interviews were conducted with experts to lay the basis to our research. As a part of triangulation technique, in an attempt to increase the validity of our research, questionnaire was used to gain insights from the business units’ perspective. Thus, a mixed method design was applied into our study.

Conclusion: The results of our research showed that the role of top management is essential in creation of innovation culture, especially, in a geographically spread organization. Without proper guidance from top management, the end result is different cultural maturity between different locations. These cultural differences regarding policies and capabilities further possess threat for resistance, thus leading to lower overall engagement and innovation performance. However, support from middle managers is equally important, as they, unlike top management, are better able to affect the day-to-day behavior of their subordinates. Finally, customers need to be an integral part of innovation culture, venture development should happen together with the customer and on their terms.
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1. Introduction

This chapter gives a brief introduction to the topic and presents the problem statement and purpose of our research. Finally, it provides a short overview of the structure of our study.

1.1 Background

Digital disruption is already impacting half of the companies globally (Global Center for Digital Business Transformation, 2017). It is the driving force of transformation, and “leaders must respond to the clear and present threat of digital disruption by transforming their firms” (Gill & VanBoskirk, 2016, p.1). This means that all industries are facing radical changes, and there is a global movement towards the center of “digital vortex”, where the velocity and magnitude of change are the highest (Global Center for Digital Business Transformation, 2017). In contrast, companies that are not able to handle disruption in their markets, will most likely fail to survive, thus there is a need for strategies, structures and processes around these rapid changes (Felin & Powell, 2016). Moreover, companies need to become more agile regarding their business models and organizational boundaries to succeed in the long-term, and this is done through innovation (Jackson & Haubelt, 2017). Hence, it is a call for action to build these aspects around innovation, which is one of the key core blocks in today’s world of digitalization (Dervitsiotis, 2010). According to Smith, Fixson, Paniagua-Ferrari and Parise (2017), nearly 80 percent of the firms globally reported innovation being among the top three priorities for them.

Internal corporate venturing (ICV), a form of corporate entrepreneurship, is recognized as an important way for companies to search for new growth opportunities (Bhardwaj, Camillus & Hounshell, 2006). In addition to ventures creating new business growth and better financial performance, ICV develops internal capabilities for organizations (Keil, McGrath & Tukiainen, 2009). ICV is acknowledged as an essential channel for creating innovation by management practitioners and academic scholars (Makarevich, 2017). Moreover, it enables established companies in mature markets to seize the opportunities and tackle the challenges of radical innovation (Maine, 2008). Therefore, we can state that ICV is an effective and crucial innovation strategy for corporations to achieve new growth.
According to Mohan, Voss and Jiménez (2017), innovation culture directly affects innovation performance. Indeed, the stronger the innovation culture, the stronger the innovation performance (Terziovski, 2010). Despite researchers establishing this connection between innovation performance and innovation culture, companies seem to disregard the importance of innovation culture, as it is broadly recognized as one of the most frequent obstacles for successful innovation (Terziovski, 2010; Kratzer, Meissner & Roud, 2017; Lee, Woo & Joshi, 2017). Instead of disregarding innovation culture, it should be seen as one of the main elements for survival, given its importance to the implementation of innovation (Dervitsiotis, 2010).

1.2 Problem Statement

Previous research on ICV and innovation culture have recognized their importance when it comes to innovation performance, and interest on the topic is growing. Researchers on the topic of ICV has mainly focused on its design and management aspects (Kuratko, Covin and Garrett, 2009; Garrett & Neubaum, 2013; Makarevich, 2017). In addition, there is research available on innovation culture and new product development (NPD) performance (Lee et al., 2017). However, NPD is usually extensions in a company’s existing portfolio, whereas ICV activities are aiming to bring totally new business areas to the company (Kuratko et al., 2009). Although the research on ICV has concentrated on the aforementioned aspects, it has been acknowledged that the right organizational environment is crucial to successfully implement ICV (Makarevich, 2017). However, an appropriate focus on the organizational environment, more particularly innovation culture, has been ignored in existing research. In general, ICV has gained most from research on managing it strategically.

Even though, key characteristics of innovation culture has been widely researched, there has not been a precise focus on its effects on ICV performance (Brettel & Cleven, 2011; Baruah & Ward, 2015; De Brentani & Kleinschmidt, 2015; Gurtner & Reinhartd, 2016; Sommer, Heidenreich & Handrich, 2017; Dodge, Dwyer, Witzeman, Neylon & Taylor, 2017; Lee et al., 2017). Given the major obstacle of innovation culture that is hindering innovation, there is currently little understanding about its effects on ICV performance. Moreover, there is a lack in research on the different levels of innovation culture between geographically dispersed business units. Through examination of innovation culture effect on ICV
performance, the specific cultural aspects and what aspects effect in which location, are important for companies to simultaneously manage innovation culture as well as ICV. Moreover, we identified that research on ICV was mainly done through quantitative methods, thus, we were able to see a need for a qualitative research approach.

1.3 Purpose

The purpose of this thesis is to examine the distinctive characteristics of innovation culture and how those are associated with the performance of ICV. Moreover, our thesis will have a particular focus on geographically dispersed business units within an organization, and how their different cultures are supporting ICV across organizations.

The studied problem is important for organizations that implement ICV as their innovation strategy, allowing them to understand specific cultural preferences across the company, securing that innovation is made successful. Ultimately, our thesis will gain insights to the following research question: “How innovation culture affects the performance of Internal Corporate Venturing?”.

Our findings further contribute to the research on ICV. Moreover, focusing on the important aspect of innovation culture and its effect on ICV performance will further the understanding of the maturity of innovation culture, the dynamics and factors contributing to the phenomenon. Our findings may also give further research directions and provide useful information to practitioners.

1.4 Outline

This thesis examines the effects of innovation culture to internal corporate venturing performance, when an organization has geographically dispersed business units. Our study is structured as follows; the second chapter, reviews the theoretical concepts that constructs this thesis. It illustrates the connection between innovation culture and internal corporate venturing, and these are both defined. In the third chapter, we present in detail the methodology used in this study, as well as some ethical considerations, explaining the interpretive research approach with the embedded single case study design. Fourth chapter
addresses the empirical findings of the case company, introducing the analysis of interviews, questionnaire and observational data. This is done to fulfil the purpose of the thesis, examining these findings in the lines of the theoretical frameworks and approaches that were outlined in the second chapter. In the fifth and final chapter, we present our conclusions including discussion about the theoretical and practical contributions, limitations of the thesis and future areas for research.
2. Theoretical Framework

This chapter presents the concepts and theories of internal corporate venturing (ICV) and innovation culture. It builds a theoretical baseline for the framing of interview and survey questions, along with the analysis of empirical findings.

2.1 Internal Corporate Venturing (ICV)

Innovation acts as a theme that underlies all forms of corporate entrepreneurship. Moreover, all corporate entrepreneurship strategies involve constant activity in searching for entrepreneurial opportunities, aiming to achieve growth and competitive advantage (Kuratko et al., 2009). Corporate venturing (CV) is under the broader field of corporate entrepreneurship, and it refers to the creation of new businesses in existing companies through entrepreneurial activities (Birkinshaw, 2003; Brumana, Minola, Garrett & Digan, 2017). It enables companies to either extend their core businesses or reconstruct organizational boundaries by developing new products or seeking new opportunities in new markets, aiming towards growth (Keil et al., 2009). Companies have been aiming for some form of CV in their strategies since the 80’s, the term, corporate venturing, includes the thought that new business ventures should be separated from a company’s core business to successfully deliver long-term value (Birkinshaw, 2003).

Internal corporate venturing (ICV) can be defined as the entrepreneurial activities that occur through established internal entities within an organization (Brumana et al. 2017). On the other side of the spectrum, external corporate venturing (ECV) involves establishment of semi-independent or independent entities outside the organizational range (Brumana et al. 2017). Comparing the two constructs, ICV is more appropriate to ECV, when the role of the parent company is more important, as ICV emerges within a corporate context (Brumana et al., 2017). Moreover, ICV enables the internal creation of new business ventures in a separate business unit (Maine, 2008). As an innovation strategy, ICV is aiming to create radical innovations, which include explorative activities (Maine, 2008). According to Kuratko et al. (2009), exploration and exploitation are the key motives for practicing ICV. Furthermore, in order to innovate effectively, organizations need to balance between radical and incremental innovations simultaneously (Lee et al., 2017; Gurtner & Reinhardt, 2016).
Exploration requires sensing and seizing of new opportunities that do not generate immediate value, while consuming resources in the short run (Chen, 2017). According to Chen (2017), exploration involves high uncertainty and low success level. Moreover, companies need to bear early failures to have explorative activities (Chen, 2017). Essentially, less than five percent of corporate venturing units creates substantial lines of new businesses (Keil et al., 2009). In contrast, exploitation activities refer to what is already known in companies. Exploitation activities bring pressure to achieve consistent and reliable results through optimized ongoing operations (Chen, 2017). In effect, this ultimately increases the reliability, efficiency and control of performance (Chen, 2017). Both explorative and exploitative activities are needed to see the challenges of disruption; exploring the new possibilities aimed at long-term success and exploiting internal capabilities and existing information to ensure short-term success (Chen, 2017). This, dynamic ambidexterity is achieved after carefully crafting strategies on managing explorative and exploitative activities (Chen, 2017). Moreover, Lee et al. (2017) found that organizational ambidexterity has a positive interference on innovation culture and new product development (NPD) performance, as long as both explorative and exploitative activities are present.

Considering these activities in the context of ICV, activity related to exploitation has more potential to be considered as successful than explorative activity (Kuratko et al., 2009). Being strategically further from the core business of companies, explorative activity is destined to destroy value (Brumana et al., 2017). However, exploration holds greater potential in being disruptive and achieving long-term success (Kuratko et al., 2009; Brumana et al., 2017). Moreover, designing and managing ICV is proven to be a difficult task for managers (Burgelman & Välikangas, 2005). Consequently, when ICV is designed and managed poorly, established companies will focus more on incremental over radical innovation (Maine, 2008). Furthermore, ICV is crucial for companies to reach strategic renewal and prevent stifled growth (Burgelman & Välikangas, 2005).

One of the biggest decisions to be made when designing ICV is to determine the degree of autonomy in ventures (Brumana et al., 2017). In addition, decisions on the strategic closeness between the parent company and the ICV in terms of product, technology or market should be taken into consideration (Brumana et al., 2017). Accordingly, autonomy in ICV is highly important, as ventures typically require aggressive strategies and high flexibility in decision-making to successfully address entrepreneurial challenges that are unique and specific in
nature (Brumana et al., 2017). Regarding the management of ICV, when corporate-level managers do not possess the required expertise or knowledge to facilitate ICV, allowing venture managers to have greater autonomy becomes even more important (Garrett & Neubaum, 2013). Moreover, it is the venture managers, who generally possess the correct level of expertise and knowledge to lead their business, thus, they are the most suitable to make strategic decisions regarding ventures (Kuratko et al., 2009). However, by allowing ventures to have an excessive level of autonomy, could lead to difficulties in determining goals of the ventures and evaluating their success (Garrett & Neubaum, 2013). Hence, the balancing the levels of autonomy of ventures is one of the key managerial challenges in ICV (Garrett & Neubaum, 2013).

Companies with adaptive, aggressive and innovative capabilities possess the ability to adjust in changing environments, as well as initiate the change themselves better than others (Kuratko et al., 2009). In contrast, parent companies might prevent ICV to acquire the necessary agility for changing environments, if they have built a traditional control system around them (Brumana et al., 2017). Although, with the right balance, parent companies are able to provide necessary organizational knowledge and resources to ICV, without restricting their autonomic privileges (Kuratko et al., 2009). Thus, when ventures have control on their own operations and processes, the more likely they are to become successful (Kuratko et al., 2009). According to Makarevich (2017), ICV’s naturally involve access to the parent company’s resources, which includes funding, knowledge, expertise and information of existing employees. Moreover, it is important for companies to carefully determine the access factors of ventures, who has it, how is it applied and what they are allowed to do with them (Makarevich, 2017).

The performance of ICV is higher when value propositions and goals of the venturing efforts are clear from the start (Kuratko et al., 2009). Moreover, without clear management objectives beforehand, it becomes almost impossible to evaluate ICV efforts either as successful or failed (Kuratko et al., 2009). According to Kuratko et al. (2009), companies need to establish systems to evaluate and control these ventures. Dervissiotis (2010) states that innovations are successful only when it is turning profits in the market, thus, profitability should be guiding the measurement of innovation success. However, Keil et al. (2009) found that ICV processes develop certain internal capabilities whether a venture is failed, successfully launched as a new business, pivoted or made as a part of an existing business.
Furthermore, capturing potential new business value is mostly accomplished through new business models that appreciate employee productivity and business processes (Dervitisiotis, 2010). On the other hand, instead of solely concentrating on measuring the business growth and financial performance of the venture, the developments on internal capabilities should be measured for value with great importance (Keil et al., 2009). Adequate knowledge in management and capabilities in learning have a sufficient impact on venture performance, while acquiring knowledge extensively may have both sufficient and insufficient impacts (Kuratko et al., 2009).

Management support describes the level at which ventures are supported by top management (Kuratko et al., 2009). Moreover, top management can guide ventures in their paths and prevent internal competition, by redirecting them toward strategic inclusion, hence allowing capabilities to grow as the venture develops (Keil et al., 2009). The level of support by management affects the resources given to ICV, thus, increasing the overall performance of ICV (Garrett & Neubaum, 2013). Moreover, managers with sufficient power in decision-making, allows the vision of ICV to be effectively established to the organizational environment (Makarevich, 2017). When ICV is supported by management, the more likely their efforts are seen as beneficial to the company (Kuratko et al., 2009). In addition to a properly structured ICV process, top level managers have the ability to generate decision-communication outpourings across the organization, promoting entrepreneurial culture, reducing risk and facilitating the access to resources (Makarevich, 2017).

The role of ICV is becoming continuously crucial, as it is used to guarantee the long-term survival of a parent company (Burgelman & Välikangas, 2005). Moreover, this importance should not be ignored by altering financial prosperities, short-term strategic pressures, contradictive routines in administration or unpredictable management trends (Burgelman & Välikangas, 2005). According to Burgelman and Välikangas (2005), ICV commonly begin with enthusiasm and implementation, after which they encounter difficulties that result in termination of ventures. Moreover, unrealistic and high financial goals are often the reason for failure in many of the innovative development efforts (Perel, 2005). Furthermore, Dodge et al. (2017) demonstrate that having realistic expectations enhances the innovativeness of companies. Thus, ICV requires a properly defined, structured and transparent program, that is extended across the company, ultimately acting as the pillar for success (Makarevich, 2017).
The most important part of any process is the generation of ideas, which decides on the successive steps and final outcomes of innovations (Gurtner & Reinhardt, 2016).

Makarevich (2017) talks about internal visibility of ventures, which is the awareness of employees in the parent company on new venture projects, what is currently being worked on in venture teams, including goals and progress. The author further demonstrates that there is a strong relationship between internal visibility and close involvement of mainstream divisions, which are key aspects in successful ICV. By successfully spreading the interest in ICV between employees, most likely results in a highly motivated and loyal workforce (Brumana et al., 2017). Innovation and the entrepreneurial efforts of employees are a critical issue for most companies implementing ICV (Kuratko et al., 2009). Moreover, leaders are increasingly considering these factors as important strategic components, and success factors of ICV (Kuratko et al., 2009). Essentially, employees need to be comfortable in coming forward with their ideas, ultimately having a supportive process (Burgelman & Välikangas, 2005). This allows managers to determine new opportunities strategically, measuring potential innovations and championing the most promising ones, even without the immediate need for growth (Burgelman & Välikangas, 2005). Keil et al. (2009), found in their case study that the key drivers for successful ICV were internal networking and training. Moreover, monitoring the participation in the ICV process and offering a training program for potential new venture staff, will potentially result in higher internal collaboration (Keil et al., 2009).

Lee et al. (2017) found that high innovation culture results in better NPD performance. Respectively, NPD and ICV are different, as NPD is usually related to extensions in a company’s existing portfolio (Kuratko et al., 2009). On the other hand, ICV aims to bring new business activity to the company, including entering new markets, thus bringing higher levels of uncertainty that explains the perceived lower success rate of ICV (Kuratko et al., 2009). Proactive creativity in NPD and market diversification on an international scale are both result from an attitude within the firm that values opportunity, risk-taking, and innovativeness (De Brentani, Kleinschmidt & Salomo, 2010). Studies show that a strong global innovation culture is associated with superior performance in NPD (De Brentani et al., 2010). Furthermore, in the situation of a harsh and unstable competitive landscape, ICV performance will suffer (Kuratko et al., 2009).
Kuratko et al. (2009) argue that ICV success is not dependable on the quantity it produces, but the success rate rather stays the same. Almost 37 percent of ICV’s being seen as successful, and 30 percent as impossible to evaluate. In contrast, studies on new product development performance (NPD) have shown that 60 percent of them are successful (Kuratko et al. 2009).

2.2 Innovation Culture

According to Balsano, Goodrich, Lee, Miley, Morse and Roberts (2008), in the rapidly changing business environment, innovation is considered to be the key factor in securing long-term survival. “CEOs around the world desire to grow their companies organically at higher-than-market rates and “innovation” is increasingly seen as the engine to make this happen” (Balsano et al., 2008, p.23). The authors further continue by stating that leaders need to recognize that innovation must be done throughout the value chain and organization, not just in R&D (Balsano et al., 2008). To lay further basis on this opinion, Kampas (2003) calls a shift away from product innovation culture towards a business innovation culture. Moreover, the author emphasizes on the importance of cultural DNA of a company, which shapes its competencies. “The most effective way to manage business unit pressures is by making innovation an integral part of the firm’s organization and management DNA, in much the same way as good accounting and financial management practices are” (Perel, 2005, p.15). The author further elaborates on the issue by stating that innovation should be made a priori, something that cannot be overlooked during difficult times either. Reid, De Brentani, and Kleinschmidt (2014) found that despite innovation culture being important and beneficial for the survival and success of a company, more often than not, the innovation strategy is not supported by the organizational culture. Hence, it has become increasingly important to gain more understanding of innovation culture and put more focus on it (Reid et al., 2014; Kratzer, et al., 2017).

Key characteristics of innovation culture generally includes freedom, openness to new ideas, creativity, risk-taking, failure acceptance and employee encouragement (Brettel & Cleven, 2011; Baruah & Ward, 2015; De Brentani & Kleinschmidt, 2015; Gurttner & Reinhardt, 2016; Sommer et al., 2017; Dodge et al., 2017; Lee et al., 2017). By innovation culture, Reid et al. (2014) mean encouragement of diversity and freedom of ideas, and they emphasize on the
importance of divergent thinking, which refers to the ability to think outside of the box. Gurtner and Reinhardt (2016) adds that “thinking-out-of-the-box mentality” is indeed needed for the emergence of new radical ideas. Furthermore, Dodge et al. (2017) see creativity, along with productivity, as the main components within innovation. They distinguished challenging work, managerial encouragement and support within work groups as the three key leadership dimensions effecting employee consideration of innovative company culture. Challenging work refers to the sense of having challenging tasks and innovative work (Dodge et al., 2017). The authors found, that challenging work strongly impacts the innovation culture aspects of freedom, risk-taking, management support and openness to new ideas. In turn, encouragement refers to managers acting as role models, setting clear goals and being open to new ideas, offering support for both individuals and teams (Dodge et al., 2017). Moreover, managers should aim to construct groups with individuals that are diverse based on skill, but share the behaviors of constructively challenging others, being trustful and helpful, and are committed to their work (Dodge et al., 2017). Furthermore, when there is a high level of control in companies, offering challenging work to employees becomes more important to foster innovation culture. In contrast, when companies offer support, the more important encouragement becomes (Dodge et al., 2017).

Another important factor that cannot be overlooked are the customers, as innovation efforts need to be based on common visions with them (Dervitisiotis, 2010; Brettel & Cleven, 2011; Jackson & Haubelt, 2017). Companies having a technological focus on innovation, allows them to foster collaboration with customers, as well as other external actors (Brettel & Cleven, 2011). Moreover, acquiring external capabilities is an effective way to complement internal capabilities (Jackson & Haubelt, 2017). Furthermore, making customers part of innovation processes enable companies to recognize new innovations, and conceptualize new ideas (Brettel & Cleven, 2011; Jackson & Haubelt, 2017). Providing more value for customers is an effective way for companies to achieve growth as well (Dervitisiotis, 2010). Martín-de Castro, Delgado-Verde, Navas-López, and Cruz-González (2013) state that in order to label organizational culture as innovation culture, there is a need to have support for personal growth and development. Dervitisiotis (2010) adds to that by discussing about the development of learning adaptive organization, which is an establishment of trustful organizational climate and less risk-averse attitude towards what is new.
Successful innovation is dependent on the organizational climate and culture that supports innovation, with employees acting as key drivers for innovation performance (Sommer et al., 2017). Essentially, innovation culture is the environment that is embedded and transferred within a company, where radical ideas emerge (Gurtner & Reinhardt, 2016). Furthermore, the focus should be on individual innovation efforts, including valuing opportunities, risk-taking, failure and conflict (Gurtner & Reinhardt, 2016). According to Reid et al. (2014), radical innovation alongside innovation culture, requires market visioning competence (MCV), which concerns the firm’s ability to link together the future market opportunities with advanced technologies. Referring back to the customers, according to Brettel and Cleven (2011), customers are important sources of knowledge for companies that prioritize innovation strategies and aim to keep up with most recent technological trends and offer superior products. Furthermore, Kleinschmidt, De Brentani and Salomo (2007) together with Perel (2005) and Jackson and Haubelt (2017) emphasize the importance of an organizational environment, which encourages to entrepreneurial actions and risk-taking. Innovation is risky in nature and therefore, companies need to be open towards riskier projects that aim for innovation and offer opportunities for employees to perform them (Kratzer et al., 2017). Furthermore, Kleinschmidt et al. (2007) and Perel (2005) emphasize that risk-taking should be encouraged without the fear of retribution, but instead it should be rewarded. Sperber (2017) also raises rewarding and incentives as one of the key factors of innovation culture.

According to Kratzer et al. (2017), building an innovation culture within organizations brings challenges regarding the mindset of the organization. Companies should be careful how to mobilize teams to develop new products and services in an agile way, and how to bring them together to achieve sustainable results (Kratzer et al., 2017). However, innovation can be misunderstood by enthusiastic employees generating ideas that they are not able to see through, hence losing direction (Kratzer et al., 2017). This establishes a need for companies to create common shared views on innovation between leaders and employees (Kratzer et al., 2017).

Nakagaki, Aber, and Fetterhoff, (2012, p.34) praises the importance of support from top management, “the alignment of the beliefs and actions of a corporation’s top leadership with a desired change is a key success factor”. Moreover, to achieve innovation culture, there is a certain mindset that needs to be achieved (Nakagaki et al., 2012). It should not involve the thought that
innovative individuals are problem solvers, who create solutions by their own means (Nakagaki et al., 2012). Instead, individuals need to see themselves as solution providers, resolving problems and fulfilling needs (Nakagaki et al., 2012). First and foremost, top management needs to be convinced on a more innovative mindset in order to successfully spread and adopt innovative mindset across whole organizations (Nakagaki et al., 2012). Perel (2005) adds to that by stating that the success of innovation culture relies heavily on those, who have the power to shape the guiding values of an organization. Furthermore, Balsano et al. (2008) raised the issue of managers being often too focused on the tools and processes, disregarding the development of a proper culture and environment for innovation. This limits the innovation potential, as culture and environment play a crucial role in the way the personnel behave (Balsano et al., 2008). In order to achieve real success, management should nurture cultural aspects that support innovative behavior (Balsano et al., 2008). It was found by Garrett and Neubaum (2013) that top management support was one of the factors that positively influences the innovation success. According to Makarevich (2017), top management, although they act as a trailblazer and have the decision-making power, they might be too far from the units and their daily activities to be able to impact their behavior towards innovation. In fact, it is the middle managers, who should act as a binding glue (Makarevich, 2017). However, according to Perel (2005), it is often these middle managers, who are the first line of defense against new ideas, and it is often due to the lack of knowledge regarding the evaluation of innovation.

According to Smith et al. (2017), companies are paying more and more attention in building innovative capabilities. Top management needs to understand what makes organizations attractive in the eyes of innovative talents (Sommer et al., 2017). Moreover, highly innovative employees prefer innovative organizational environment, which makes them appreciate their work as meaningful (Sommer et al., 2017). But instead of searching for “serial” innovators or entrepreneurial teams, the trend is increasingly shifting towards the involvement of all the employees of a company, aiming to find the creativity in them (Smith et al., 2017). However, employees that are not as innovative might not show the same appreciation as highly innovative employees (Sommer et al., 2017). Furthermore, companies possessing the ability to communicate strong innovation culture externally, are more effective in attracting innovative talent than showing innovative products (Sommer et al., 2017). Thus, companies that prioritize innovation need to carefully design and develop communication strategies around innovation culture to ensure attractiveness both internally and externally (Sommer et
Kratzer et al. (2017) continues that innovation culture must be extended throughout the innovation process, allowing the use and application of employee generated ideas. Moreover, Reid et al. (2014) emphasized the importance of employee involvement and fostering creative thinking. The authors found that the individual divergent thinking is about complex problem solving and enjoyment of mental stimulation. As an example, companies such as Cisco and Oracle have applied “gamification” into their innovation process, offering a game-like experience for their employees (Reid et al., 2014). This makes tasks more enjoyable and increases the involvement of employees in innovative activities through collaboration, idea development and idea submission (Reid et al., 2014).

In relation to the involvement of the entire organization, Oparaocha (2016) talks about the difficult task of managing innovation in a geographically spread organization. He emphasizes on the requirement for collaborative actions between different units across the entire organization. Thus, stressing the importance of knowledge management and sharing as a part of company’s innovation culture (Oparaocha, 2016). Furthermore, Perel (2005) emphasizes on the importance of communication, which is often overlooked but is actually one of the key factors, especially during the difficult times. The way to maintain the motivation of personnel is through offering information and showing acts of empathy and commitment from top management (Perel, 2005). Thus, these secure their contribution for innovation activities during difficult times (Perel, 2005). Moreover, Kratzer et al. (2017) found the knowledge sharing between different units and individuals to be essential in securing sustainable innovation performance. The authors further emphasized that the knowledge sharing should be done proactively by employees rather than by a command of top management (Kratzer et al. 2017).

Innovation as a strategic investment requires balance between exploitative and explorative activities, yet, this is only understood by a very small share of companies (Kratzer et al. 2017). In fact, innovation culture was found to be one of the main barriers of innovation performance (Terziovski, 2010). Moreover, organizational culture can act either as an enabler or as a barrier for innovation, either way, it plays a crucial role (Rycroft & Kash, 2002). Kratzer et al. (2017) argue that in general, there is a collective negative attitude toward innovation, which is then reflected on the mission statements of companies, that ultimately creates the negative mindset of employees (Kratzer et al., 2017). Furthermore, Terziovski (2010) found that although innovation strategy is one of the key drivers of the company’s
performance, innovation culture is not utilized neither in a structured nor in a strategic manner.

Current research has widely accepted innovation culture as an important factor affecting innovation performance. However, there seems to be a contradiction between organizations and current literature. It has been made clear that innovation plays an important part in the long-term survival, and success of the organizations. Still, innovation culture seems to be often ignored as an important feature of innovation by organizations. Moreover, there is little research with the focus on ICV performance and innovation culture, especially in different geographical locations. Besides of putting more focus on creating an effective innovation culture, organizations should further flourish their innovation culture through applying ICV as a part of their innovation strategy. This connection we have built between the constructs of ICV and innovation culture will act as a point of departure for the analysis of our empirical findings about the effects of innovation culture on ICV performance.
3. Methodology

This chapter presents our case organization, methodological choice, research strategy and design, as well as data generation, data sources, and analysis of the data. Finally, the chapter is closed with discussion about quality criteria and ethical considerations.

3.1 Case Organization

The selected organization for our study is a large stock listed Nordic corporation that acts in the environmental industry. The organizational structure, as well as the business model can be considered as traditional. From our case point of view, the case organization is currently facing major challenges regarding growth. The traditional business side is being utilized close to its full potential, thus growth is becoming more difficult to achieve. Not too long ago, they implemented innovation, more precisely new business ventures, as one of the major focus points in their strategy to achieve the desired growth.

To find these new growth areas, they have created a separate unit that focuses on searching and incubating new business ventures to extend the organizational portfolio. Thus, this can be seen as a form of ICV. This ICV unit focuses on evaluating potential ventures from an idea pool, which are then being developed into a minimum viable product (MVP) based on customer feedback. Finally, the most potential ventures are tested and evaluated, whether or not it would be profitable for the organization to start scaling the venture. In order to handle vast amount of ideas simultaneously, the ICV unit’s process is designed based on the hypothesis-driven lean startup method, which allows quick experimentation and agile development (Ries, 2011).

Furthermore, the major challenges that have occurred in the implementation of ICV, have been identified as the cultural differences between the traditional business side and the more entrepreneurial ICV unit. Thus, selecting this organization as the main subject of our study was a suitable and obvious choice.
3.2 Methodological Choice

Methodological choice of a study is usually made between two methods, qualitative and quantitative (Saunders, Lewis & Thornhill, 2012). In our research we utilized both quantitative and qualitative data through triangulation, and we see our chosen methodology as lying under relativism ontologically, and constructionism epistemologically. In our case, relativism appears as the assumption that scientific laws are created by people through debate and discussion between people holding different views (Easterby-Smith, Thorpe & Jackson, 2015). Furthermore, our study did not aim to give definite answers within innovation culture, which in that case would have leaned more towards realism.

We are asking “how” innovation culture affects the performance of ICV, and it describes the aim to make a sense of a situation. Thus, our study lies between constructionism and strong constructionism, but with less relevance to the latter. Our methodology aims at convergence, where we assume many realities different from each other by comparing different units and the status of innovation culture within them. In practice, we did it through mixing qualitative and quantitative data, utilizing data triangulation with interviews, questionnaire and observation. According to Easterby-Smith et al. (2015, p.95), “by using a range of different methods within the same study the researcher will increase the validity and generalizability of results and the potential theoretical contribution.” Tracy (2010, p.843) states that despite the arguments against triangulation “[...] multiple types of data, researcher viewpoints, theoretical frames, and methods of analysis allow different facets of problems to be explored, increases scope, deepens understanding, and encourages consistent (re) interpretation.”

The data produced from the research was both written and numerical, helping us to make comparisons and understand the cultural effects on performance. The part relating to strong constructionism is that the outcome produces new knowledge on the differentiating factors to performance in organizational culture, having recognized previous theories and perceptions on the topic of innovation culture overall, which is particularly important in our research (Easterby-Smith et al., 2015).
3.3 Research Strategy

3.3.1 Case study

As our study concerns a single organization, it was natural to consider a case study as a choice of methodology. “Essentially, a case study looks in depth at one, or a small number of, organizations, events or individuals, generally over time” (Easterby-Smith et al., 2015, p.89). More precisely, we selected the embedded case study method to be used in our study. According to Yin (1994), an embedded case study involves multiple subunits within a single case. This method was suitable for us, as our study involved one organization, but multiple units within it. Furthermore, within this organizations we focused on sub-units and measured the status of innovation culture in each subunit. Focusing on each sub-unit’s innovation culture we were able to have the necessary material to contribute to the larger context of the case, that being ICV performance.

Ultimately, an embedded case study brought more flexibility to our study, allowing concrete measurements to be analyzed, and a holistic approach would have kept the study on an abstract level, essentially excluding these measurements (Yin, 1994). Thus, holistic case study method was ruled out due to the limitations in resources, as it would have required more prolonged observation and participation to fully understand the cultural concept in the entire organization.

There are also arguments against case methods. Few of the main opposing arguments are, the absence of rigor of natural scientific designs, the rarity of generalizations from specific cases to the general population and accumulation of data in large quantities that is allowing the researchers to make interpretations of their willing (Easterby-Smith et al., 2015). Having sub-units within a single case brings the danger of excess focus on the sub-units instead of the greater context, ultimately shifting the focus of the entire study (Yin, 1994). Regarding our research, the major risk related to the potential to have too much attention on the sub-unit innovation cultures and neglect the overall effects on ICV performance. To avoid this, we carefully planned the research structure, keeping the focus on the collective ICV performance of the case organization when collecting and analyzing data.
3.3.2 Mixed Method

As previously mentioned, we applied a mixed method design into our study. The key idea behind mixed method is to combine both quantitative and qualitative methods for data collection and analysis (Creswell, 2003; Teddlie & Tashakkori 2009). Moreover, our mixed method design was based on sequencing and partnership, describing our data collection design choice, where qualitative data collection method precedes the quantitative method, while having equal importance to both methods (Easterby-Smith et al., 2015).

As we have already mentioned above, there are quite a few reasons that speaks for mixed methods, such as potential new perspectives, increase in credibility, deeper insights and so on. But there are also arguments against it, one of the more fundamental argument is about incommensurability. It is about the unwiseness of combining different paradigms within one study because it assumes that different assumptions from the two parts are not combinable. The weakness of this argument is though, the assumption of paradigms being always distinct and cannot be overlapping (Easterby-Smith et al., 2015). “Recent thinking about paradigms suggests that boundaries are more fluid than originally portrayed, and hence it may be acceptable to combine paradigms up to a point” (Easterby-Smith et al., 2015, p.97). We constructed a table (Table 1) from the rest of the opposing arguments on mixed method.

<table>
<thead>
<tr>
<th>OPPOSING ARGUMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Replicability is difficult</td>
</tr>
<tr>
<td>- Research design must be in accordance (relevant) with the research question</td>
</tr>
<tr>
<td>- If asking wrong questions, it provides no help</td>
</tr>
<tr>
<td>- Single method studies require less resources</td>
</tr>
<tr>
<td>- Requires knowledge and skills with both methods from the researcher</td>
</tr>
<tr>
<td>- Overall design must be competent</td>
</tr>
<tr>
<td>- It may result in contradictory results, if ontologies are very different from each other</td>
</tr>
</tbody>
</table>

Source: Adapted from Easterby-Smith et al. (2015)

Essentially, triangulation of data combines different methods to study the same phenomenon. Jick (1979) explains triangulation referring to geometry, where reaching greater accuracy is achieved by having more angles. Having multiple sources for data is possible to use either to achieve these different perspectives or to deepen understanding from existing
knowledge. In our case, the motivation to use data triangulation is the latter, as we were interested in the performative effects on ICV by innovation culture.

Our triangulation design consists of three different forms of data collection (see Table 2), semi-structured interviews, questionnaire, and observational data. These techniques were chosen to compensate the weaknesses of them. We determined that our research topic as an example, by relying solely on textual data collected through the interviews, would restrict our findings to the individuals that were taking part. By conducting a questionnaire, we have a measurement that adds further strength to the statements found from the interviews. Finally, observations allow us to provide as much validity to the findings as possible.

3.3.3 Data collection

3.3.3.1 Semi-structured interviews
To begin the data collection, we held six semi-structured interviews with selected members (experts) from the case company’s ICV unit. Interviewees were selected based on their expertise on the topic, and their perceived understanding and assimilation on the ICV development process. All of the selected participants had a substantial work experience, at least three years, within innovation. We chose semi-structured interviews, more specifically guided open interviews, which are more flexible in their nature, as “this type of more open interview questions often gives a higher degree of confidentiality, as the replies of the interviewees tend to be more personal in nature” (Easterby-Smith et al., 2015, p.139).

The interview questions were constructed based on our theoretical framework, and we further divided them under three main topic areas, that were internal corporate venturing process, innovation culture, and innovation performance. For the interviews, we provided the interviewees with a topic guide, and we used it as a tool to give us a framework. It included an informal list of topics and questions we wanted to address (see Appendix 1). In addition, we had a series of sub questions that were not included in the version sent to the interviewees. The topic guide was sent to the interviewees beforehand and it was made clear that the thesis will be public (although anonymous), thus ensuring the confidentiality of respondents. All interviews were done face-to-face at the company premises, and each individual were treated
equally, allowing them to feel secure throughout the interview. The duration of each interview was approximately 60 minutes, and they were voice-recorded and transcribed.

3.3.3.2 Self-completion questionnaires
Based on the findings through the interviews and theoretical framework, we were able to construct the questionnaire with the same selected three topic areas. Questionnaire consisted of 21 different claims regarding innovation culture and ICV activities and few background questions (see appendix 2). The claims were answered by using a 5-point Likert scale:

1. Strongly disagree
2. Disagree
3. Neither agree nor disagree
4. Agree
5. Strongly agree

The questionnaire was sent to 336 employees that were based all around the organization geographically. Data was collected between the period of April 6th and April 20th, a total of 15 days. We received 130 replies in total, achieving a response rate of 38.7% (see Table 2).

We decided to use online questionnaire surveys because we had a large and widely dispersed sample. “Questionnaire surveys have the advantage that the cost per respondent is low for large samples compared with any method that requires face-to-face contact with individuals, especially when the sample members are widely dispersed” (Easterby-Smith et al., 2015, p.221).

As an application we used web-based survey/questionnaire, so instead of actually sending the questionnaire to every respondent by email and then wait for them to send it back, the questionnaire was accessed through the company’s Intranet. We simply provided them with the link via email. We believe this also lowered the effort for the respondents to take part, and as the questionnaire was completed online, all responses were directly stored in an online database for later analysis. The questionnaire was open to respondents for a duration of two weeks, and a reminder was sent after one-week period. We decided to add the questionnaire in to the mix, to gain better understanding of the perspective of employees from different units.
3.3.3.3 Observational Data

Finally, observational data was collected to achieve the triangulation strategy. Observation allows researchers to look for patterns on how interactions between people occur, nonverbal expressions of feelings and see the amount of time spent in activities (Kawulich, 2005). In our case, one of the authors was acting as a participant-observer within the case company’s ICV unit. As participant-observer, researchers are a part of the population that is studied, the population being aware of this activity, the main role is to be a participant first and an observer second (Kawulich, 2005). Having one of us act as a participant-observer allowed us to connect definitions of terms which were discussed in the interviews, look for something that the interviewees were not necessarily willing to share, and look for useful information in situations that have been mentioned by our interviewees (Kawulich, 2005). As we had a specific focus on specific practices we saw the timespan of two months as effective to support our study. To collect the observational data, field notes were taken throughout the observation period, keeping diary like entries from events and situations, including comments and questions that relates to what the interviewees have talked about. The data collected was analyzed to either confirm or contradict these statements.

3.3.4 Sampling

Non-probability sampling design was used in the study, as it was impossible to determine the probability of the sample population.

We used purposive sampling as our sampling method. According to Easterby-Smith et al. (2015, p.82), “in purposive sampling the researcher has a clear idea of what sample units are needed according to the purposes of the study, and then approaches potential sample members to check whether they meet eligibility criteria”. Thus, this supports the aim of our research and the sample population used in this study is relevant for the purpose of the study and enables accurate representation of desirable population.

3.3.5 Data generation in total

In total, we had six 60-minute expert interviews as our qualitative data. For our quantitative data, we received 130 answers to the questionnaire. In addition, we had real-time observation
for two months to accomplish the triangulation. The below table (Table 2) further illustrates the collected data.

To avoid any biases, our research approach was carefully designed. Therefore, the intentions of our research were clearly communicated to the interviewees prior to the interview and list of topics were sent to them few days beforehand. We also shortly explained how we are going to collect the data, how it will be analyzed, and ensured the confidentiality (all responses are anonymous) to make them feel more comfortable.

Table 2: Data generation in total

<table>
<thead>
<tr>
<th>INTERVIEWS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>INTERVIEWEE 1</td>
<td>60 min</td>
</tr>
<tr>
<td>INTERVIEWEE 2</td>
<td>60 min</td>
</tr>
<tr>
<td>INTERVIEWEE 3</td>
<td>60 min</td>
</tr>
<tr>
<td>INTERVIEWEE 4</td>
<td>60 min</td>
</tr>
<tr>
<td>INTERVIEWEE 5</td>
<td>60 min</td>
</tr>
<tr>
<td>INTERVIEWEE 6</td>
<td>60 min</td>
</tr>
<tr>
<td><strong>IN TOTAL</strong></td>
<td><strong>360 min</strong></td>
</tr>
<tr>
<td>QUESTIONNAIRE</td>
<td></td>
</tr>
<tr>
<td>RECIPIENTS</td>
<td>336</td>
</tr>
<tr>
<td>RESPONDENTS</td>
<td>130</td>
</tr>
<tr>
<td><strong>RESPONSE RATE</strong></td>
<td><strong>38.7%</strong></td>
</tr>
<tr>
<td>OBSERVATIONAL DATA</td>
<td></td>
</tr>
<tr>
<td>2 MONTHS</td>
<td></td>
</tr>
</tbody>
</table>

3.4 Data Analysis

The following section presents how we analyzed the data derived from the interviews and questionnaires. As we were collecting both qualitative and quantitative data, we decided to use content analysis, which is applicable with all kinds of data.

“Although content analysis is an interpretative, qualitative method, its underlying positivist framework makes it possible to introduce some element of quantification into the process” (Easterby-Smith et al., 2015, p.188).
3.4.1 Content analysis

We decided to use content analysis, which as an approach is aiming to draw systematic assumptions from qualitative data, which are then set-up by a set of concept or ideas (Hsieh & Shannon, 2005). “Researchers interrogate their data for the presence, meanings and relationships of these ideas or concepts, which are derived from a pre-existing theory or hypothesis, from the research questions or from the data themselves” (Easterby-Smith et al., 2015, p.188). In this case the data related to already established ideas on innovation culture, which were used with expert interviews to collect qualitative data, and finally analyzed the findings connecting them to established ideas.

The actual procedure was quite straightforward. Our first step was to “[…] determine a number of criteria for the selection of relevant material based on the main research question of the study” (Easterby-Smith et al., 2015, p.188). The material was then further analyzed, in order to find the appearing factors for our research question. After the establishment of these factors, a table/matrix was created and the variations between and within them could be identified.

The alternative analysis method would have been grounded analysis, which would have instead of testing and elaborating existing theories, aimed at building theory from categories that are to be found in the data, essentially them being identified through systematic analysis of data. It would have been a more holistic approach, comparing different parts of data to each other (Easterby-Smith et al., 2015). As we were framing the data to pre-existing structures and aimed to look at the differences between business units, this analysis approach was not relevant to our study.

3.5 Ethical Implications

Establishment of trustworthiness of a research should be the goal for each and every researcher, we aimed to follow the quality criteria for qualitative research by Lincoln and Guba (1985, p.219):

- Credibility (in preference to internal validity)
- Transferability (in preference to external validity)
- Dependability (in preference to reliability)
- Confirmability (in preference to objectivity)
According to Lincoln and Guba (1985), a trustworthy qualitative research is conducted by following these four criteria.

3.5.1 Quality criteria

Credibility is seen as one of the primary aspects, when trying to achieve the trustworthiness of a study (Lincoln & Guba, 1985). According to Tracy (2010, p.842), credibility “refers to the trustworthiness, verisimilitude, and plausibility of the research findings”. Credibility in qualitative research is accomplished through methods, such as triangulation, thick description, or multivocality and partiality (Tracy, 2010). Our attempts to increase the credibility of the findings of our study was done through triangulation, which included interviews, questionnaires, and observation.

Transferability refers to the extent to which it can be generalized in different settings. It is though the person’s responsibility, who is making the generalizations, to judge whether it is applicable in his/her context (Lincoln & Guba, 1985). According to Lincoln and Guba (1985), researcher can increase the transferability with detailed description of the fundamental assumptions and context. Tracy (2010, p.845) states that transferability “is achieved when readers feel as though the story of the research overlaps with their own situation and they intuitively transfer the research to their own action”. We attempted to achieve this criterion with thorough description of the case/context, fundamental assumptions, and by discussing about the limitations.

Dependability refers to the replicability of a study, it is concerned about whether the same results would be obtained by another researcher, if conducted in the same way (Lincoln & Guba, 1985). We believe due to our thorough description about the methodology that our study would result in similar results, if conducted in same context with same methods. Though we would expect to find some dissimilarities as different organizations embodies different kind of cultures and maturity levels.

Confirmability is about the objectivity of the results. Researchers must ensure through the selection of proper strategies that the obtained results are based on the views and experiences of the respondents, not their own (Shenton, 2004). Thus, we have evidently documented everything from the procedures to the generation and analysis of the data.
have also used some quotations to present to the reader how and from where we have come to our conclusions.

3.5.2 Ethical considerations
Miles and Huberman (1994) stated that as qualitative researchers we need to keep in mind also the rightness (or wrongness) of our actions towards those we are examining, our coworkers, and possible sponsors. The 11 principles in research ethics provided by Bell and Bryman (2007) guided our research and helped us to construct ethically sound research, where all participants and the data were treated in a justifiable manner.

During our research there was no harm done to any of the participants. Moreover, we respected the dignity of each by respecting their opinions and aimed them to feel comfortable during interviews. Each of the participants were handed informed consent, where we provided all the information they needed to feel secure and at ease during their efforts in the research. This was written within the email that included the topic guides for the interviews. This included mentions on privacy, confidentiality and anonymity. To be more precise, we provided the privacy of participants by avoiding collecting any form of information that could somehow be traced to them. During and after the research, confidentiality was achieved by keeping the data between us and prevent anyone from having access to it. During the data collection, no personal information was asked to fulfill the anonymity of participants.

Our roles as researchers, participant-observants and interviewers was a focus point as well. We avoided deception by following a truthful research plan, and we did not lie or mislead information in any part of the process. Affiliation was achieved by openly describing that one of us was having a professional relationship with the organization during our research period. We built trust with everyone involved by being honest of our work, communicating all the necessary information as well.

Reciprocity was achieved through maintaining an aim in the research in such way, that the participants should benefit from it as much as we would. Having one author in a professional relationship with participants allowed a constant discussion about the actual benefits for both sides, and our final research supported these discussions. Finally, in our research we have
avoided the misrepresentation of our findings, and have done our analysis in the most accurate way possible.
4. Analysis

This chapter is divided into two parts, presenting the analysis of the semi-structured interviews and questionnaire. First part introduces the analysis of the interviews, which are categorized as follows: internal corporate venturing process, innovation culture, and innovation performance. Second part presents the analysis of the questionnaire that was sent to the employees.

The following table presents a summarized view of the six semi-structured interviews held with the experts. The table shows how the responses relate to the second-order themes established based on the theoretical framework constructed earlier in our research.

<table>
<thead>
<tr>
<th>Second-order Theme</th>
<th>First-order Theme</th>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Corporate Venturing</td>
<td>Career length</td>
<td>“We have people with long careers and they are too used to old ways of doing things, so we still have a strong mentality towards the traditional business side, which makes it hard to “wake them up” for innovation activities.”</td>
</tr>
<tr>
<td></td>
<td>Customer orientation</td>
<td>“Our process is based on gathering ideas as openly as possible, then we evaluate the idea, build a concept and take it to the customer, who determine if the idea will be taken forward or rejected.”</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td>“Our tool is designed to be transparent; it is important that everyone sees the same content, the progress of ideas, are they moved forward or are they “deleted”.”</td>
</tr>
<tr>
<td>Innovation Culture</td>
<td>Encouragement</td>
<td>“Innovation culture is the backbone which promotes the emergence of new innovations; it is about encouraging to bring out new ideas, and allowing to spend time to work on those ideas.”</td>
</tr>
<tr>
<td></td>
<td>Time allocation</td>
<td>“It is important to have permission to use time for innovation; people need to see innovation as a priority, if you have an idea you should be the one taking it forward.”</td>
</tr>
<tr>
<td>Innovation Performance</td>
<td>Shareholder role</td>
<td>“Our risk profile is a major challenge, as there is an expectation of stable profits; it makes taking risks more challenging when shareholders are satisfied with the current situation, where the risk level is low, making them disregard innovation, keeping us on an incremental level.”</td>
</tr>
<tr>
<td></td>
<td>Top management support</td>
<td>“Support from top management is the starting point for everything, as they are the ones determining the culture, that this (ICV process) is a strategic thing and important.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“The challenge is that now top management assumes quick results, and this is far from reality; it is pretty rare that an idea becomes a final service, and it is more about the produce of the (ICV) process that is nurtured and combined.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“I do not meet top management personally and I see them pretty disengaged with what we do, but our budget has been increased and we have recruited more people so I can see this as an act of trust.”</td>
</tr>
<tr>
<td></td>
<td>Freedom</td>
<td>“If I would like to start using a new tool, I should be able to just start using it, instead of going through some process, where I meet with people in three different meetings and after three weeks nothing has happened.”</td>
</tr>
<tr>
<td></td>
<td>People</td>
<td>“In order to involve the entire organization, and get the most out of the people, a clear and common vision needs to be established.”</td>
</tr>
</tbody>
</table>
We held semi-structured interviews with six experts within the case company’s ICV unit, who have had multiple years of experience in working with innovation and development. Next, in parts 4.1, 4.2, and 4.3 we present the analysis of the results of semi-structured interviews with the experts.

4.1 Internal Corporate Venturing Process

Relating to the strategic importance of innovation, the experts saw a well-described and designed strategy in place for innovation. For example, one of the respondents stated: “The entire company has innovation as part of their strategy, with the whole staff onboard, and we have developed a good ICV process aiming to involve everyone.” However, there seems to be a knowledge gap between the ICV process and the lower level management. Despite having a properly constructed process in place along with strategy, however, the activity is still rather low around innovation. Moreover, there were uncertainties how well the strategy has been owned in practice by employees. For instance, one of the respondents stated:

“We have people with long careers and they are too used to old ways of doing things, so we still have a strong mentality towards the traditional business side, which makes it hard to “wake them up” for innovation activities.”

Concerning the ICV process, the respondents discussed the important role of customers. Instead of focusing on drawing the most effective business case, it is the customers that determine the value of ideas, as new ideas for ventures are always validated by the customers. Moreover, a focus on creating customer value instead of business value, allows better knowledge and understanding of customer preferences and needs. Furthermore, the ICV process is focusing on contacting potential customers as soon as possible, to have them as part of the venture early-on, at least when the venture is on the conceptual stage. The feedback received from them gives more information about the demand, hence showing the potential of ideas. Furthermore, taking ideas to customers allows the early rejection of them. Ultimately, this minimizes the resources used on a venture.

“Our process is based on gathering ideas as openly as possible, then we evaluate the idea, build a concept and take it to the customer, who determine if the idea will be taken forward or rejected.”
In our frame of reference, Maine (2008) and Chen (2017) stressed the importance of careful planning and designing when implementing innovation strategies. This importance can be confirmed based on our interview results. Our empirical findings further suggest that specifically the longevity of careers is extremely important when implementing new innovation strategies and ways of working. Moreover, by recognizing the lengths of careers would help to avoid resistance of employees who have had longer careers in the company and are used to certain work behaviors.

In the literature, Jackson and Haubelt (2017) stated the customer focus being the first step when visioning new solutions. Moreover, technologically innovative companies allow fostering customer collaboration (Brettel & Cleven, 2011). Collaboration allows making customers a part of the innovation process from the very beginning, to fully understand their needs and preferences, allowing the capture of customer value early on. It can be confirmed from our empirical findings that customer collaboration may provide the same benefits in traditional service companies as well. Moreover, the ICV process should include a central idea of involving customers at every stage to ensure capturing customer value.

4.1.1 Idea generation tool
The discussions in every interview moved to the tool used for gathering ideas. In the case organization, a tool is provided for employees where they can generate ideas. This idea generation tool is a platform that solely focuses on new ideas, allowing tracking the progress of them. It playfully visualizes the progress of each idea by presenting them as “balls” with different colors, hence the name “ball pool”. The tool provides functions similar to social medias, where users can like, comment and receive email notifications on the ideas that are interesting to them. In addition, employees are encouraged to participate by offering instructional videos on how to use the tool and holding monthly events presenting the activity. The interviewees generally saw this as an effective way to engage employees and communicate venture progress and innovative behavior throughout the organization. The response for the tool has been positive overall, and it is considered easy to use and understand. However, one respondent raised concerns relating back to the current problem of low activity: “The materials offered are all in different places, and currently the communication of the tool is too dependent on people who happen to read their email.”
One key aspect that arose from the interviews while discussing about the tool was the transparency of it. Concerning transparency, the respondents agreed that access of information should not be limited to certain people. Instead, the same information should be available for anyone who might be interested in the progress of ideas. One respondent stated regarding transparency: “Our tool is designed to be transparent; it is important that everyone sees the same content, the progress of ideas, are they moved forward or are they “deleted”.” On the other hand, one interviewee saw communication still lacking when decisions are made on ideas and their status change on the tool: “We are not good at open communication, there is a need for more transparency and involvement of people.”

Kratzer et al. (2017) stated that innovation culture must be extended throughout the innovation process, allowing the use and application of employee generated ideas. Having a dedicated tool for idea generation and all the stages included in the process, allows updating the status of ventures in real time, including the parts where ideas have been put on hold or permanently terminated. The tool used in the case company clearly offers these requirements from the aspect of innovation culture. While it is clear that having this tool is not enough in itself, it still has an important role in allowing innovation culture to spread across the company.

In our frame of reference, Dodge et al. (2017) mentioned that challenging work is key for employee engagement as one of the best practices to make innovation successful, allowing processes, behaviors and climate to develop toward a more innovative organization. As benchmarking examples, the authors presented Rite-Solutions “idea market”, where employees fund ideas with virtual funding, and the best funded ideas were taken through the development process. Another example was given from IDEO, where the employees use role-playing to build empathy, learning and create new ideas from hands-on building. Indeed, our empirical findings suggest that there are similarities with the benchmarks and the tool used in the case organization. Our empirical findings confirm this relationship between idea generation tool and employee engagement, based on similarities between the benchmarks and the case organization approaches. Instead of funding, there are likes and comments, and instead of role-playing the playfulness comes from the visuality of the tool, making it easy and fun to use. However, the tool will not be enough in itself to successfully engage employees. In addition, communicating the purpose and meaning of the tool to employees proves to be of equal importance, as well as having a transparent approach to venture
progress and decisions made on them. However, these idea generation tools have the potential to enhance employee engagement, offering an environment for employees to be openly creative.

In our frame of reference, Makarevich (2017) brought out the importance of internal visibility of corporate ventures. Based on our findings, we can confirm that there is a substantial need to communicate the types of ventures under development, along with their goals and progress. Moreover, our findings suggest that this visibility is enhanced by offering a technology that aims for engagement, as well as communicating venture information. Furthermore, the traditional communication channels like email and newsletter are too dependent on respondents processing the information in the mix of other material within their inboxes. Thus, visibility of ventures can be achieved through utilizing engagement tools.

4.2 Innovation Culture

When we asked the experts to define innovation culture, following themes emerged: encouragement to bring out new ideas, thinking outside the box, willingness to renew, failing is ok, having the opportunity to express opinions, and being open for change. For example, one of the respondents stated: “Innovation culture is the backbone which promotes the emergence of new innovations; it is about encouraging to bring out new ideas and allowing to spend time to work on those ideas.”

As the discussion moved on to the most important aspects that allow innovation culture to thrive, the answers varied. Many of the respondents emphasized on management support, how it is the starting point in everything as they are the ones drawing the strategies around innovation, communicating it to the rest of the company. Another respondent saw a flat organizational structure with minimal bureaucracy as the most important, allowing individuals to make quick decisions to provide flexibility and agility. Moreover, one respondent stressed the importance of innovation culture: “Innovation needs an environment where there is permission to experiment and make mistakes, where ideas are not directly rejected but rather discussed through.” The same respondent continued that people need to have readiness for conflicts and desire for innovation, courage to experiment new ideas. One expert took the discussion further on people and their way of prioritizing their use of time for innovation: “It is important
to have permission to use time for innovation; people need to see innovation as a priority, if you have an idea you should be the one taking it forward.”

When we began to ask more of the major challenges and barriers related to innovation culture, there was a unanimous opinion on the biggest challenge. We found out from the interviews, that the main concern regarding the different aspects of innovation culture was the lack of reserved time for innovation. In many cases, work on innovation is currently being done only when there is time to do it along with regular tasks. Furthermore, one respondent stated that there is a strong dependency on how well the company is performing: “when times are good it is easier to take new things forward, but when times are hard people seem to be too busy to innovate.”

Regarding units in different geographical locations, they were seen too focused on their own tasks, showing interest in new ideas only when it concerns them directly. Currently, the innovation activity is largely centralized in the headquarters of the company. In addition, the communication method was seen as insufficient. One of the respondents stated: “Our communication channels are not good enough, we are basing everything on emails and meetings.”

Failing was regarded as highly important by all of the respondents. The respondents see the need to allow people to fail, as it allows people to learn and develop their knowledge. However, two respondents raised a critical requirement to successfully fail: “I dislike it (failing) but I am not afraid of it, as I try to equally learn from failures as from successes, and it is ok to fail if you have done your job well.” Another of the respondents reflected further on their attitude toward failing as follows: “Sometimes I think whether I have failed enough in my job, as I see it a necessity, if you are not failing it means you are not taking enough risks.”

Furthermore, when discussing failure on a wider scope, the attention focused on how individuals handle failure. One of the experts stated that “people tend to take failure personally, and there is not currently a culture that would discuss, think and learn from failing.” It was recognized by the experts that employees at lower level are often afraid of risk-taking and failing, which may have something to do with the fact that their own goals may often be in contradiction with innovative activities. This was mentioned by one of the respondents: “We need to get rid of the fear aspect, where people are covering their own tracks, which leads to a point where we are not taking
necessary risks and having new ideas.” Furthermore, another respondent added to this, that some people were “afraid that someone will steal their idea.”

All of the respondents agreed that risk-taking was necessary to achieve growth through innovation. It was mentioned by an expert that “there is a moderate risk-taking culture currently in place, but not specifically an encouragement to take higher risks.” However, discussing the situation in the case company, there were not much room for taking risks.

“Our risk profile is a major challenge, as there is an expectation of stable profits; it makes taking risks more challenging when shareholders are satisfied with the current situation, where the risk level is low, making them disregard innovation, keeping us on an incremental level.”

In our frame of reference, innovation culture was defined as the environment embedded within the company that values opportunities, risk-taking, failure, and even conflicts, thus, emphasizing on individual innovation and allowing radical ideas to emerge (Gurtner & Reinhardt, 2016). Our empirical findings suggest confirming this, as collectively all aspects of this definition were discussed in the interviews. Furthermore, innovation culture holds several definitions and contains several dimensions, so it is no surprise that the answers on the most important aspects varied between respondents. Most importantly, it was the fact that there was a collective view on the important cultural aspects by the respondents. Thus, we were able to confirm the definition of innovation culture.

In our frame of reference, Sommer et al. (2017) argued that innovation success depends on the climate and culture that supports innovation, with employees acting as a key driver for innovation performance. This is widely in line with our empirical findings, as innovation culture was discussed as the backbone for successful innovation, and within it is the people within the company who can make it successful. However, at the moment innovation is not seen as a priority by many, and there are too many people who are not interested in the process. This would suggest that when companies are not perceived as innovative by employees, some form of resistance will occur within them. Moreover, our findings show the important role of shareholders, that their expectations are strongly affecting the direction of a company. When stable profits are expected, there is not much room for risk-taking. Moreover, when shareholders prefer a low-risk profile, the focus of innovation will be more on incremental innovation. This finding suggest that shareholder attitudes are one of the
major barriers when traditional companies aim to innovate. Dodge et al. (2017) found challenging work as one of the key elements to improve innovation effectiveness. They discovered that more challenging situations would spark the creativity in employees, resulting as increased innovativeness and new novel solutions. This is being handled in the case company by giving an ownership of the idea to the person who generated it, thus providing an opportunity to more challenging work and new career paths.

In the literature, authors agreed on the general key characteristics of innovation culture to be openness to new ideas, risk-taking, freedom, creativity, encouragement, and acceptance of failure (Brettel & Cleven, 2011; Baruah & Ward, 2015; De Brentani & Kleinschmidt, 2015; Gurtner & Reinhardt, 2016; Sommer et al., 2017; Dodge et al., 2017; Lee et al., 2017). These characteristics were also confirmed by the respondents, as they saw these to be mainly the ones that an effective innovation culture must have. Additionally, our empirical findings show that there is also importance in customer focus. This furthers the need for shifting customer value closer to business value. Furthermore, our findings suggest experimentation to be embedded to innovation culture, as it would enable much needed flexibility and agility in developing ventures (Kratzer et al., 2017).

Another key element that Dodge et al. (2017) presented was organizational encouragement, which can be shown by leaders through accepting failure and giving employees the freedom to pursue new innovation. Furthermore, Chen (2017) discussed about dynamic ambidexterity, and how only allowing employees to use their time for personal projects is not enough in itself for a company to be successfully balancing between radical and incremental innovation. In fact, it requires a separate team incubating these ideas that are emerging (Chen, 2017). Our empirical findings suggest that organizational encouragement is indeed important, even though the situation is rather vice versa with Chen’s (2017) study. As it turned out, despite everyone agreeing that there should be time reserved for innovation, the respondents were inconclusive on the policies on how people can use their time to innovate. Thus, our findings confirm the importance of time allocation in innovation culture. This further suggests that in order to achieve a truly innovative culture, it requires guidance from decision-makers to have people spend their time on innovating. This could be done by laying a policy where employees are expected to use, e.g. 15 percent of their time to innovate (Dodge et al., 2017).
In relation to the communication and involvement of the entire organization, Oparaocha (2016) was discussing the difficulty of managing innovation in geographically spread organizations. He emphasized on the requirement for collaborative actions between different units across the entire organization. Thus, stressing the importance of knowledge management and sharing as a part of company’s innovation culture (Oparaocha, 2016). Moreover, Perel (2005) emphasized the importance of communication, especially during hard times. He stated that the motivation of personnel will be remained through sharing information, thus securing their contribution for innovative activities during hard times as well. Referring to the empirical findings, we can confirm the need for collaboration across units in order to involve everyone in the process. The previously mentioned lack in communication has an increased negative effect during times of lower performance. Additionally, our findings further emphasize on the importance of constant encouragement for innovation, otherwise employees might turn their attention to their core tasks.

### 4.3 Innovation Performance

Key drivers that emerged from our frame of reference and the interviews were management support, resources, autonomy and people.

#### 4.3.1 Management support

Management support was considered as important by all of the respondents. One respondent stated: “Support from top management is the starting point for everything, as they are the ones determining the culture, that this (ICV) process is a strategic thing and important.” Taking the discussion to the level of support given by top management, they all agreed that there is support by management, based on innovation being a key part of their strategy. One respondent described how they are working with top management: “Top management has given a green light to what we are doing, and they require a monthly report on what has been achieved.” Once we took the discussion a bit deeper, the replies varied. One respondent emphasized on the innovative capabilities management should have, that supporting it alone is not enough: “The challenge is that now top management assumes quick results, and this is far from reality; it is pretty rare that an idea becomes a final service, and it is more about the produce of the (ICV) process that is nurtured and combined.” Rest of the respondents gave importance to “leading by example”, where management
should show more activity within the process, contributing with their own ideas and comments.

All of the respondents agreed that currently the ICV process evolves around incremental ideas, and the level of risk is low. Top management has control over this, as one of the respondents stated: “When we were presenting projects that were riskier, it was imminent that top management were not that excited or committed to it anymore.” This statement was supported by another respondent, who saw that support can be forecasted based on the initial resources a venture requires.

A few of the interviewees mentioned their willingness to take on more radical ideas, in order to learn more from the process. When radical ideas are terminated early on, the learnings are also less than what they could have been after taking the idea further in the process.

“When we choose experimentations and do evaluations, I would like to prioritize the magnitude, because I would like to make experiments which have higher impact, and choose those customer segments and services that have potential to be big.”

The respondents felt trusted by the management, but there were concerns that it is the result of mostly incremental innovation and positive results. One of the respondents mentioned, “I do not meet top management personally and I see them pretty disengaged with what we do, but our budget has been increased and we have recruited more people so I can see this as an act of trust.”

In our frame of reference, Nakagaki et al. (2012) emphasized on the great importance of top management’s support on innovation, stating that it is a key success factor. Align with the statements of Perel (2005), our empirical findings suggest that the success of innovation performance is indeed relying on top management. Ultimately, they are the ones possessing the power to make the critical decisions on how companies innovate. Moreover, our findings suggest that top management not only should be making these decisions, rather they should also become part of the process themselves. Furthermore, our empirical findings confirm the need for top management showing their support in practice by being actively participating in the ICV process, commenting and contributing to new potential ventures. Indeed, this remains important even when the knowledge and expertise on innovation is not that clear.
From our frame of reference, Kuratko et al. (2009) discussed that ventures are more likely to be supported by management and granted with resources and autonomy in making strategic decisions, the closer ventures are with their core business, as these are more potential to be successful and beneficial for the company. Our empirical findings support this statement. More radical ideas and ventures where the hypothesis of them are strong but the demand is not clear will not receive support from the management. Moreover, the further the idea is with the company’s core business at the early stages of a venture, the more likely it is to become terminated. Indeed, without the support from management it becomes difficult to pursue ventures that are radical in nature.

In our frame of reference, Makarevich (2017) suggested a rotation in the ICV “board”, meaning that an increasing number of managers would get involved with ICV. The author continued that it would help gaining deeper understanding of the opportunities, challenges, and the actual process. The broader managerial involvement would also integrate ICV more effectively into the mainstream operations of the company (Makarevich, 2017). Our empirical findings support the importance of management understanding the strategic importance of ICV process, as well as the practical understanding and knowledge of what the ICV process requires.

4.3.2 Resources

The respondents felt that access to funding was critical in order for the ICV process to become effective. Furthermore, it was seen as important to have a more direct process for applying funding for ventures, excluding the need for a detailed business case which increases bureaucracy. This would support the customer first approach, where the funding decisions would be based more on the expected customer needs and values. One respondent stated relating to this:

“If I would like to start using a new tool, I should be able to just start using it, instead of going through some process, where I meet with people in three different meetings and after three weeks nothing has happened.”

Another resource that was held important was time. Each of the experts were calling for permission to use more time on new innovations and making innovation a priority for everyone. Referring to this issue, one respondent stated: “The amount of time that can be used to
this is not on the level it should be, if someone has a great idea, still they are focusing on their core tasks. Moreover, another respondent said that “currently the biggest enemy is to find the time to innovate.”

When discussing other resources, such as acquiring help and information within the company premises, one of the respondents stated: “We have the tools to get information and involve more people to the process, but units tend to be interested to help only when the idea would relevant for them and no one else.” Moreover, the ways of working were not seen unified across different units.

Regarding the expectations on the ICV process, one of the respondents saw them unrealistic in the sense that quick results are expected, as was mentioned in the management support part of this section. Furthermore, the ICV unit is expected to generate a certain amount of ventures yearly under their determined budget.

Based on Dodge et al. (2017) research, resources in innovation involves funding, materials, facilities and information. The authors continue that work expectations need to be realistic. This means that extreme time pressures, unrealistic expectations for productivity and distractions from creative work should be avoided. We were able to confirm the resource aspect from our empirical findings. The correct internal facilities and environment would bring units closer to each other, hence helping to achieve better results. Furthermore, acquiring necessary information and materials needed for different venturing projects would be more effective, in addition to the idea generation tool that somewhat allows spreading these materials. Finally, making the access to funding more direct, it would indeed speed up the innovation process.

Our observational data proved to be useful along with our empirical findings, when analysing work expectations. The respondents felt time pressures, as many of them have a wide range of responsibilities in different parts of the organization, which are commonly prioritized over creative work. Thus, it can be confirmed that time, or the lack of it, and unrealistic expectations do lower the innovation performance. Our observations also confirm the hindering effect of bureaucracy, as venture projects have multiple times been extended to unwanted length. Thus, bureaucratic pressures have indeed a negative effect on the agility and flexibility aspects on which ICV processes should be designed around.
4.3.3 Autonomy

The experts found the aspect of freedom or autonomy to be essential. One of the experts mentioned: “I consider freedom and autonomy to be very important, as it gives the space for creative work and without it you cannot make bold decisions.”

The experts considered the autonomy of ICV unit being on a needed level: “Our team (ICV unit) has a very "self-governing" role and we have the needed freedom to do our thing, we have been provided with the mandate to affect what we do and how we do it.” Same respondent further continued by saying: “Although the level of freedom in ICV is high, it is still rather contradictory to the rest of the company, and in the core business units of the organization there is less freedom and agility.” Moreover, regarding the aspect of autonomy leading to more successful ICV performance, one expert stated: “When the business impact of ventures is low anyway, it is easy for us (ICV unit) to be successful and achieve positive results.”

Although the ICV unit has the opportunity to decide how and what to do, one of the experts stated that “the current budget is still quite moderate, and there is not that much room for new radical innovations, as the budget also covers the maintenance of current venture portfolio.”

In the literature, Brumana et al. (2017) stated that autonomy is highly important for ICV units as they normally require high flexibility and more aggressive strategies in decision making to successfully address unique entrepreneurial challenges. And a lack of autonomy would prevent the agility needed in the changing environments (Brumana et al., 2017). Based on our findings we can confirm that the ICV unit has the autonomic privileges in the decision-making on which ventures to pursue further with. Moreover, by having an own budget, it gives the ICV unit more agility regarding funding, thus allowing the required lean experimentation. The budget provides the scope for failing, as within the budget ICV unit is allowed to experiment whatever they want.

Furthermore, Kuratko et al. (2009) stated that ICV’s tend to be more successful when they have the control over their own operations and processes. Parent companies should be the ones providing the organizational knowledge and resources, without restricting the autonomic privileges (Kuratko et al., 2009). Our findings indeed prove that the ICV unit has the control over their own operations and the freedom to act is providing the possibility for them to be successful. But as of now the impact of ICV unit in comparison to the traditional
business side is still quite low, thus preventing them to have a bigger budget and greater impact. Garrett and Neubaum (2013), stated that high autonomy may be given when corporate managers do not possess the needed knowledge or expertise on ICV. Although, our empirical findings widely agree with this statement, they further suggest that in the event that managers would show support through autonomic privileges, their participation is still very important concerning the whole company. Furthermore, their activity within the process would further demonstrate their support across business units, and show in practice to others that innovation or ICV is important.

4.3.4 People
The experts raised people in a key role for successful innovation, one of the experts said: “Creative people are the key behind successful innovation, they are setting the “tone” for others, it is people, who make the innovations happen.” Experts were also calling for diversity, to quote one of them: “We need diversity, people with different backgrounds, skill-sets and ways of working, also I would like to see more diverse cultures within the company.”

Having the right mindset was one thing that arose from the interviews, it was described by one of the experts as follows:

“The mindset should include sharing the spirit of openness to new ideas and the curiosity to test them. There is also a need for culture of experimentation with the move away from traditional business case building to a more customer-oriented thinking.”

Although the mindset in ICV unit is on a good level, it was brought up by an expert that, “the mindset supporting the ICV process needs to be also implemented to the rest of the company, and this happens through the example by us (the ICV unit).”

Risk-taking was also emphasized by the experts. It was seen as a crucial factor when companies aim at substantial environments of new growth. Moreover, one of the respondents emphasized on achieving a collective attitude towards risks: “We need to take risks in order to grow as a company. Towards risks, people need a courageous attitude and willingness to learn as well as showing support and encouragement to others.” Regarding the risk-taking, it was pointed out that “risk-taking and renewal are mentioned in the strategy and in discussions of top management, but at
large it is not that clear.” In addition, we found that the current vision regarding innovation is not clear enough for people to be able to assimilate it in their everyday work. It was mentioned by an expert that “in order to involve the entire organization, and get the most out of the people, a clear and common vision needs to be established.”

Sommer et al. (2017) discussed the various descriptions of innovative people and characterized them as follows: open to new ideas, creative, flexible, open for change, experimental and risk-takers. Our empirical findings confirm these characters, adding that first and foremost people should be considered as a crucial factor in innovation success. The right mixture of employees sharing the common mindset within the company and bringing diversity through their skills and knowledge thrives innovation performance (Dodge et al., 2017). This is confirmed by our findings as the values and attitudes were seen to be rather homogeneous, and skills rather heterogeneous within the ICV unit. Furthermore, it allows a creative environment, where innovation culture can be seen in a smaller scale.

In our frame of reference, Nakagaki et al. (2012) stated that a mindset for innovation will not be adapted by employees, unless top management is convinced first. Based on our observational findings, having risk-taking as part of corporate strategy is not enough to have the rest of the organization adapt the required behavior and attitude that allows taking risks. Although the strategic importance is reported, the risk-taking is mainly allocated towards the ICV unit, and does not include the rest of the organization. Thus, organizations should aim for a more collective adaptation of risk-taking, to achieve the important attitude of risk-taking and mindset overall, that gives more possibilities to successful innovation.
In the following parts we present the analysis of the results from the questionnaire, which was sent to the employees.

4.4 Business units’ perspective

To present the perspective of different business units, we connected the survey results with the corresponding analysis and discussion in correlation to theory and interview results. The illustrative figures can be found from Appendix 4.

4.4.1 Background

We received 130 answers in total to our survey, and the respondents were based in 21 different locations, which illustrates how widely dispersed the units are geographically. We further divided the locations into five separate cases based on their geographical locations, those being Headquarters, South, East, West, and North. The below table (Table 3) presents the dispersion across different locations.

Furthermore, concerning the amount of time the respondents used (weekly) for innovative activities (see Table 4), 21,5% answered “none”. The majority of the respondents (33,1%) used 5-15 minutes weekly for innovations, followed by 17,6%, indicating 15-30 minutes of their time and 14,6% 30-60 minutes of their time. Over one hour (1-4 hour) was used by 11,5%, but only 1,5% of the respondents used over four hours of their time during a week.

In our frame of reference, Dodge et al. (2017) introduced the 3M’s policy, where it was expected from every employee to use 15% of their time (over 5 hours weekly) for innovations. If we compare that to our findings, the majority of the respondents are using less than 1% of their weekly working hours for innovative activities. And as of now, only 1,5% of the employees come close to that benchmark set by 3M. Two of the interviewees also raised the “20/80 thinking” by Google as something that could be introduced to make innovation part of everyone's job description.
When we made a comparison between the five different locations, and how the spent time was dispersed within them, we found that in West, North and East the majority of people spend 15 minutes or less on innovation. Whereas in Headquarters and South, over 50% spend more than 15 minutes on innovation. We further found out, that the reason behind these figures is the fact that people do not have enough time for innovative activities along with their other duties. When we presented the claim, “I have sufficient amount of time to spend for innovative activities”, 70% of total respondents stated that they either strongly disagree or disagree. Looking into the different locations, Headquarters had the lowest figure of 56,6 % with a clear margin. The ICV unit being physically located in Headquarters naturally explains the lowest figure. This aspect is important to our research, as the information on different locations shows concretely the situation between Headquarters and other business units, which leads to a better understanding on the specific areas. Moreover, it confirms the concern of available time that arose from the interviews, that people do not have time to innovate.

4.4.2 Internal corporate venturing performance
In our frame of reference, Perel (2005) stated that innovation must be made a priori, meaning it should be an integral part of the company’s DNA, like e.g. accounting. This statement was widely supported in the interviews as well.

“We need to involve the entire organization; it needs to be clear for people that innovation is a priority and they are allowed to use time for innovative activities.”
In our empirical findings, although we found that the majority saw innovation as a priority in the company, the variations between different locations illustrates the differences in terms of culture and maturity. In the North, 93% either agreed or strongly agreed that innovation is a priority, followed by East and Headquarters with over 80%. But in South and West, the percentage was already significantly lower, both being under 70%. This suggests that despite the inclusion of innovation in the corporate strategy, the importance has not been evenly perceived as such. The following statement by one of the interviewees support this finding: “While it (innovation) is mentioned in the company strategy entirely and we have a good process built around it, I am convinced that it is not well integrated across the company.”

In addition, the differences in results might be a consequence of the newness of the process. “We are currently testing the process, and while we are sure it is well defined, it does not automatically generate results to us, as we need to have more people contributing and creating content to it first, to have something concrete people can relate to.”

Each of the locations were aware of the idea generation tool (95.4%). However, only 46.2% stated that they had been active in the tool. Looking into the different locations, there were differences in the knowledge on how and where to bring up ideas. In Headquarters, respondents had the knowledge (90%), while in West, 71.4% knew how to use the tool. For our research, these results illustrate the effectiveness of communicating the tool across the company. Despite it being effective, the engagement aspect does not come along automatically. Dodge et al. (2017) stated that challenging work was a key part in engaging employees. However, our findings further suggest that the idea generation tool is an effective way to engage employees. A statement by one of our interview respondents explains the current differences in knowledge and engagement: “The process is encouraging, but due to its recent launch, we still need more concrete examples for people to relate.” In contrast, it appears that employees require convincing that the ICV process and the tool work in order to be engaged. Furthermore, practical cases have to go through the process before the engagement can be improved, at least on an organic level.

Finally, one of the experts also mentioned that “there are still lot of people with zero interest on the process and they rather keep things to themselves”. When we presented the statement “I am familiar with the idea generation process”, there were rather low figures overall, with West having only 38.1% of people either agreeing or strongly agreeing with the statement. These figures
further illustrate the need for practical examples on what could be achieved with ICV, in order to achieve greater engagement. Moreover, the communication of the outcomes would become even more important to achieve higher interest within the employees.

Figure 1: I am familiar with the idea generation process

Oparaocha (2016) called knowledge management along with innovation as “the lifeblood” of entrepreneurial organizations acting in multiple different geographical locations. The author emphasized the importance of companywide knowledge flow and collaboration. Regarding how the communication effect of the tool is perceived by the employees, the highest figure was in North (61%) and the lowest was in South (35%), where respondents either agreed or strongly agreed that innovations are being communicated widely within the company. These rather low percentages confirm the concern raised by the experts, as one of the interview respondents stated:

“The current communication methods are outdated and that information is not being passed as well as it should be. Units are more focused on things that are relevant for them and them only.”

Moreover, innovation as a term is not used within the company, as one of the interview respondents stated: ‘We do not use the word “innovation” anywhere, rather we communicate more about achieving growth through ‘new services’.” As for our research, these findings further strengthen the importance of concrete examples and communication to increase the interest within the employees. Finally, these factors grow even more central, when there is a geographically dispersed company, as in the case of our research.
4.4.3 Innovation culture

When we asked the business units’ perspective on whether there is a culture in place that supports innovative activities, there was a quite wide dispersion between the locations. In three of the locations, well over half of the respondents either agreed or strongly agreed that there is a supporting culture for innovation in place, them being North, Headquarters and East. In South, this figure was exactly 50%, but in West, only 38% recognized an existing innovation culture.

The below figure further illustrates the cultural differences between different geographical locations, as well as the initially perceived importance of innovation in the company. Our findings show that in South and West, where innovation was seen less prioritized, also the current culture in those locations was seen less supportive towards innovation.

Moreover, we found the figures to be surprisingly low, when we presented the statement for the encouragement towards creative thinking by own superior. At the highest, the figure was 63% in Headquarters, followed by East (57%) and North (54%). South (46%) and West (43%) again having the lowest percentages, thus supporting the earlier findings about the perceived importance of innovation in those locations.

In our frame of reference, Sommer et al. (2017) stated that the success of innovation depends on the culture that supports innovation, and the experts widely agreeing on this: “Obviously, one of the main drivers behind innovation success is a culture that supports innovation.” However, our
findings show that the importance of innovation and a culture that supports innovation is not yet evenly embraced across the organization, hence leading to these differences between different locations. Furthermore, the reason why innovation might be seen as a lower priority in South and West, could be possibly further explained by the lack in capabilities of the superiors. One of the experts mentioned that “management is emphasizing the need for change and creating new business, but lower level leaders are a big question mark, and there is a lot of variation on how well they are transferring the message further to their subordinates.” Moreover, Perel (2005) stated that supervisors are often the first ones to oppose new idea generation, especially when there is a lack in knowledge and understanding in what the ideas could be contributing. But according to Makarevich (2017), in fact, it is the lower level leaders, who should be the binding glue. As top management, although they act as a trailblazer and have the decision-making power, they might be too far from the units and their daily activities (Makarevich, 2017). Our findings would suggest that currently there is not enough individual capabilities within supervisors, who have not fully understood the reasoning behind the ICV process.

Dodge et al. (2017) distinguished three key leadership dimensions for creating an innovation culture, one of them being the encouragement. The lack of encouragement could further explain the overall low activity of employees in the idea generation tool, along with the lack of understanding with the ICV process, even though the results indicated that they have understood how it works.

Regarding the individual development aspect, we asked from the units whether they feel that training opportunities would be important. We found nearly all of the locations to be pretty unanimous with this, trainings were seen most important in West (95%), followed closely by East (92%), North (92%), and Headquarters (87%). But in South, only 58% of the respondents saw trainings to be important in developing new ideas. This was quite surprising, based on to the previous low results in both South and West. We would have expected the numbers to be similar to those of West, where the trainings were seen the most important by 95% of the employees. This would suggest that there have not been enough trainings available, hence leading to lower results.

In the literature, Martín-de Castro et al. (2013) mentioned that the culture needs to support personal growth and development. Keil et al. (2009) continued by emphasizing the importance of trainings and internal networking in successful ICV. Moreover, Keil et al.
(2009) stated that by providing training opportunities for employees would increase the level of collaboration and motivation. This would also result in less resistance, by raising the awareness and connections of new ventures across the company (Keil et al., 2009). Furthermore, Martín-de Castro et al. (2013) found that highly motivated and trained employees questioning the established organizational forms, are pushing the company towards its boundaries, hence forcing to think differently and achieve innovations. During the interviews, it was mentioned by one of the experts that “there is currently a lot of people with zero interest to the process.” However, our findings regarding trainings would indicate that this is rather vice versa, expect one location (South), where it appears to be some level of resistance. For our research, this finding helped us to map where the resistance, mentioned by the experts, is located.

We wanted to investigate the overall climate of the organization and found that there is a great trust among the colleagues, as at the lowest 76% (in North) either agreed or strongly agreed with the statement “I trust my colleagues”. At highest it was in South (96%) and East (95%), the other two locations “falling” in between these figures. But we found the results to be rather surprising, when we asked whether they are comfortable with bringing up their ideas or suggestions, the percentages glanced for some of the locations. Although, in East 95% trusted their colleagues, only 65% felt comfortable with bringing up new ideas. In West, the same percentage was 71, though over 85% said that they have the trust. In the Headquarters (90%) and South (85%), there were no surprises.

In our frame of reference, Dervitsiotis (2010) stated that it is important to establish a trustful organizational climate. Aligned with this, one of the interviewees said: “We need to achieve an atmosphere of trust so people do not need to be afraid of bringing up their ideas.” However, the results show that this is not yet achieved, thus confirming a statement by one of the experts: “People are pretty guarded for using their time on innovation and bringing up their ideas, they do not see themselves as a developer of a new idea even though they would have one.”

The questionnaire results show that the perceived level of risk varies between locations. In Headquarters 44% disagreed or strongly disagreed with the statement that “the company is taking enough risks regarding innovation”. Compared to the rest of the locations, this was an extremely high figure. This implies that the location of the ICV unit (Headquarters) has
caused the employees to develop a different attitude toward risk-taking than in the rest of locations.

In our frame of reference, risk-taking was mentioned as one of the key characteristics of innovation culture, as it enables radical innovations to emerge (Brettel & Cleven, 2011; Baruah & Ward, 2015; De Brentani & Kleinschmidt, 2015; Gurtner & Reinhardt, 2016; Sommer et al., 2017; Dodge et al., 2017; Lee et al., 2017). Moreover, Kleinschmidt et al. (2007), together with Perel (2005), and Jackson and Haubelt (2017) were especially emphasizing the importance of the climate, which encourages to entrepreneurial actions and risk-taking and how risk-taking should be rather rewarded. According to the experts, there is currently a moderate risk-taking culture in place, but not really encouragement towards higher risk-taking. Furthermore, the results show the major barrier of stakeholder expectations mentioned in the interviews in practice, how the attitudes outside Headquarters widely support the low risk profile of the company. Thus, the results further emphasize the role of shareholders in risk-taking.

It was widely accepted that information is not being actively shared between business units, the highest figure to agree or strongly agree with the statement being 39% in North. As the respondents were able to give open comments in the last section of the questionnaire, one reflected on this issue: “New services are too focused on Headquarters, hindering the innovativeness elsewhere, and it would be beneficial if there would be more experiments outside Headquarters.” Moreover, when people were given the statement “I am actively sharing information between different units”, Headquarters (50%), South (46%) and East (45%) had the most responses either agreeing or strongly agreeing with the statement. Surprisingly, the figures on personal knowledge sharing was sufficiently higher than the perceived knowledge sharing as a whole (see Figure 3).

This was also recognized by the experts, them stating that the company is not on a good level when it comes to open communication and there needs to be a shift away from the own unit-specific focus. In the literature, Oparaocha (2016) talked about the difficult task of managing innovation in a geographically spread organization and emphasized the requirement for collaborative actions between different units across the entire organization, thus, stressing the importance of knowledge sharing and collaboration as a part of company’s innovation culture. Furthermore, Reid et al. (2014) emphasized the individual’s attitude that
is favoring idea-sharing and open communication, is more likely to impact idea driving within the community of the organization.

As for our research, we can confirm this difficulty, as well as recognize its importance. Moreover, companies should focus on involvement of units outside the physical location of the ICV unit to increase their respective performances. Furthermore, especially successful incremental innovations should be designed to become a part of every unit collectively, rather than locally.

![Figure 3: Information sharing](image)

4.4.4 Innovation performance

Autonomy or freedom is an important aspect of innovation performance, in fact it was seen as one of the key drivers by the experts. And according to Brumana et al. (2017), it is the enabler for the needed flexibility and agility in decision-making. We looked at this from few different perspectives, whether the respondents were willing to influence the content of their work, able to influence the content of their work and able to make bold decisions in their work.

Nearly all of the respondents (95.4%) were agreeing that they are willing to influence the content of their work (Question 8, Appendix 3, M:4.53, SD:0.64). But we found out that less than 50% of them actually felt they are able to influence the content of their work. Headquarters being the only exception, with 70% agreeing or strongly agreeing with the statement (see Figure 4).
This supports the finding from the interviews, that there are large gaps within the organization, what comes to freedom and agility. Referring back to the interviews: “Although the level of freedom in ICV is high, it is still rather contradictory to the rest of the company, and in the core business units of the organization there is less freedom and agility.” So, the high figure of Headquarters compared to other locations can be explained by it being the center of ICV activity and the “home” of the ICV unit.

What comes to the decision-making aspect, there was more dispersion between the different locations. In North, 61% either agreed or strongly agreed with the claim that they are able to make bold decisions in their duties, that being the highest percentage. Followed by East and South, both with 50%, Headquarters with 43% and South with 38,1%.

In the literature, Martín-de Castro et al. (2013) emphasized the importance of involving personnel in decision-making. Innovation culture should encourage employees to communicate their ideas openly, thus the culture should also provide the possibility for employees to take part in decision-making. The climate should not only motivate personnel to innovate but ensure that they ‘can’ innovate (Martín-de Castro et al., 2013). Although, the ICV unit is located in the Headquarters and it was mentioned by one of the experts that “our team (ICV unit) has a very "self-governing" role and we have the needed freedom to do our thing”, the second lowest percentage of Headquarters (43%) shows that the situation outside the ICV unit is no better than in the other locations.
We also found variation between the locations regarding the creativity aspect, whether there is room for creative thinking. In Headquarters, 66.7% of the respondents either agreed or strongly agreed that their work allows them to think creatively. In contrast, only 35% felt the same way in East.

Baruah and Ward (2015) mentioned that innovation culture characteristics drive employee satisfaction, and that there is a strong connection between employee satisfaction and company growth. Our findings suggest that there is a relatively low level of creativity allowed in the company, which might be a result of the restrictive nature of work tasks mentioned in the interviews. The lack of creativity allowed may lead to employees being unmotivated, thus affecting their willingness to take part in innovative activities. Furthermore, Sommer et al. (2016) state that creative positions attract more talented people, and these figures would suggest that the attractiveness of work is low. On the other hand, the situation in Headquarters is vice versa, where the percentage was the highest. This was supported by one of the experts during the interview:

“We are able to forward things quite quickly when necessary, the management is well behind and we have recruited great talents recently, who have innovation in their DNA.”

Moreover, when we presented the claim, “top management is supporting me to think creatively”, we found great gaps between different locations. At Headquarters 60% of the respondents either agreed or strongly agreed with this statement. In contrast, South had 50% disagreeing or strongly disagreeing. In our findings from the interviews, nearly all of the
experts raised the importance of management support, and it was seen as the starting point for everything. Likewise, it was recognized by Perel (2005) among others, that the success of innovation culture is relying on top management, as they shape the guiding values and culture of an organization. All experts agreed that the top management is enthusiastic about innovation, but lacks practical understanding on the ICV process. They were calling for more “lead by example” type of actions from them by e.g. participating more in the process, thus showing their involvement and innovativeness. Experts also mentioned that “the current vision regarding innovation should be further clarified for it to be more easily assimilated to every day work.” These differences might be explained through the fact that the top management is physically located in Headquarters, thus possibly being less visible for the rest of the locations.

In our frame of reference, Garrett and Neubaum (2013) discussed that managers who do not have the necessary knowledge and expertise in ICV are more likely to grant stronger autonomic privileges for venture managers. However, the results of the questionnaire further strengthen our suggestion on the importance of managerial involvement in any situation. Furthermore, our research results allow us to be more comfortable in stating that managers do need to be active despite their lack of expertise, participating in the process, becoming a visible driver to forward ICV activity as a whole.

Figure 6: Top management is supporting me to think creatively

Regarding the creativity of the people, we presented the claim “I have a lot of new ideas”. Employees in South (63%) appeared to agree or strongly agree with the claim the most, and Headquarters (43,3%) following them. East had 30% of the responses disagreeing and
strongly disagreeing with the statement. For our research, these results furthers the understanding on how employees perceive their capability in generating ideas. Moreover, it reflects on the mindset of employees in different units, as well as their abilities to contribute to ICV on a personal level.

In our frame reference and interviews, people were seen as the key aspect when it comes to innovation performance. To quote one of the interviewees:

“Key drivers behind innovation success are people, who have the drive and curiosity to create something new, who think outside the box and find the championing ideas, as they set the standard for others, people are the ones who makes the innovations happen.”

On the other hand, one interview respondent stated that generating ideas does not require people to have a lot of ideas: “I am not worried about the amount of ideas, as there are several ways of generating them, for example through internal competitions.” Sommer et al. (2017) further introduced different characteristics of innovative people, such as open to new ideas and change, experimental, flexible, risk-takers, and creative. Experts described the current mindset regarding change and innovation being “curious but shy” within the company. Referring to the willingness to influence the content of the work, almost everyone agreed with this statement, which illustrates that even though employees are not necessarily having the freedom they would like to have, there is the willingness to influence and affect things. For our research, it can be confirmed that employees have the desire to have control over their work tasks, whether or not are they considered creative. Moreover, our findings suggest that there is not that much need for creativity collectively, as only a few creative individuals would be enough to spark creativity across organizations through their behavior.

Regarding the innovation effort by individuals, 78,5% stated that they are comfortable of bringing up their ideas. In addition, 30% had actually produced or commented on an idea in the idea generation tool. When the respondents were asked the reason behind not being active with the tool, we found out that 36,9% of the respondents selected time as the reason for not producing any ideas, connecting it back to the resourcing issue found from the interviews. 46,9% selected the ‘other’ option, majority of these answers relating to the lack of personal ability of coming up with new ideas.
It was pointed out by the experts and Nakagaki et al. (2012) that we can not only identify the most motivated employees who are willing to dedicate extra time for innovative activities. Rather, there is a more collective need to involve as many in different sites, units, locations and functions as possible. Moreover, there is an important role in motivating employees, and only having an environment where employees feel comfortable to bring out ideas is not enough in itself. Furthermore, these figures suggest that personal interest or giving proper incentives are not the most important motivators, as was suggested by Sperber (2017). Rather, our findings suggest that offering time and encouragement would increase the motivation of employees.

Figure 7: Reason for not producing new ideas
5. Discussion

In this chapter we present our discussion that includes conclusions, theoretical contributions, practical limitations, and suggestions for future research.

Gaining more understanding about the effects of innovation culture when companies practice internal corporate venturing, what specific characteristics of innovation culture there is and how does it show when corporations have geographically dispersed business units, were within the main purpose of this study. Next, we answer our research question by presenting the main conclusions of our study.

5.1 Conclusions

5.1.1 Internal corporate venturing process

In their description of the ICV process, the experts saw careful strategic planning, clear process, communication and involvement (customers and employees) as very important aspects when designing ICV processes. The challenges of time allocation and long careers emerged from our interviews. Moreover, these challenges related to implementing ICV in a traditional corporate setting, and was directly affecting the involvement aspect. In addition, these challenges were considered as most critical by the experts. Therefore, our findings expose the challenge of involvement as a cultural issue, which leads to a low activity within the ICV process by employees outside the ICV unit. Moreover, low activity leads to a hindered ICV process performance, specifically because of lack in the amount of ideas, as the process requires a pool of ideas for evaluation. Furthermore, the different locations had understood the process well overall, but when it came to activity, the concerns of the experts were validated. Employees in the different locations saw new growth opportunities as important, but were strongly agreeing on the time allocation issue described before.

On the other continuum, experts saw that customers should be the center of focus in every stage of the ICV process. This finding reflects the importance that customers should validate the potential value of ideas, which further determines the direction of ventures. Moreover, receiving early feedback from the targeted customer, allows early termination of ventures,
thus, requiring less resources to be invested on a venture. Furthermore, the ICV process should be straightforward in theory to provide a solid structure for the process, but provide agility and flexibility that allows ideas to develop into ventures.

Innovation tool was seen as a crucial element in facilitating the ICV process. More specifically, the transparency of the tool was an important aspect, as it makes the innovation process visible for the entire organization. Furthermore, by offering a dedicated tool for the generation of ideas, proves to be helpful in spreading innovation culture across the company. The questionnaire results showed that there was no difference about the perceived functionality of the tool, as it was easy to understand and use. However, the varying results on the usage rates of the tool show the importance in having a more practical approach in achieving higher activity, and simply offering the option (tool) is not enough. Furthermore, our findings prove that business units develop different cultures. There is a need for more encouragement from both top management and middle management to achieve simultaneous progress in the maturity of innovation culture. Otherwise, business units will organically develop their cultures without guidance, which could result in higher resistance on innovation in some units, and would hinder collaboration between them.

5.1.2 Innovation culture

In their definition of innovation culture, the experts saw innovation culture as the backbone for the emergence of innovations, and emphasized the importance of encouragement and permission to use time for innovative activities. The characteristics specific to innovation culture such as management support, flat organizational structure (allowing fast decision-making), environment, failing, and risk-taking were seen as the most important by the experts. Regarding the main challenges of innovation culture, the experts were unanimous, they saw the lack of reserved time for innovation as the number one barrier. In addition, they raised the issues of communication and organizational level risk-taking. Our research findings show that the communication currently is not on the level it should be. Hence, the lack of communication results in confusion regarding what is allowed or expected from the employees. We found from the interviews that the current vision regarding innovation is not clear enough for employees to assimilate it in their everyday work. Moreover, the low risk profile of the company is a prominent challenge, as shareholders are satisfied with the current status of the company and are expecting stable profits. This makes it easier for top
management to disregard innovation and in turn, harder to make investments. We think of this shareholder aspect as an intriguing finding in our research, how their demands affect the prioritization of the company and to which extent they are able to shape and influence the company’s actions.

Furthermore, the different business units’ perceptions on the current status of innovation varied. The majority either agreed or strongly agreed that innovation is a priority in the company, but the existence of innovation culture within their respective unit was not that evident in all of the units. Therefore, our findings reveal the challenges in implementing an innovation culture across the company, especially when the different business units are widely spread geographically. These cultural differences affect the way employees in different units perceive innovation and various activities relating to it. Differences in policies and ways of working may even cause resistance towards innovative activities, thus resulting in lower activity and deterioration in the overall innovation performance. From business units’ perspective, cultural differences and lack of clarity and communication presents a challenge for the management to pay attention to, in order to involve the entire organization to the innovation process.

5.1.3 Innovation performance
The main themes that affected innovation performance overall were determined by the experts as management support, resources, autonomy and people.

Firstly, top management support was considered as the key driver for both innovation culture and performance. Indeed, to make innovation a priority it must come from top management first. Moreover, from our findings we are able to conclude that top management should show support not only towards ICV units that control the process, but also communicate supportive behavior participating in the process to increase innovative work and culture across a geographically dispersed company. Essentially, these behaviors have a strong impact on the perceptions towards innovation culture and the various aspects that it includes. Ultimately, this “leading by example” would result as an increased engagement within employees. Thus, management support acts as the starting point for every following aspect,
as it affects directly on how much resources are given, what level of autonomy is determined and how the people will change their behaviors to more innovative ways of working.

Secondly, access to resources is an important aspect when it comes to innovation performance. Moreover, companies that implement ICV for innovation have to avoid bureaucratic barriers, and offer a more direct path for the application of funds. Furthermore, the utmost importance of time as a resource can be concluded from our research, and the lack of time brings great hindrance on lean experimentations that are included in the ICV process. In addition, our research proved that assigning individuals with multiple responsibilities, has a hindering effect on ICV performance. Furthermore, experts raised autonomy as an influential factor affecting innovation performance, as it lays the ground for creative work and enables agile and quick decision-making. Especially, freedom in decision-making proved to have a great importance for the ICV unit operating in a fast changing, entrepreneurial-like, environment. Our research showed that the autonomy is on a needed level within the ICV unit, but rather contradictory compared to the rest of the business units. Although, in the setting where the ICV unit has the mandate for free decision-making within their budget, a lower budget indicates less room for new radical innovations. This further presents the challenge of making riskier investments, when listed corporations have a low risk profile set by its shareholders.

Finally, people were seen to be in a key role for successful innovation. Our research further emphasized the importance of diversity among employees and having a right mindset, including factors such as openness to new ideas, risk-taking, and customer orientation. The experts raised a concern about people not being too interested currently about the innovation process, but we found that to be somewhat false. It was rather about the lack of time and trainings/encouragement, which were perceived by the employees as the most challenging aspects causing difficulties for individual innovation performance.

5.2 Theoretical Contributions

In this section we present the theoretical contributions of our thesis to existing literature on internal corporate venturing performance. Our findings extended the rather moderate existing literature on internal corporate venturing by taking a step forward from identifying
different cultural characteristics of innovation by exploring how the performance of ICV is affected by innovation culture. In line with the research of Garrett and Neubaum (2013), we identified that top management support is the starting point for both successful innovation performance and innovation culture, as top management possess the power to allow the special preferences required in ICV. In addition, they are able to communicate innovation culture across separate business units through acting as a participant in the ICV process. Moreover, in our study we contributed to the lack of mixed method studies in ICV, having added a business units’ perspective.

First, concerning top management support, we extended the current literature by adding the business units’ perspective in to our research. Although our research confirms top management support as essential, we were able to identify the different business units’ perceptions on the current status of top management support. Moreover, there were significant variations between the units, indicating that different levels of perceived top management support have a compelling effect on innovative activity. In those locations, where management support was evident, also the activity levels concerning innovation were higher. In turn, in those units, where the management support was not that evident, had a rather negative impact on innovation activity. Thus, our findings confirm that top management support is a key success factor and when properly communicated it has a positive influence on overall innovation performance (Perel, 2005; Nakagaki et al., 2012; Garret & Neubaum, 2013). In addition, our research suggests that the level of support from middle managers is currently lacking individual capabilities regarding innovation, hence leading to lower level of support towards their subordinates. This could further pose the challenge perceived by the employees regarding the permission to use time for innovations. Thus, our findings further contributed on Perel’s (2005) research on innovation, by confirming that often the resistance of middle managers is caused by their lack of knowledge and experience on innovation.

To further discuss top management support, our findings show that when the management is not guiding the cultural change and leading it more through their own example, it results in differences in cultural maturity between the business units. Cultural differences regarding policies and ways of working further poses the threat of resistance, which eventually leads to lower involvement. In particular, one of our findings was that the current vision and strategy regarding innovation is not clear enough for people to assimilate it in their daily work. This
finding confirms the importance of thorough designing and planning for successful implementation of innovation strategies (Maine, 2008; Chen, 2017). Especially, in a traditional corporate setting with longevity of careers, a careful planning and communication of new strategies and ways of working is essential to the involvement of entire organization and avoidance of resistance. We further confirm that a broader managerial involvement, “lead by example”, would help to integrate ICV more effectively into the mainstream operations of the company (Makarevich, 2017).

Second, concerning the focus that ICV process should have, we extended research concerning the role of customers in innovation, as was discussed by Jackson and Haubelt (2017) and Dervitsiotis (2010). Moreover, our research contributed on how venture development should be guided by customers. Therefore, our findings confirm that innovation culture has a customer centered focus, and reveal that this particular focus should be the center of ICV as well, acting as a key role in all stages of the ICV process. Thus, our research findings allow innovation culture characteristics to be extended as a part of both innovation culture and ICV orientation.

Finally, a major contribution in our research was the role of shareholders in fostering innovation culture, as well as ICV, which was widely left out of discussions in prior literature. Our findings further demonstrated the need for ICV to be extended as a program across the entire company, as was introduced by Makarevich (2017). Furthermore, our findings add the important role of shareholders into the topic, as the risk profile ultimately is determined by the shareholders. In order for stock listed corporations to fully develop organizational capabilities required for innovation, and search new growth opportunities effectively, shareholder expectations need to be in line with the rest of the organization. Therefore, extending the program to shareholders prove to be of equal importance, as they are showing the direction of corporate culture through their expectations of profits.

5.3 Practical Implications

From the discussed conclusions and theoretical contributions of our study, we continue by presenting some practical implications for companies utilizing ICV.
First, we would like to emphasize the importance of top management shifting their focus towards being more involved in the ICV process, leading the change through their example. Moreover, to overcome the challenge of managing different cultures within the company, it would be essential for top management to create a shared view with the middle managers. This can simply be derived from middle managers being often the ones that can better influence the day-to-day behavior of their subordinates. Ultimately, this would allow more effective harmonization of different cultures within organizations and promotion of unified ways of working. Additionally, the results of our research imply that training opportunities should be offered to employees, especially when traditional corporations are implementing ICV. Essentially, it would be a successful way to assess the challenge of low perception on personal ability by self-conscious individuals. Therefore, ICV performance could be increased when training opportunities are offered by organizations, leading to increased knowledge and ability among individuals.

Second, companies should always aim to increase the value created for their customers. Our research suggests that customers should be placed in a central role in ICV when designing and constructing processes. Moreover, companies should indeed focus on establishing an extensive culture for experimentation as a part of innovation culture, where development is done together with the customers and by their demands. This allows quick evaluation of ideas, and the ones that are not seen beneficial by the customers can be rejected in the early stages. Concurrently, this enables corporations to have a flexible and agile process, that is required in today's ever-changing environments, as well as customer preferences.

Third, the attitudes of shareholders show great importance. Our research suggest shareholder expectations has a significant impact on innovation performance. Moreover, the role of top management should have a more two-way focus when implementing ICV. Therefore, top management should focus on all organizational levels when communicating their behavior. Not only should top management aim to spread cultural change by communicating their behavior across the lower levels of the company, but also, they should focus the communication to upper levels, where the overall importance of innovation is ultimately determined.

Finally, we suggest that active measurement on innovative maturity should be a priority for decision-makers. A similar questionnaire as constructed in our study would allow constant
evaluation and supervision on the differences in cultural maturity between different business units. Moreover, strategic decisions can be made as these measurements develop over time. Furthermore, as innovation culture has a substantial effect on ICV performance, decision makers should aim for a unified innovation culture across all functions. Thus, as cultural differences are always present between otherwise similar business units, measuring the maturity for innovation is necessary.

5.4 Limitations

Although, our study provided some new insights to prior research on internal corporate venturing, we have to address the limitations of our study.

First, the selection of a single case study method in this study initially restricted our research. Since our study was conducted within a single company, it has been argued that the generalizability from specific cases to the general population may be difficult (Easterby-Smith et al., 2015). In addition, the case company only had six experts that could be considered suitable for our research, thus the sample size regarding the semi-structured interviews remained rather small. The study may be repeated with both multiple organizations and larger sample of experts to increase the trustworthiness and possibly to provide more detailed perspectives. Furthermore, as our study focused strictly on ICV, the remaining field on different corporate entrepreneurship areas were widely ignored, excluding generalization extension to the other areas. However, some of our findings are reflecting with prior findings by other researchers. Hence, we believe that our findings are valid and can be further extended for future research.

Second, the data collection we conducted with the web based questionnaire could have given alternative results, if we had designed it differently. By selecting a 5-point Likert scale as a measurement in our questionnaire, there is a possibility that some of the questions clustered to neither disagree nor agree because of this selection. Thus, by selecting a 7-point Likert scale, the amount of neutral answers could be reduced by providing more options for answers, allowing us to make more assumptions whether or not statement was agreed upon.
Third, our analysis of the questionnaire was done more on the premises of qualitative analysis, with the vision that this approach would increase overall validity of our thesis. Albeit we are confident that we have achieved this validity through data triangulation, a thorough quantitative analysis could have brought even more interesting outcomes. However, our time restrictions widely prohibited us to conduct two separate data analyses, thus, justifying our selected approach.

Finally, the literature on the selected research areas of ICV and innovation culture, was a restraining factor for our frame of reference. Ultimately, this factor limited us from constructing a more comprehensive frame of reference. Thus, it might have had an effect to our study overall. However, for us this represented an even higher need for further research on this topic.

5.5 Suggestions for Future Research

As we answered the research question in this thesis, and revealed aspects of particular interest, there is motivation for further research.

First, since innovation culture proved to be an essential part for ICV success, future studies could look even deeper on the specific changes that occur in a company with business units in widely dispersed geographical locations. Additionally, our research results indicated that different geographical locations indeed possess unique cultures within them, since they have different focuses albeit similar structures and responsibilities. Therefore, it would be fascinating to see how companies that possess a similar structure would implement cultural change toward innovation culture across the entirety of the organization.

Consecutively, as our research revealed that there are certain technological tools built around innovation, in particular on idea generation and ICV. However, we assume that these findings would not be restricted solely on ICV, and similar tools could be used to facilitate other innovation strategies as well. Also, determining how companies make decisions on what type of tool is used, what are the specific components necessary for it to accelerate processes within innovation. Thus, future studies should concentrate more on the technological side on building the correct environment for innovation strategies.
Finally, we briefly mentioned in our limitations that we solely focused on ICV. Thus, our research encourages similar studies in other fields of corporate entrepreneurship. Moreover, as our research findings found some new implications for ICV, it would suggest that other research areas in corporate entrepreneurship has something to be found.

To conclude our thesis, ICV has been shown as an important part of innovation strategy for corporations to achieve growth in new landscapes in the digital era. The increasing technological finesse has given corporations, waking up for changing environments, even more opportunities to pursue growth and competitive advantage. Moreover, these opportunities allow companies to build their value creation based on customer perspectives. The actors in any field that are able to master innovation as well as foster innovation culture across the whole organization, will achieve a strong competitive advantage and survive in the long run, victorious.
6. List of References


7. Appendix

Appendix 1: Interview topic guide

“Thank you for agreeing to participate in our research. Our research focus is “How innovation culture affects the performance of Internal Corporate Venturing?”, and all of the questions will be related to this topic.

This interview will be done anonymously, and the privacy of each respondent will be respected.

The topics discussed, and the content will remain strictly confidential between the respondent and interviewers and no information that could be traced to the respondent will be released.

No personal information will be made public without asking permission first. You as a respondent have the right to withdraw from the research entirely at any point.”

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<td>What is your current role in the company?</td>
<td>- With different units?</td>
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<td>How long have you been working with innovations/development?</td>
<td>- What individual characteristics you see as most effective?</td>
</tr>
<tr>
<td></td>
<td>How would you define innovation culture?</td>
<td>- Organizational level?</td>
</tr>
<tr>
<td>Internal Corporate Venturing Process</td>
<td>What is your view on ICV activities within the organization?</td>
<td>- How does these affect your daily work?</td>
</tr>
<tr>
<td></td>
<td>How would you describe the people you are working with in these ICV activities?</td>
<td>- What type is the content?</td>
</tr>
<tr>
<td></td>
<td>How are the venturing efforts/innovations communicated across the organization?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>On what level there is support from management?</td>
<td></td>
</tr>
<tr>
<td>Innovation Culture</td>
<td>What type of cultural aspects come to mind when talking about innovation culture?</td>
<td>- What improvements comes to mind?</td>
</tr>
<tr>
<td></td>
<td>Can you think of any cultural aspects in particular that restricts success/ performance?</td>
<td>- Which of these aspects would you consider mostly important?</td>
</tr>
<tr>
<td></td>
<td>How do you promote innovation culture yourself?</td>
<td>- Why?</td>
</tr>
<tr>
<td></td>
<td>How important is freedom to you?</td>
<td>- How can you overcome these barriers?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- What are the behaviors that you think forwards these?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- To the whole organization?</td>
</tr>
<tr>
<td><strong>Innovation Performance</strong></td>
<td><strong>How do you feel about the mindset within the organization?</strong></td>
<td><strong>- How the environment encourages people toward innovative behavior?</strong></td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td><strong>How do you share knowledge/information with others in the organization?</strong></td>
<td><strong>- Any particular tools that comes to mind?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>- How accessible is it?</strong></td>
<td><strong>- How the environment encourages people toward innovative behavior?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>In what way is innovation important to you?</strong></td>
<td><strong>- What motivates you in your work?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>What are the key drivers behind innovation success?</strong></td>
<td><strong>- How important is it on an organizational level?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>How do you measure innovation success?</strong></td>
<td><strong>- Short-/long-term goals?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>How do you feel about failing?</strong></td>
<td><strong>- What is considered as successful?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>What about taking risks?</strong></td>
<td><strong>- How do you react?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>How do you prioritize your work?</strong></td>
<td><strong>- What type of risks are supported?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>What are the strongest capabilities within the organization?</strong></td>
<td><strong>- Is innovation a priority constantly or sometimes?</strong></td>
</tr>
<tr>
<td></td>
<td><strong>What do you think was the most important thing we discussed today?</strong></td>
<td><strong>- What needs to be improved to improve performance?</strong></td>
</tr>
<tr>
<td><strong>Closing Questions</strong></td>
<td><strong>Is there something we did not cover today and you would like to add?</strong></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2: Questionnaire

“Dear member of xxx,

You have been selected as a member of xxx to participate in a survey on innovation culture. This survey has been designed to study the effects of innovation culture on internal corporate venturing. Filling out this survey won’t take more than 10 minutes of your time and the answers will remain anonymous.

The collected data (results) will be utilized in our research as well as in the development of new strategic focus points of xxx. The survey is open until 20\textsuperscript{th} of April, and we would very much appreciate a quick response from you.

We are final year students in a Digital Business Master’s program in Jönköping, Sweden and are working our Master thesis for xxx. Our research focuses on the different innovation cultures within xxx and their impact on the internal corporate venturing performance.

We are grateful for your participation and truly appreciate your contribution for our study!”

<table>
<thead>
<tr>
<th>Section</th>
<th>Claim / Question</th>
<th>Answer options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background</td>
<td>Choose your current unit</td>
<td>List of units (geographical locations)</td>
</tr>
</tbody>
</table>
|                                  | How long have you been working for the company?   | 1. Less than 12 months  
2. 1-5 years  
3. 5-10 years  
4. Over 10 years |
|                                  | Choose your age                                    | 1. Under 25  
2. 26-35  
3. 36-45  
4. 46-55  
5. Over 55 |
|                                  | How much time do you spend (weekly) for innovative activities? | 1. None  
2. 5-15 minutes  
3. 15-30 minutes  
4. 30-60 minutes  
5. 1-4 hours  
6. Over 4 hours |
| Claims regarding innovation culture and ICV activities | I have sufficient amount of time to spend for innovative activities. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
|                                  | Innovation is a priority in the company.           | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
|                                  | Innovations are communicated widely within the company. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| Information is actively being shared between different units. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
|---|---|
| I am actively sharing information between different units. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| The company is taking enough risks regarding innovation. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| I am able to make bold decisions in my duties. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| I want to influence the content of my work. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| I feel that I am able to influence the content of my work. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| My work allows me to think creatively. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| Top management is supporting me to think creatively. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| My own superior is encouraging me to think creatively. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| I am comfortable with bringing up my ideas/suggestions. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| I have a lot of new ideas. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| I trust my colleagues. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| I know where and how I can bring up new ideas. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| Presenting new ideas is easy and clear to me. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
| I am familiar with the idea generation process. | 1. Strongly disagree  
2. Disagree  
3. Neither agree nor disagree  
4. Agree  
5. Strongly agree |
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>I am familiar with the agile development model.</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>I feel that training opportunities for development of new ideas are important.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a culture in place that supports innovation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing</td>
<td>Is there something you would like to add?</td>
<td>Open question</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Appendix 3: Questionnaire answers-Likert scale

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Claim / Question</th>
<th>Distribution</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
</table>
| 1.  | I have sufficient amount of time to spend for innovative activities. | 1. Strongly disagree 33%  
2. Disagree 37%  
3. Neither agree nor disagree 22%  
4. Agree 7%  
5. Strongly agree 1% | 2.05 | 0.95 |
| 2.  | Innovation is a priority in the company.                  | 1. Strongly disagree 2%  
2. Disagree 4%  
3. Neither agree nor disagree 15%  
4. Agree 50%  
5. Strongly agree 29% | 4.02 | 0.86 |
| 3.  | Innovations are communicated widely within the company.   | 1. Strongly disagree 5%  
2. Disagree 17%  
3. Neither agree nor disagree 35%  
4. Agree 37%  
5. Strongly agree 6% | 3.22 | 0.98 |
| 4.  | Information is actively being shared between different units. | 1. Strongly disagree 12%  
2. Disagree 40%  
3. Neither agree nor disagree 33%  
4. Agree 15%  
5. Strongly agree <1% | 2.53 | 0.91 |
| 5.  | I am actively sharing information between different units. | 1. Strongly disagree 1%  
2. Disagree 12%  
3. Neither agree nor disagree 43%  
4. Agree 38%  
5. Strongly agree 5% | 3.35 | 0.8 |
| 6.  | The company is taking enough risks regarding innovation.  | 1. Strongly disagree 6%  
2. Disagree 20%  
3. Neither agree nor disagree 38%  
4. Agree 28%  
5. Strongly agree 8% | 3.12 | 1.02 |
| 7.  | I am able to make bold decisions in my duties.             | 1. Strongly disagree 8%  
2. Disagree 21%  
3. Neither agree nor disagree 23%  
4. Agree 39%  
5. Strongly agree 8% | 3.18 | 1.12 |
| 8.  | I want to influence the content of my work.                | 1. Strongly disagree 0%  
2. Disagree 2%  
3. Neither agree nor disagree 3%  
4. Agree 36%  
5. Strongly agree 59% | 4.53 | 0.64 |
| 9.  | I feel that I am able to influence the content of my work. | 1. Strongly disagree 8%  
2. Disagree 18%  
3. Neither agree nor disagree 22%  
4. Agree 36%  
5. Strongly agree 16% | 3.35 | 1.18 |
| 10. | My work allows me to think creatively.                    | 1. Strongly disagree 8%  
2. Disagree 19%  
3. Neither agree nor disagree 25%  
4. Agree 31%  
5. Strongly agree 17% | 3.28 | 1.2 |
| 11. | Top management is supporting me to think creatively.       | 1. Strongly disagree 9%  
2. Disagree 22%  
3. Neither agree nor disagree 33%  
4. Agree 28%  
5. Strongly agree 8% | 3.05 | 1.1 |
| 12. | My own superior is encouraging me to think creatively.     | 1. Strongly disagree 6%  
2. Disagree 12%  
3. Neither agree nor disagree 28%  
4. Agree 38%  
5. Strongly agree 15% | 3.45 | 1.08 |
| 13. | I am comfortable with bringing up my ideas/suggestions.    | 1. Strongly disagree 3%  
2. Disagree 6%  
3. Neither agree nor disagree 12%  
4. Agree 44%  
5. Strongly agree 35% | 4.01 | 1 |
| 14. | I have a lot of new ideas.                               | 1. Strongly disagree 9%  
2. Disagree 16%  
3. Neither agree nor disagree 41%  
4. Agree 27%  
5. Strongly agree 8% | 3.13 | 1.08 |
<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>15.</td>
<td>I trust my colleagues.</td>
<td>1. Strongly disagree 0%</td>
<td>2. Disagree 2%</td>
<td>3. Neither agree nor disagree 9%</td>
<td>4. Agree 52%</td>
<td>5. Strongly agree 38%</td>
</tr>
<tr>
<td>16.</td>
<td>I know where and how I can bring up new ideas.</td>
<td>1. Strongly disagree 2%</td>
<td>2. Disagree 7%</td>
<td>3. Neither agree nor disagree 8%</td>
<td>4. Agree 44%</td>
<td>5. Strongly agree 39%</td>
</tr>
<tr>
<td>17.</td>
<td>Presenting new ideas is easy and clear to me.</td>
<td>1. Strongly disagree 3%</td>
<td>2. Disagree 12%</td>
<td>3. Neither agree nor disagree 28%</td>
<td>4. Agree 38%</td>
<td>5. Strongly agree 20%</td>
</tr>
<tr>
<td>20.</td>
<td>I feel that training opportunities for development of new ideas are important.</td>
<td>1. Strongly disagree 0%</td>
<td>2. Disagree 2%</td>
<td>3. Neither agree nor disagree 13%</td>
<td>4. Agree 49%</td>
<td>5. Strongly agree 35%</td>
</tr>
<tr>
<td>21.</td>
<td>There is a culture in place that supports innovation.</td>
<td>1. Strongly disagree 3%</td>
<td>2. Disagree 12%</td>
<td>3. Neither agree nor disagree 31%</td>
<td>4. Agree 31%</td>
<td>5. Strongly agree 14%</td>
</tr>
</tbody>
</table>
Appendix 4: Questionnaire results by different locations

**Q1: I have sufficient amount of time to spend for innovative activities**

<table>
<thead>
<tr>
<th>Location</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>West</td>
<td>28.6%</td>
<td>43.8%</td>
<td>19.8%</td>
<td>1.6%</td>
<td>2.0%</td>
</tr>
<tr>
<td>East</td>
<td>10.0%</td>
<td>32.5%</td>
<td>23.1%</td>
<td>38.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>North</td>
<td>12.7%</td>
<td>23.1%</td>
<td>38.5%</td>
<td>15.4%</td>
<td>36.7%</td>
</tr>
<tr>
<td>South</td>
<td>15.4%</td>
<td>38.5%</td>
<td>23.3%</td>
<td>38.5%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Headquarters</td>
<td>47.6%</td>
<td>32.5%</td>
<td>23.1%</td>
<td>38.5%</td>
<td>38.5%</td>
</tr>
</tbody>
</table>

**Q2: Innovation is a priority in the company**

<table>
<thead>
<tr>
<th>Location</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>West</td>
<td>13.3%</td>
<td>52.4%</td>
<td>23.8%</td>
<td>12%</td>
<td>9.5%</td>
</tr>
<tr>
<td>East</td>
<td>40.0%</td>
<td>47.5%</td>
<td>31.5%</td>
<td>46%</td>
<td>50%</td>
</tr>
<tr>
<td>North</td>
<td>31.1%</td>
<td>62%</td>
<td>12%</td>
<td>46%</td>
<td>50%</td>
</tr>
<tr>
<td>South</td>
<td>23.8%</td>
<td>15%</td>
<td>12%</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>Headquarters</td>
<td>38.1%</td>
<td>38%</td>
<td>23%</td>
<td>38%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Q3: Innovations are widely communicated within the company**

<table>
<thead>
<tr>
<th>Location</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>West</td>
<td>42.9%</td>
<td>32.5%</td>
<td>15%</td>
<td>27%</td>
<td>43%</td>
</tr>
<tr>
<td>East</td>
<td>17.3%</td>
<td>46%</td>
<td>15%</td>
<td>27%</td>
<td>43%</td>
</tr>
<tr>
<td>North</td>
<td>15%</td>
<td>38%</td>
<td>15%</td>
<td>40%</td>
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<tr>
<td>South</td>
<td>25.0%</td>
<td>23%</td>
<td>15%</td>
<td>15%</td>
<td>38%</td>
</tr>
<tr>
<td>Headquarters</td>
<td>35.3%</td>
<td>25%</td>
<td>15%</td>
<td>15%</td>
<td>38%</td>
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</table>


Q7: I am able to make bold decisions in my work

Q8: I want to influence the content of my work

Q9: I feel that I am able to influence the content of my work
**Q10: My work allows me to think creatively**

- **West**: 9.5% Strongly disagree, 10.0% Disagree, 10.0% Neither agree nor disagree, 19.2% Agree, 20.0% Strongly agree
- **East**: 23.8% Strongly disagree, 15.4% Disagree, 32.5% Neither agree nor disagree, 15.4% Agree, 10.0% Strongly agree
- **North**: 19.0% Strongly disagree, 21.5% Disagree, 32.0% Neither agree nor disagree, 11.5% Agree, 16.7% Strongly agree
- **South**: 32.0% Strongly disagree, 15.5% Disagree, 38.5% Neither agree nor disagree, 14.5% Agree, 13.3% Strongly agree
- **Headquarters**: 32.0% Strongly disagree, 15.5% Disagree, 38.5% Neither agree nor disagree, 14.5% Agree, 13.3% Strongly agree

**Q11: Top management is supporting me to think creatively**

- **West**: 4.8% Strongly disagree, 28.6% Disagree, 15.4% Neither agree nor disagree, 28.6% Agree, 15.4% Strongly agree
- **East**: 12.5% Strongly disagree, 15.0% Disagree, 15.4% Neither agree nor disagree, 15.4% Agree, 15.4% Strongly agree
- **North**: 7.6% Strongly disagree, 33.3% Disagree, 23.1% Neither agree nor disagree, 38.5% Agree, 26.6% Strongly agree
- **South**: 3.8% Strongly disagree, 20.0% Disagree, 15.4% Neither agree nor disagree, 34.6% Agree, 40.0% Strongly agree
- **Headquarters**: 6.6% Strongly disagree, 15.0% Disagree, 15.4% Neither agree nor disagree, 34.6% Agree, 40.0% Strongly agree

**Q12: My own superior is encouraging me to think creatively**

- **West**: 9.5% Strongly disagree, 12.5% Disagree, 22.5% Neither agree nor disagree, 15.1% Agree, 23.3% Strongly agree
- **East**: 33.3% Strongly disagree, 45.0% Disagree, 10.8% Neither agree nor disagree, 34.6% Agree, 40.0% Strongly agree
- **North**: 33.3% Strongly disagree, 22.5% Disagree, 23.1% Neither agree nor disagree, 38.5% Agree, 26.6% Strongly agree
- **South**: 18.3% Strongly disagree, 15.0% Disagree, 15.4% Neither agree nor disagree, 11.5% Agree, 23.3% Strongly agree
- **Headquarters**: 18.3% Strongly disagree, 15.0% Disagree, 15.4% Neither agree nor disagree, 11.5% Agree, 23.3% Strongly agree
Q13: I am comfortable with bringing up my ideas/suggestions

Q14: I have a lot of new ideas

Q15: I trust my colleagues
**Q19: I am familiar with the agile development model**

**Q20: I feel that training opportunities for development of new ideas are important**

**Q21: There is a culture in place that supports innovation**