



UNIVERSITY OF GOTHENBURG  
SCHOOL OF BUSINESS, ECONOMICS AND LAW

# **Intrapreneurship as a Competitive Advantage: Organizational Insights from Multinational Corporations rooted in Sweden**

Lovisa René and Johanna Ahnlund

Supervisor: Marouane Bousfiha

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Graduate School, School of Business, Economics and Law, University of Gothenburg, Sweden



# Abstract

## **Purpose**

In today's dynamic and competitive market, intrapreneurship has emerged as a critical factor to foster innovative incentives within established organizations. This research explores how multinational companies with roots in the Swedish market support intrapreneurship through a combination of culture and structure. Prior to this research, there was limited understanding of how organizational support is perceived by employees and the understanding of the gap between the intent and perception of efforts made to support innovation.

## **Methodology**

To address this gap, a qualitative approach was conducted, involving semi-structured interviews with both managers and employees across three organizations. The collected data was then analyzed using thematic analysis to identify common themes and insights related to entrepreneurship within these organizations.

## **Findings**

The findings reveal that large multinational corporations support innovation through several structural and cultural mechanisms, such as efforts to decentralize decision-making, cross-functional collaboration, freedom to experiment and strong management support. A key insight is that not all these elements are perceived as equally meaningful or motivating and that there exists a gap in intentions from the management and perception by employees in these mechanism's actual support. The results contribute to a deeper understanding of intrapreneurship with practical implications to large companies in how they can improve intrapreneurial efforts to create a more innovative climate.

## **Limitations**

The research focuses on three companies with three to four respondents, including at least one manager from each company. It examines how cultural and structural elements support intrapreneurship, specifically by six selected cultural and structural factors. Other factors that affect intrapreneurial behavior are excluded, leaving room for further research.

## **Keywords**

Intrapreneurship, organizational culture, organizational structure, innovation, multinational corporations, Sweden

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Lovisa René



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Johanna Ahnlund



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# 1. Introduction

*In the introduction section, a brief background about the subject is presented together with the underlying problem which underpins the foundation of the study. Furthermore, definitions of critical terms are explained. Additionally, the purpose of the study and the research question is presented, followed by delimitations and the disposition of the thesis.*

## 1.1 Background

In an increasingly competitive and rapidly changing economy, innovation has become a critical success factor for companies seeking to sustain growth, profitability, and relevance (Hornsby et al., 2002). Traditionally, innovation has been driven by startups and entrepreneurial ventures, but in recent years established companies have seen a growing importance of innovating within the organization to stay competitive and secure growth (Goffin & Mitchell, 2018). Established companies use methods of developing new ventures and innovate within the existing organization to gain greater economic value – a practice often referred to as intrapreneurship (Elert and Stenkula, 2022; Blomkvist et al., 2024). For large multinational companies, the renewal and innovativeness can seem necessary, which can be challenging in organizations with complex and deeply-rooted processes and structures (March, 1991).

The term intrapreneurship, is a concept that refers to entrepreneurial behavior within an established organization. Intrapreneurs are employees who identify opportunities, develop new ideas, and drive projects forward, (Garvin & Levesque, 2006) but with access to the company's resources operating within the structures of the organization (Antoncic & Hisrich, 2001). Former research provides results showing that successful intrapreneurial efforts and its implementation is highly dependent on the organization's culture and structure. The organizational structure and culture shape the conditions under which employees feel empowered to act innovatively (Goffin & Mitchell, 2018).

Large multinational corporations face challenges of organizational complexity, national barriers, regulations and stakeholder requirements. To maintain efficiency in daily operations and simultaneously create space for experimental innovation, can therefore be a hard challenge for large complex organizations that must balance these contradictory capabilities (March, 1991; O'Reilly & Tushman, 2013). To facilitate continuous innovation, organizations must operate at the frontier of technology (Amabile et al., 1996), but also create a cultural climate and structural framework that encourages learning, trust and creativity. This involves supporting employees to participate in innovation but also actively engaging them in the process (Goffin & Mitchell, 2018). Therefore, understanding how organizational culture and structure are experienced by employees working in multinational corporations and how these can be improved, can seem crucial to identify for full intrapreneurial potential within large established firms and to provide a more innovation-friendly climate.

### 1.1.1 Defining Intrapreneurship

Intrapreneurship is a widely studied but inconsistently defined concept in entrepreneurship research. The term has been widely used and drawn a lot of research attention during the past decades, (Huang et al., 2021) but was first introduced by Pinchot (1985) describing an intrapreneur as an in-house entrepreneur, where the intrapreneur works together with the corporation to create innovation. However, various scholars have attempted to define and refine the concept, often using overlapping terms. Beside the term intrapreneurship, corporate entrepreneurship (CE) and entrepreneurial orientations (EO) among others are terms frequently used in research for entrepreneurial activities on a firm-level (Kantur, 2016).

When exploring a closer definition of the terms, intrapreneurship is used to describe intrapreneurial activities following a bottom-up approach where employees generate new ideas and present to the top management (Pinchot, 1985). Scholars using the term intrapreneurship have traditionally focused on employees and how firm structure and culture affect their entrepreneurial activities (Elert and Stenkula, 2022). Corporate entrepreneurship is in contrast considered a decision initiated by the top management following a top-down approach (Hornsby et al., 2002). According to Chouchane et al. (2023) corporate entrepreneurship is referring to the processes and resources that the management allocate for the employees to act as intrapreneurs, while the term intrapreneurship goes beyond corporate entrepreneurship, focusing more on the employee and how they adopt entrepreneurial behaviours.

The various labels are used differently by authors and researchers leading to a conceptual ambiguity in the area (Kantur, 2016). This study will focus on the organizational support for intrapreneurship and what structures and culture that the organization allocates for employees, but also how employees perceive the support and how they act in intrapreneurial ways because of it. As there is a lack of consensus on when the different terms should be applied, the term intrapreneurship will be used in this study, even if the literature review and theoretical framework will consist of articles and research using the relative terms as well.

Further defining intrapreneurship, the concept can seem similar to entrepreneurship, but where the intrapreneur is still working for an existing organization, not taking any individual risk or spending own capital to carry out an idea (Badoiu et al., 2020). When pursuing new innovative approaches, the intentions are to support and bring value to the organization, while the creation of value in the concept of entrepreneurship is intended for the individual oneself (Bosma et al., 2010). By applying intrapreneurship in established companies, employees are provided with the opportunity to successfully exercise creativity, rather than being exclusively driven by higher levels of hierarchy (Elert and Stenkula, 2022). According to Parker (2011), intrapreneurship has been demonstrated to improve performance in existing organizations by identifying new opportunities, generating economic value and promoting increased innovation. Furthermore, research suggests that organizations that encourage

intrapreneurial behavior among employees detect increased levels of innovation and adaptability (Åmo, 2010).

### 1.1.2 Defining large multinational company

The definition of a large multinational organization is not universally defined, but they need to operate in more than one country and are often characterized by having annual revenues exceeding hundreds of millions or billions of dollars. Multinational corporations often employ thousands of people, and have the ability to dominate a particular market. They are responsible for large portions of world production, employment, investment, international trade, research and innovation (Foley et al., 2021)..

| <b>Characteristics of MNCs</b> | <b>Description</b>  | <b>Challenges</b>   | <b>Sources</b>                                   |
|--------------------------------|---|---|--|
| Global Reach                   | Has a significant market presence in more than one country, but often in multiple countries     | Navigating various regulations and national barriers                  | Foley et al (2021)<br>O'Reilly and Tushman(2013) |
| Scale of Operations            | Large companies with significant financial resources and market power                           | Complex bureaucratic processes  | Foley et al (2021)<br>Hisrich, (1990)            |
| Global Workforce               | Employ thousands to hundreds of thousands of people globally                                    | Cross-cultural management difficulties                                | Foley et al (2021)                               |
| Financial Capacity             | Possess substantial capital resources, with high revenues                                       | Risk of inefficiency due to resource misallocation                    | Foley et al (2021)                               |
| Complex Business Structure     | Maintains a complicated business model and organizational structure to manage global operations | Coordination challenges   | Foley et al (2021)<br>March, (1991)              |
| Innovation Capacity            | Have resources that they invest in R&D and technological advancements                           | Balancing short-term operational efficiency with long-term innovation | Foley et al (2021)<br>March, (1991)              |

*Table 1. Characteristics of MNCs*

## 1.2 Problem discussion

Despite the large research attention of intrapreneurship in recent years, where various concepts on how to foster an intrapreneurial culture and structure have been prevalent, little is known about how these are experienced by employees in practice (Gursoy & Guven, 2016). Elert, Stam & Stenkula (2019) also notes that the implementation of intrapreneurial strategies varies not only between firms but across geographical regions. Regions standing out for being rated as innovative are Nordic countries where particularly Sweden is being notable for their innovation-driven environments (Elert, Stam & Stenkula, 2019), particularly due to strong governmental support and financial incentives (Zymina, 2019).

Sweden is frequently ranked among the world's most innovative countries (WIPO, n.d) with multinational companies starting their journey in Sweden, such as Tetra Pak, Alfa Laval, and Essity. These companies exemplify market leaders within their industries, and all operate globally but rely on a solid internal culture of innovation to maintain their competitive edge. The companies allocate resources to invest in new ideas, innovations and new technology to increase market share and sustain growth. Studying how such companies enable and structure intrapreneurship can offer valuable insights into how innovation can be institutionalized within mature corporate environments.

Most of the existing literature in the area is dominated by quantitative literature focusing on the relation between intrapreneurship and growth or performance measures concentrating on macro-level outcomes. While these studies confirm a positive link between innovation and firm performance (Agusto Felício et al., 2012; Rosenbusch, Brinckmann & Bausch, 2011; Wan, Liu & Wang, 2020; Antoncic & Hisrich, 2001), less attention has been given to internal organizational mechanisms and how the tensions within these large complex organizations is handled.

To fill this gap, the study aims to identify the employees' perception of support through the organizational efforts of creating a supportive culture and structure. This as it is the intrapreneur itself that has to identify structural and cultural efforts to be supportive towards inventing or not (Kwantes & Boglarsky, 2007). Gawke et al (2019) argue that intrapreneurship must be understood through both individual and organizational lenses, yet many studies focus on only one level. Similarly is Nessen et al. (2019) highlighting a lack of qualitative, multilevel case studies that can provide deeper insight into the interplay between individuals and the organizational context. As intrapreneurship exists by the integration of both, a broader perspective could extend the literature of intrapreneurship further. This study will therefore include the perspective both from the managers and employees, to include both the managers perception as a link to a broader organizational level and the employees perception as a link to the individual level.

Urbano et al., (2022) is further pointing out that most research done in the area of intrapreneurship is quantitative and the data collection is mostly conducted from the U.S market. A lot of studies are done with data from one market, and only a few are done with a data collection consisting of 3 or more countries (Urbano et al., 2022), limiting the generalizability of findings. Given this context, there is a need to explore how employees in large multinational companies operating in Sweden perceive the cultural and structural conditions meant to support innovation. Understanding this perception is critical, as even well-designed structures may fail if employees do not experience them as enabling or empowering (Kwantes & Boglarsky, 2007). By conducting a qualitative case study, this thesis aims to fill a gap in the literature, contributing both to theory and to the practical design of innovation-supportive environments.

### 1.3 Purpose

The purpose of this thesis is to investigate how large multinational organizations with strong roots to the Swedish market approach innovation within their organization. The study aims to understand how organizations use structural processes and corporate culture to support intrapreneurial initiatives and how these are perceived by employees. By examining both current practices and potential areas for improvement, the study seeks to connect existing theories on innovation-supportive environments with real-world insights from multinational companies operating in a Swedish context. The goal is not only to describe how innovation is currently supported, but also to explore how employees in the organizations perceive the support and how the organization could evolve to become even more innovative by enhancing their cultural and structural approaches. To gain a deeper understanding, the perspective both from employees and managers are explored.

### 1.4 Research Question

The research question of the investigation is formulated as follows:

*How do large multinational corporations with strong ties to the Swedish market foster innovation through organizational culture and structure? And how can these elements be developed to enhance intrapreneurial behavior within the organization?*

### 1.5 Delimitations

This research is delimited to conduct a smaller multiple case study. By including additional companies and more perspectives of respondents could make the study more extensive with more generalizable findings or patterns, contributing even further to the research subject. However this study is delimited to focusing on three different organizations with three or four respondents from each company to get more detailed insights and perspective, where at least one respondent is a manager for an innovation or development team.

Further, the research aims to understand how cultural and structural elements made to support intrapreneurship are perceived within organizations. While there are several other parameters and areas that also impact individuals and the development of new ideas, this study has chosen to focus specifically on cultural and structural aspects. The study is further limited to six chosen structural and cultural elements, even if other dimensions of culture and structure affect intrapreneurial behavior. The opportunity to explore other critical factors and other cultural and structural aspects remains open, but will not be included in this study.

## 1.6 Disposition

The structure of this study will begin with an introduction that describes the background of the subject, problem discussion, purpose and research question that will be the foundation of this study.

In the following section, there will be an introduction of the theoretical framework and its components, which presents the main concepts and theories included in the research. Following, the methodology used for the study will be presented, where choices regarding research strategy, research design, data collection and data analysis will be discussed .

After the methodology, the empirical findings based on the interviews with the respondents will be presented. These results are then analyzed and discussed in relation to the theoretical framework in the discussion section.

Finally, the paper ends with a conclusion, where the research question is answered, practical implications and limitations are discussed and a suggestion for future research is presented.

## 2. Theoretical framework

*In this section the theoretical framework and concepts are presented. First, the structure of the theoretical framework followed by an introduction of structural and cultural elements and the presentation of the core elements used for this study. This is followed by sections about employees' perception and intrapreneurial behavior. Lastly, gaining competitive advantage from innovation methods are presented.*

### 2.1 The structure of the framework

This study will be based on a framework that integrates both structural and cultural elements that according to research is believed to influence intrapreneurial behavior within large organizations. These elements are presented as corporate structure, resource allocation, incentive structures, risk-willingness, autonomy and management support, representing key dimensions of how an organization can stimulate innovation from within.

In the first part of the theoretical framework, the overall theory on organizational culture and structures will be presented explaining their interconnectedness and how the mechanisms are used within organizations. Then these core dimensions of structure and culture will be presented further with an explanation of how literature has defined them as enabling or barriers towards intrapreneurship.

As it is the employee perception on the different cultural and structural elements this study aims to capture, the next part of the framework is employee perception. This section further explains the intrapreneurs role in identifying the organization's efforts as enabling or hindering, as it is the employee perception that will be a determinant factor on if the employee will engage in intrapreneurial behavior.

In the last section, intrapreneurial efforts are explained further. These initiatives are shaped by how an organization and its management perceive their strategic goals, influencing the structures and cultures they seek to establish. However for a multinational corporation, balancing the pursuit of new opportunities with the need to maintain efficiency in existing operations reflects a core challenge known as the innovator's dilemma. This concept will also be further explored in this section.

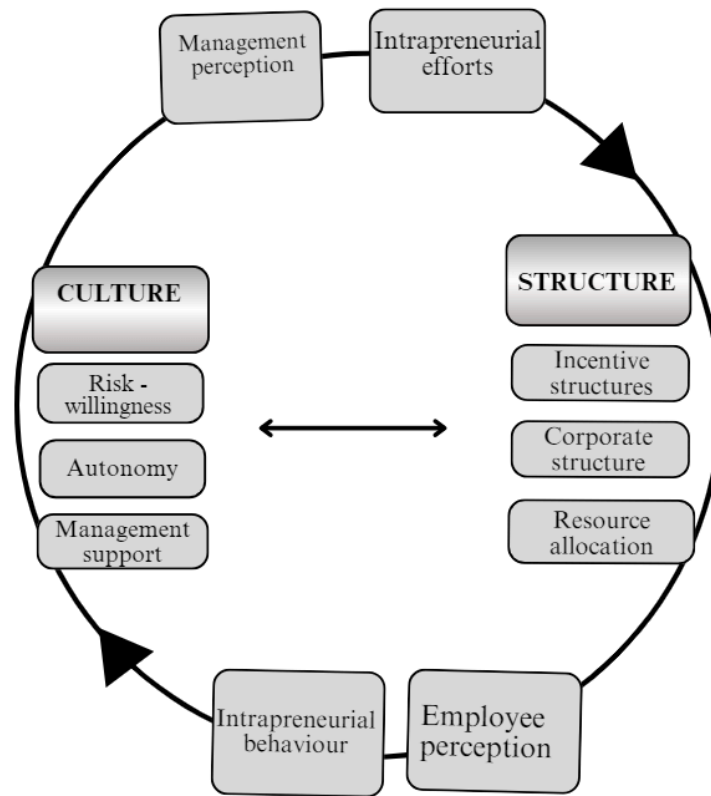


Figure 1. Structure of the framework

## 2.2 Organizational structures and culture

The structure and culture of an organization are two interconnected and crucial factors in enabling or constraining intrapreneurial activities. While the culture and structure are distinct, they strongly influence each other where organizational formalized structures often are a visible reflection of its underlying culture (Goffin & Mitchell, 2018).

Schein (2010) describes artifacts, values and basic assumptions as three important factors fostering organizational culture. Artifacts describe the visible and observable elements as physical structures and behavioral patterns in an organization. The values are the organization's explicitly stated strategies, goals and visions and basic assumptions are the deepest level of the culture's feelings and thoughts that influence how members perceive, think and feel (Schein, 2010). This further highlights the perception as a determinant factor on how culture is created. Various cultures and structures can therefore function both as a mediator to promote intrapreneurship, but can also inhibit intrapreneurial activities (Burgess, 2013).

The organizational culture is therefore an important aspect when it comes to shaping employees' willingness and ability to engage in intrapreneurial activities (Gursoy & Guven, 2016). Goffin & Mitchell (2018) explain the *culture of innovation* and define such a culture to foster engagement and enthusiasm among employees while still challenging them to take

risks in safe space environments. Hofstede (1998) suggests that organizational culture can consist of multiple cultures or subcultures while Kwantes & Boglarsky (2007) encompasses the existence of an individual-level in organizational culture, where organization culture is partly defined by individual employees' interpretation, personal perceptions and cognitive sense-making. This highlights the complexity and multi-dimensional nature of organizational culture and the importance of the employees perception and interpretation of the pronounced organization culture.

To support and exaggerate an innovative culture, the need for supportive organizational structures that facilitate and encourage intrapreneurial behavior should be in place (Burgess, 2013). The structure of an organization determines how resources, responsibilities, and decision-making processes are organized, which in turn affects an organization's ability to balance innovation and efficiency (March, 1991). Research suggests that a supportive organizational structure can foster an intrapreneurial climate and promote employees to engage in intrapreneurial activities (Hornsby et al., 2002).

## 2.2.1 Organizational structure

### 2.2.1.1 Corporate structures

Traditional large corporations are defined by hierarchical organizational structures with established procedures and control mechanisms (Hisrich, 1990). A high degree of bureaucratization and hierarchical structures has shown to hinder employees to leverage their entrepreneurial capabilities and skills within the company, resulting in lower levels of intrapreneurial outcomes (Kacperczyk, 2012). Instead, less levels of reporting increases flexibility, adaptability and increases innovational outcomes (Goffin & Mitchell, 2018). Since the drive to innovate often is internal for individuals with entrepreneurial traits, a lack of organizational support can push them to look for alternative ways to go, often leading them to starting their own venture as an entrepreneur instead (Kacperczyk, 2012). Having too much of a top-down structure and not allowing for a bottom-up communication, can result in employees at lower levels not taking actions in identifying and implementing innovative opportunities (Burgess, 2013).

To build trust and engagement, and to support the intrapreneur to use their skills, a flexible, collaborative and creative climate is important, created through flat organizational structures (Hisrich, 1990). According to Garvin & Levesque (2006), a decentralized organizational structure reduces hierarchical barriers and supports ownership, autonomy and decision-making at lower levels, which in turn encourages employees to intrapreneurial behaviors. Kacperczyk (2012) further urges that if companies want to retain and develop innovative employees, they must create structures that enable creativity. A collaborative climate and knowledge-sharing cross functional teams are also stated as important to build in order to enhance creativity and effectiveness (Sveiby & Simons, 2002). These cross functional teams should have a collaborative approach including members from different

functions, as including people from various departments can provide diverse perspectives, ensuring that no key points are forgotten (Goffin & Mitchell, 2018).

It is argued that most often it is not one individual alone that comes up with an innovative idea, but interactions and collaborations between individuals that create innovation (Hisrich, 1990). Therefore is a supportive structure that allows for knowledge-sharing an important factor when fostering intrapreneurship, as it allows employees to exchange information with each other, gain insights, and facilitate collaboration (Gursoy and Guven, 2016; Blomkvist et al., 2024; Turro, López & Urbano, 2013; Rigtering & Weitzel, 2013), which is easier accessed with flat and decentralized organizational structures (Garvin & Levesque, 2006). However, Ipe (2003) argues that the exchange of knowledge often happens in social interaction between individuals, where informal communication is often more influential than formal mechanisms, further stating the importance of a culture of knowledge-sharing within the organization.

One of the core challenges in structuring organizations for intrapreneurship is achieving ambidexterity, which refers to the ability for a firm to do two things simultaneously (O'Reilly & Tushman, 2013). However, in a corporate context it's often referring to the ability to balance both exploration and exploitation. Exploration involves seeking new opportunities and disruptive innovations, while exploitation focuses on refining and optimizing existing processes for efficiency (March, 1991). For organizations to be ambidextrous, they often adopt structural solutions, such as creating separate units for exploratory and exploitative activities. This allows for tailored processes and cultures within each unit, which can optimize performance in both domains (O'Reilly & Tushman, 2013; Stetler & Magnusson, 2015) Burgers et al. (2009) finds that structural separation positively affects corporate venturing efforts and that specialized units can enhance the firm's ability to innovate. From the perspective of the employee, structural differentiation can facilitate the creation of a climate where managers support employee development and encourage employees to be accountable for their results (Úbeda-García et al., 2020). For employees to be able to further develop ideas and innovative incentives, resources are an important factor in addition to how the company's structure is set up.

### 2.2.1.2 Resource allocation

For employees to engage in intrapreneurial activities, an important factor is that there are available resources at the employee's disposal (Kuratko, 2017). It is important both to provide human capital and financial resources and allocate to non-routine activities in order for intrapreneurial activities to happen (Hisrich, 1990). By leveraging the company's resources and capabilities to cultivate an environment that supports innovation, businesses are able to achieve a greater number of product and process innovations (Turro, López & Urbano, 2013).

Time is one resource that has been studied in relation to intrapreneurship, referring to the availability for employees to spend time on non-routine activities and coming up with new ideas (Badoiu et al., 2020). Hornsby et al. (2002) argue that time allocation is an important factor where organizations need to organize the workload so there is availability for employees to engage in intrapreneurial activities. However Blomkvist et al. (2024) finds a U-shaped relationship with time availability to engage in intrapreneurial efforts and employee intentions, suggesting that providing an employee too much time to non-routine activities will have a negative effect. The strongest association will therefore occur when time is available but not unlimited, indicating a balance of time allocation (Blomkvist et al., 2024). Some also argue that most of the intrapreneurial pivoting steps are made on employees sparetime (Alpkan et al., 2010), potentially highlighting workload as a more important factor than dedicated time allocation.

Turro, López & Urbano (2013) state the importance of having experienced and trained human capital within the company, and that the intrapreneurs knowledge and skills are a valuable resource influencing the intrapreneurial outcomes and success. There may still be several factors that influence employees to be motivated to be innovative, such as different incentive structures.

### 2.2.1.3 Incentive structures

Reward and recognition systems can be used in an organization to signal the importance of innovation and create incentives for employees to engage. What motivates employees is however individual, and can be created through different reward systems (Goffin & Mitchell, 2018). Nessen et al., (2019) describes incentive structures and reward systems to increase employees willingness to engage in intrapreneurial projects, and that rewards should be based on results to increase incentives to engage in intrapreneurship.

Traditional reward systems are often built upon the individual employees, but Roth (2014) argues that rewards on an individual level can lead to competition and conflict across employees, hindering collaboration. Instead organizations should evaluate processes that approach and shape a positive organizational culture and improve employee attitudes and collaboration (Roth, 2014). Došenovic (2016) further argues that an effective reward system not only enhances individual performance but also contributes to the overall success of the organization by aligning employees goals with the company's aim.

There is some research suggesting that financial rewards, such as bonuses (Amabile et al., 1996) and equity shares (Hisrich, 1990) are crucial motivators for intrapreneurs. Došenovic (2016) argues that a reward system should include both tangible and intangible rewards to attract and motivate employees. In contrast, Alpkan et al., (2010) finds that a performance based reward system – including both tangible and intangible reward – is less effective at promoting intrapreneurship than for a company to offer support and tolerance for innovation. Similarly is Blomkvist et al. (2024) suggesting that instead of relying on extrinsic rewards,

companies should focus on personal recognition to increase the engagement in innovation processes. Also Amabile et al., (1996) explain that incentive structures providing the organization's recognition and confirmation of creativity in combination with feedback loops and support will encourage employees to come up with new ideas.

Hisrich (1990) further implies that the intrinsic motivation of maintaining ownership of the innovative efforts is a determinant factor for employees to drive intrapreneurial outcomes, which is why he argues equity shares to be a valuable reward. This aligns with Amabile (1996) statement that providing intrapreneurs with a degree of control over their projects can lead to higher levels of commitment and creativity, as ownership fosters a sense of accountability, increasing the likelihood of successful project implementation. Nessen et al. (2019) further explains that employees that are more satisfied with their jobs are more likely to engage in behaviors of innovative ideas within a company, as job satisfaction partially mediates the relationship between psychological ownership and intrapreneurial behavior. If employees can be involved in the innovation process, both from the beginning and for its adoption, Sung & Choi (2011) finds that innovation outcomes in an organization tends to increase because the intraprenur get more motivated to innovate when they are responsible for the process.

Further is Amabile & Pratt (2016) discussing how employees need to be intrinsically motivated in order to innovate. At the same time is Hisrich (1990) arguing that intrapreneurial processes and efforts should not be forced on any employees, as the intrapreneur must be willing to embrace the role themselves. This perspective argues that internal motivation is a key driver of intrapreneurship.

## 2.2.2 Organizational culture

### 2.2.2.1 Risk-willingness

Research suggests that an open, collaborative and risk-taking culture will encourage individuals to engage in intrapreneurial activities leading to better business performance (Gursoy and Guven, 2016; Blomkvist et al., 2024; Turro, López & Urbano, 2013). The organization's willingness to take risks is a crucial factor when fostering intrapreneurship because it determines how much uncertainty and failure are tolerated during the innovation process (Edmondson, 1999). Risk-willingness includes the company's ability to be proactive and to take actions outside the normal tasks in the organization. (Chouchane et al., 2023). To come up with new innovations requires a series of trial-and-errors experimentations, and a lot of efforts will accordingly fail (Hisrich, 1990). If the organization does not allow for these efforts to fail, individual employees will not take the risk of losing their jobs just to innovate (Edmondson, 1999).

Psychological safety plays a critical role for employees as they must feel safe in order to take risks without the fear of punishment if an idea fails. If the employee can feel a “safe-to-fail”

environment where the process of experimentation is valued, even when results are uncertain, it will encourage the employee to introduce new ideas (Edmondson, 1999). To implement this risk-taking culture within the organization, the management plays a critical role. The management both have to adopt a risk-averse behaviour and have an open approach towards risk, encouraging employees to innovate (Alpkan et al., 2010) but also be willing to allocate resources in projects with potential to fail (Adokiye et al., 2017).

One method that can seem risky but potentially highly rewarding is the concept of open innovation introduced by Chesbrough (2003) explaining the method to integrate both internal and external ideas in order to bring innovations to market. The model of open innovation acknowledges that valuable knowledge is distributed among multiple actors and that companies can gain competitive advantage by embracing external expertise and collaborations, such as collaborating with startups, universities and suppliers. This approach is extended by Ritala & Hurmelinna-Laukkanen, (2013) describing that coopetition can be risky but potentially rewarding where sharing and learning from external actors using skills of absorptive capacity can increase innovation outcomes. For large multinational corporations that typically focus on protecting intellectual property and maintaining tight internal control, this method can challenge rooted norms and requires a shift in the organizational mindset where a willingness towards more risky approaches and sharing knowledge outside the organization are important aspects. This method calls for companies to be more risk tolerant and change traditional filosofies that successful innovation requires control (Chesbrough, 2003).

#### 2.2.2.2 Autonomy

Organizational culture can also influence employees by shaping the degree of autonomy they are granted. Autonomy is identified to be an essential part in the organization culture, to get employees more engaged in intrapreneurship. Autonomy refers to the degree of freedom and independence employees have to make their own decisions, experiment with new approaches, and drive their projects forward – where higher levels of autonomy lead to more innovative outcomes (Augusto Felício et al., 2012). Similarly is Liu et al. (2011) suggesting that autonomy combined with passion enhances creativity and supports intrapreneurial actions while Hornsby et al. (2002) argues that autonomy combined with the enjoyment of taking on responsibility leads to better achieved intrapreneurial outcomes.

Blomkvist et al. (2024) states that employees that actively engage in intrapreneurial activities often derive intrinsic satisfaction from ownership and autonomy. This aligns with Langfred (2013), who argues that a higher degree of autonomy not only enhances employees' well-being but also increases overall job satisfaction (Langfred, 2013). While autonomy plays a crucial role in fostering creativity and motivation (Blomkvist et al., 2024), Liu et al. (2011) found that when employees perceive low levels of autonomy, support from higher levels of the organization can compensate for this lack and still enhance creativity. This suggests that even in environments where autonomy is limited, strong managerial support can help sustain

innovative efforts (Liu et al., 2011). Goffin & Mithell (2018) is however arguing that innovation teams should be placed in separate locations where they are free from the bureaucracy that can be present in the rest of the company and that the teams function better if they're not constantly checked or controlled by the management.

### 2.2.2.3 Management support

Management support refers to the degree of which entrepreneurial behavior is supported by the management in the company (Badoiu et al., 2020). Active support from the management promoting intrapreneurial activities within a company have in existing literature shown to be important factors to create a supportive and intrapreneurial climate (Turro, López & Urbano, 2013; Neessen et al., 2019). Both Chouchane et al. (2023) and Badoiu et al. (2020) urges that the relation between the management and the employee, having mutual confidence and loyalty is one of the most important motivating factors for an employee to engage in intrapreneurial activities. This aligns with Blomkvist et al., (2024) stating the importance of the top management not only to allow for employers to engage in risk-taking and innovative projects but also to communicate and encourage employees to engage in intrapreneurial activities.

Not only the top management is important in fostering intrapreneurship, but the middle manager has shown to be an important actor in creating an innovative climate as they have day-to-day contact with the employees, providing a mediating role in communicating the company's mission, goals, and priorities. However middle-managers with resource constraints, limited support from the top management and a lot of workload pressure can in the same turn create barriers for intrapreneurship efforts, stating the importance of a supportive culture permeated in the entire organization (Hornsby et al., 2002). All types of leaders in a group play a critical role for the team members, and according to Schein (2010) it is important for leaders to make deliberate decisions and consider how they can guide the group and culture to enhance the organization's efficiency and adaptability. In addition to the management support in fostering an innovative culture, employees themselves must be open to new ideas and be intrinsically motivated in order to innovate (Amabile & Pratt, 2016). Hisrich (1990) argues that intrapreneurial processes and efforts should not be forced on any employees, and that an intrapreneur must be willing to embrace the role themselves.

## 2.3 Employee perception and Innovator's Dilemma

According to Kwantes & Boglarsky (2007), even well-designed structures fail to support innovation if employees do not perceive them as enabling or empowering. This highlights the importance of sense-making from an employee's perspective, where perception becomes a critical link between intention and action. High levels of organizational support are linked to the well-being of employees and their engagement in creative projects, (Eisenberger et al., 2020) but whether organizational support is perceived as supportive or disruptive depends on the employee's perspective highlighted by Kwantes & Boglarsky (2017). The authors explain

that there is a potential gap between intended culture and structure and how it is actually perceived by the employees. In turn, Kwantes & Boglarsky (2017) argues that it is essential to examine this gap, emphasizing that perceptions, rather than the formal stated guidelines, are the determining factor of an innovative culture.

This is extended by Wei et al. (2013) that argues that employees' perception of the organization's level of innovativeness is a crucial factor, where if employees perceive their workplace as innovative, they report higher job satisfaction and share a more positive view of their organization's success (Wei et al., 2013). Employee perception also has its effects on change management, where openness and acceptance of change leads to a more accepting innovation culture affecting the innovation outcomes. (Naveed et al., 2022). An open culture with mutual respect and collaboration, enhances the effectiveness of knowledge management further impacting innovation capabilities (Lam et al., 2021) This highlights that cultivating a culture where employees feel empowered and actively engaged is essential for fostering innovative behavior and long-term organizational success. Therefore, integrating and including employees in change management, innovation efforts and to create a more innovative climate can seem both important and inevitable.

However, despite companies' efforts to promote intrapreneurship, organizations seem to face internal contradictions when it comes to innovation. Christensen (1997) explains Innovator's Dilemma which is a paradoxical situation where established companies tend to struggle to support radical and disruptive innovation. This concept explains how established firms are focusing on their core customers and operations aligning with their current business model, but often fail to recognize and invest in disruptive innovations potentially leading to higher profits. Christensen (1997) explains that these disruptive innovations often stem from niche markets and therefore may offer lower performance on mainstream metrics, making these innovations appear unattractive to incumbent firms. Established firms therefore tend to choose prioritizing improving existing offerings for current profitable customer segments instead. This leads to a larger focus on incremental changes and sustaining innovations over exploring new radical ideas (Christensen, 1997). This prioritizing can create a tension for large complex companies where focus is on short-term efficiency rather than long-term exploration highlighted by March (1991).

While intrapreneurial efforts to enable innovation are important in order to maintain competitiveness, managers can find it difficult to fully support initiatives that's not aligning with core operations or threaten existing revenue streams (Christensen, 1997). Even with formal mechanisms in place, the actual realization of intrapreneurship depends on how well management balances control with flexibility and aligns organizational priorities with a real openness to internal innovation (March, 1991).

## 3. Methodology

*In this section, the methodology of the study is presented. First the research strategy and then the research design is introduced. Then the research method and data collection is presented followed by data analysis and research quality.*

### 3.1 Research strategy

The study has applied a qualitative methodology, where interviews have been conducted. The reason for choosing to conduct the study using a qualitative method is based on the interest in more qualitative responses, detailed data and deeper insights about the subject. By focusing on qualitative responses, the study aims to understand the underlying motivations and experiences of each participant.

Most studies in the area are conducted on a quantitative approach, exploring relationships and effects between performance and innovation within the organization (Urbano et al., 2022). However, there is less in-depth analysis in what different processes or systems are supported by the organization and perceived by the employees. By having a qualitative approach, this study can complement existing research by providing a comparable and in-depth analysis, exploring not only the outcomes of intrapreneurial efforts but also the processes, methods, and approaches that enable the outcome. To find what methods that actually are used to support innovation and how large multinational companies balance established processes with providing support for intrapreneurship.

This study's intention is to be exploratory, seeking to understand personal perceptions and experiences that have not been fully captured in prior research. Therefore, based on the research question a qualitative approach is the best suited method to catch these exploratory complexities (Bell, Bryman, & Harley, 2022). Rather than just confirming existing information, the goal is to contribute to new conclusions and identify or understand deeper patterns. To collect this information, interviews are suggested by Bell, Bryman & Harley (2022) a good option to gather data and catch these subjective perceptions and experiences.

As this study seeks for a more in-depth understanding on how large multinational organizations actually support intrapreneurship and how this support is perceived, the study will apply a method that allows for flexibility and open-ended questions to enable interaction and dialogue with the participant. Open-ended interviews make it possible for flexibility needed to enhance the process of uncovering new themes or insights, which is important in this type of study. The open-ended questions give participants in the study the opportunity to share their views in their own words, which helps to capture a range of perspectives and dimensions and also for the interviewer to lead follow-up questions (Bell, Bryman, & Harley, 2022).

The choice of using a qualitative research strategy can be more time-consuming in relation to a quantitative one. While the qualitative method requires a lot of time in connection with the implementation of interviews, the quantitative method requires more time for analysis and compilation (Bell, Bryman, & Harley, 2022). Based on the timeframe allocated for this study, some limitations in the number of respondents and length of the interviews have been done in order to manage the time frame.

## 3.2 Research design

The design of the study will be a multiple-case study design. This involves selecting different organizations and making an in-depth analysis to compare and contrast their approaches (Bell, Bryman, & Harley, 2022). In this study, large multinational companies on the Swedish market will be selected, and by a multi-case study design, various strategies and approaches can be identified and patterns or differences across organizations can be analysed. The information from the organizations will be collected through interviews which is the most common approach for a case-study design. However, in this study, only interviews with employees and managers working for these organizations will be conducted.

The number of organizations participating is dependent both on how the study can contain a high standard during the information process without overlooking important details. As it is deeper interviews, it is time demanding which affects the sample size.

However, a multiple-case study is seen as the most suitable method for this study due to several reasons. First of all, previous research done in the same field has primarily been based on single-case studies or quantitative methods, which leads to a gap that can be addressed by exploring the area using a qualitative method. Additionally, there is significant interest in identifying patterns shared among the various organizations, which would not be possible with a single-case approach. Furthermore, this method enables a more in-depth exploration of each case, providing comprehensive and detailed insights in the organization's environments.

## 3.3 Research method & data collection

### 3.3.1 Semi structured interviews

To collect data, a semi-structured approach was used. This method allowed for key insights following an interview guide while incorporating open discussions, combining flexibility with structure. It enabled a deeper understanding and context while ensuring that key information was gathered (Bell, Bryman, & Harley, 2022). The flexibility was crucial in exploring how different firms support intrapreneurship, as this is a complex issue. However, maintaining consistency, ensuring all respondents answer similar questions, was essential to gather necessary data and minimize analytical errors. Compared to fully structured interviews, the approach of having a semi-structured method with allowance for follow-up questions allows for deeper insights, while still maintaining comparability across responses

(Bell, Bryman, & Harley, 2022). The interview guide in this study consists of a number of predetermined questions with possible follow-up questions that can be adapted to the situation. Therefore, this choice is seen as appropriate for this study, both flexible and yet comparable.

The semi-structured interviews were based on a detailed interview guide with specific topics and related questions to cover. The topics are based on the theory presented in the beginning of this thesis. Even though a predetermined structure, the interviewer can depart from set topics and questions if necessary. This allows the conversation to explore interesting areas where the respondent has more to share. This approach balances structure and flexibility and makes it possible to adapt the interview based on the answers from the respondent.

### 3.3.2 Literature review

The theoretical framework of the study is based on existing literature in the field of intrapreneurship. The existing literature consists of books, academic articles and publications within the chosen area. Since intrapreneurship is a relatively broad subject there is a variety of existing literature that presents the field from various perspectives.

To find relevant references, various different databases have been used, Google Scholar, Scopus and Emerald, Science Direct, Business Source Premier and Gothenburg university library. By applying various databases made it possible to select a broader selection of literature, which makes it possible to make the literature review even more thorough.

In order to find the literature, keywords have been used; Intrapreneurship, organizational culture, organizational structure, innovation, multinational corporations, Sweden have been used to sift for relevant literature for the study.

### 3.3.3 Selection of case companies

The selection of companies included in the study was primarily based on predefined criteria to ensure alignment with the research's specific objectives and to enhance the relevance of the findings. The criteria for company selection were as follows:

1. **Multinational companies** – To understand the impact of intrapreneurship within the complex structures that exist in large companies, operating across multiple markets and navigating diverse regulatory environments.
2. **Expressing an innovative culture and R&D teams** – Using companies that express an innovative culture and heavily invest in R&D is important for the studies purpose as their commitment to innovation contributes to a deeper understanding about how intrapreneurship is fostered and supported within structured corporate environments.

3. **Innovation teams located in the Swedish market** – By selecting companies with R&D departments and teams based in Sweden, it ensures a connection to an innovation-driven market while also enhancing the generalizability of the findings.
4. **Develop and produce technical solutions and products in large-scale production environments** – Using companies that operate in similar environments and face similar operational challenges is important to ensure better comparability across cases and enable a more in-depth analysis.

These criterias were established to select companies that would provide meaningful insights into the research question while maintaining consistency in the study’s scope and focus. By narrowing the selection to firms that meet these conditions, the study ensures that the findings are both relevant and applicable within the chosen context.

Some companies were identified based on the requirements and contacted with a request to participate in the study. Key persons were contacted by the authors' through their already existing connections, and these key persons played a mediating role to find and get in contact with further people fulfilling the criterias of being a respondent to the study.

### 3.3.4 Presentation of case companies

|   | <b>Company name</b> | <b>Market</b>  | <b>Employees</b>             | <b>Area/industry</b>  |
|---|---------------------|----------------|------------------------------|---|
| 1 | Alfa Laval          | Global/Swedish | 22,323 (Stock analysis, n.d) | Specialty Industrial Machinery (Stock analysis, n.d)                          |
| 2 | Tetra Pak           | Global/Swedish | 24,300 (Tetra Pak, n.d)      | Manufactures machines and materials for disposable packaging (Tetra Pak, n.d) |
| 3 | Essity              | Global/Swedish | 36,000 (Essity, n.d)         | Manufactures in the hygiene and health industry (Essity, n.d)                 |

*Table 2. Case companies*

#### 3.3.4.1 Company 1 - Alfa Laval

Alfa Laval was founded in 1883 by Gustaf de Laval and his business partner Oscar Lamm in Sweden. Gustaf de Laval was an inventor and engineer who developed the first continuous centrifugal separator, which by the time was a revolutionary machine efficiently separating cream from milk much faster than the traditional methods, laying the foundation for the

company. Alfa Laval later diversified into heat exchange and fluid handling technologies, which also became a part of the core business (Alfa Laval, n.d). Today, Alfa Laval is a global leader in heat transfer, separation, and fluid handling products and solutions, operating in industries such as energy, food & water and marine.

Alfa Laval has become a global industrial leader operating in over 100 countries, but with their headquarter located in Lund, Sweden. Alfa Laval's innovation is deeply rooted in Swedish engineering in areas related to sustainability, energy efficiency, and industrial process solutions and plays a crucial role in Sweden's innovation reputation. In 2024, the company had an annual revenue of 66,95 billion SEK and an annual growth of 5.28% compared to last year (Stock analysis, n.d).

#### 3.3.4.2 Company 2 - Tetra Pak

Tetra Pak is a global leader in food processing and packaging solutions, known for its innovative approach and well known for their sustainable packaging technology. The company was established in 1951 and founded by Ruben Rausing in Sweden. The core business of Tetra Pak involves providing efficient and environmentally friendly packaging systems for liquid foods in different categories. However, the company's range extends beyond just packaging and also includes processing equipment, technical support, and automation solutions. But the company is most famous for its packaging technology, allowing liquids to be stored without refrigeration (Tetra Pak, n.d).

Tetra Pak is not only a significant employer in Sweden but also a major contributor to the country's reputation as a leader in innovation and sustainability. The company operates in more than 160 countries, but has maintained close ties with Swedish institutions and continues to collaborate with Swedish universities and research centers to push forward innovations in food packaging and processing technologies (Tetra Pak, n.d).

#### 3.3.4.3 Company 3 - Essity

Essity was originally a part of the Swedish multinational group SCA (Svenska Cellulosa Aktiebolaget), which was founded in 1929. In 2017, Essity was spun off from SCA, focusing specifically on hygiene and health products, where the company positions themselves as a global leader (Essity, n.d).

Essity's research and development efforts are deeply tied to Sweden, playing a significant role in the country's economy and innovation landscape. Essity's headquarter is located in Stockholm, Sweden but the company operates in over 150 countries worldwide (Essity, n.d).

### 3.3.5 Interview guide

As a first step in the collection of interviews, an interview guide was developed to define a structure and questions in order to gather desired information. The questions are based on the

areas presented earlier in the theoretical section with the headings Corporate structures, Resource Allocation, Incentives structure, Risk-willingness, Autonomy and Management. The questions were structured into these categories and the sequence was predetermined, while follow-up questions were based on the respondent's answers. Therefore, the follow-up questions were not formulated in advance but some supporting words were written down to ensure gathering all information needed. There were two different interview guides that were designed, one for interviews with employees at the selected companies, while another was tailored for interviews with managers within each company (see appendix 1 and 2).

The interview guide begins with the respondents introducing themselves through a few introductory questions and their role within the case company is presented. Further, about two to three questions in each category are asked with follow-up questions if needed. Finally, the interviews conclude with two closing questions, allowing the respondent to address any aspects that may have been overlooked during the interview or adding any new perspective on how the company can be developed further.

### 3.3.6 Conducting the interviews

As presented, the study is based on a qualitative research method that requires a collection of interviews. The implementation of this process followed several steps to ensure consistency and reliability in data collection.

First, some potential companies relevant for this study were identified. By using existing connections with employees from some of the potential companies and reaching out through various channels to assess their interest in participating. Other potential companies were contacted through email, outlining the study's purpose and background. If interest was expressed, relevant individuals within these companies were approached for participation. Efforts were made to ensure a diverse range of participants where the study contained respondents with different innovative roles, years of experience and genders. This allowed the study to capture a broader perspective on the research subject, while still ensuring generalizability by following certain criterias in the selection of the companies and respondents.

Before the interviews, respondents were informed about the general topics that were going to be discussed, but the complete interview guide was not sent in advance. This approach was chosen to ensure spontaneous and authentic responses while still allowing participants to rely on their expertise and perceptions and that they confirm that they are the right person to be involved based on the topics sent in advance. All interviews were conducted digitally on teams due to logistical facilitation and to maintain the same method throughout all interviews. While in-person interviews were initially considered, the digital format was considered the most practical and efficient solution, as the geographical spread of the respondents.

During the interviews, one of the interviewers was responsible for managing the flow of questions and ensuring a structured conversation, while the other focused on listening and taking notes to capture key points from the discussion. The combined approach of structured questioning and taking notes helped to avoid distractions and maintained a flow in the interview. This also allowed for better follow-up questions and a smoother interview process overall. The interviews were also recorded and further transcribed to ensure reliability and accuracy.

### 3.3.7 Selection of respondents

The respondents have been selected based on their roles in organizations that match the criterias for the study which were as follows:

#### **Criteria for respondents employees**

1. Currently working on the selected case company
2. Having a role in a team working with research, development or innovation efforts.

#### **Criteria for respondents managers**

1. Currently working on the selected case company
2. Having the role of a manager for a team working with research, development or innovation efforts.

The selection of respondents was based on the aim to reach people working as innovators or developers to get their perspective on how organizations support intrapreneurial activities. The research requires that respondents want to volunteer and attend interviews. This affects the number of interviews, where more respondents could provide an even more comperhersed overall picture.

| <b>Respondent</b>      | <b>Company</b> | <b>Title</b>                    | <b>Method</b>   | <b>Date</b> | <b>Language</b> | <b>Interview length</b> | <b>Interview guide</b> |
|------------------------|----------------|---------------------------------|-----------------|-------------|-----------------|-------------------------|------------------------|
| Manager, Alfa Laval    | Alfa Laval     | Head of Development             | Teams interview | 6/3         | Swedish         | 27 min                  | Manager                |
| Employee 1, Alfa Laval | Alfa Laval     | Research & Development          | Teams interview | 4/3         | Swedish         | 23 min                  | Employee               |
| Employee 2, Alfa Laval | Alfa Laval     | Product Data Management Manager | Teams interview | 24/2        | Swedish         | 35 min                  | Employee               |
| Manager 1, Essity      | Essity         | Vice President Tena             | Teams interview | 24/3        | Swedish         | 30 min                  | Manager                |
| Employee 1, Essity     | Essity         | Global Brand Innovation Manager | Teams interview | 17/3        | English         | 30 min                  | Employee               |
| Manager 2, Essity      | Essity         | Baby Innovation Director        | Teams interview | 19/3        | English         | 30 min                  | Manager                |
| Employee 2, Essity     | Essity         | Innovation/ Design              | Teams interview | 3/4         | Swedish         | 36 min                  | Employee               |
| Manager 1, Tetra Pak   | Tetra Pak      | Technological Manager           | Teams interview | 13/3        | Swedish         | 35 min                  | Manager                |
| Employee 1, Tetra Pak  | Tetra Pak      | Development Engineer            | Teams interview | 4/4         | Swedish         | 28 min                  | Employee               |
| Employee 2, Tetra Pak  | Tetra Pak      | Technological Specialist        | Teams interview | 9/4         | Swedish         | 30 min                  | Employee               |

*Table 3. Interview table*

### 3.3.8 Ethical considerations

There are ethical considerations related to conducting interviews which need to be considered in the research to keep credibility towards the respondents. The ethical issues according to Bell, Bryman and Harley (2022) are the freedom of participation, integrity, confidentiality and anonymity for those who are involved in the research. Initially, Bell, Bryman and Harley, (2022) means that it is important to involve all parties in the purpose and education of the study so that all parts are well informed. Therefore all respondents were informed about the study design, the purpose and aim with the study, as well as how the participants' responses will be used. The respondents were also informed about the other companies that were going to be included as well as various people within the same organizations.

Further, Bell, Bryman and Harley (2022) presents that the opportunity for the participants to remain anonymous needs to exist, which is an option that has been given to all respondents during the interview. Due to some respondents expressing their willingness to remain anonymous, their role and name are not visible in the study. However, most respondents have agreed to include their names and roles.

Finally, each respondent has been asked for permission to record their interviews and all respondents have been sent the empirical result before the final result, where they have been able to leave comments.

## 3.4 Data analysis

### 3.4.1 Thematic analysis

To enhance clarity and identify common patterns across the collected interviews, a thematic analysis is carried out. A thematic method involves organizing the responses into different themes that recur across the different respondents and companies (Bell, Bryman & Harley, 2022). One key advantage of this method is its flexibility and clarity, making it an effective tool for extracting meaningful insights. By systematically structuring and categorizing the data, thematic analysis provides an overview of the most relevant topics while incorporating diverse contexts, perspectives, and nuances (Braun & Clarke, 2006).

### 3.4.2 Coding

The goal of thematic coding is to identify recurring themes and categories within the data analysis process. Initially, interviews were conducted and transcribed. Then interview transcripts were broken down into smaller segments and codes to detect commonalities. These codes were then grouped into broader categories, which contribute to the development of overarching themes. The frequency and recurrence of specific codes indicates their significance and increases the likelihood of them being recognized as key themes (Bell, Bryman & Harley, 2022). Example of coding in Table 4.

| Theme                            | From empirical findings  |
|----------------------------------|--|
| Limitations in knowledge-sharing | <p><b>Tetra Pak</b><br/> <i>knowledge-sharing can always improve, but there used to be much more of a silo mentality before where each department worked on its own”</i></p> <p><i>“There are now various forums for sharing knowledge, and internal training is being conducted. I think we’re constantly improving, even if there’s always room for more progress”</i></p> <p><b>Essity</b><br/> <i>“I think the willingness to share knowledge is there, but in reality, we probably don't do it enough.”</i></p> <p><i>“We're not great at sharing knowledge, but it's something we're actively working on. I believe there's huge potential to improve because everyone has so much valuable knowledge that could be beneficial to share and leverage across different projects”</i></p> <p><b>Alfa Laval</b><br/> <i>There’s room for improvement when it comes to knowledge transfer between departments.”</i></p> <p><i>“Sometimes it’s closing silos.”</i></p> <p><i>“Personally, I would have wanted more collaboration between the different business units, as some things are done very similarly.”</i></p> |

Table 4. Example of coding

### 3.5 Research quality

#### 3.5.1 Reliability

To ensure that the research maintains a consistently high level of quality, the focus on reliability has been a significant part of the execution. Reliability means to the degree of dependability and stability within the study, including the precision of its measurements. A high level of reliability indicates that the study’s results are consistent and trustworthy over time and among different samples (Bell, Bryman & Harley 2022). In this research, several decisions have been made to maintain a high level of reliability. When selecting respondents, a broad selection was made both within companies and in the choice of companies to avoid any potential impact of the selection on the answers. A risk that has been taken into account is that employees may not feel comfortable expressing their true opinions, as they would be shared with their managers. To minimize the risk that employees do not express their true

perception, they were given the opportunity to stay anonymous through the study. Reliability has further been a key priority in the execution of the interviews. To ensure that all interviews were based on the same topics and questions, an interview guide was designed to guarantee that each respondent is presented with the same set of questions and order and thereby preventing variations arising from differences in question phrasing or interview execution. Furthermore, particular attention was given to ensuring that the respondent completely understood the questions, with the opportunity to ask for clarification if needed. This approach was implemented to minimize the risk of misunderstanding and to ensure the consistency across all responses.

### 3.5.2 Validity

Validity is an indication of whether an implementation or a method measures what it is intended to measure and whether it is appropriate to draw conclusions from the obtained results (Bell, Bryman & Harley 2022). If a method is valid, Bell, Bryman and Harley (2022) means that it is possible to draw legitimate conclusions based on the generated results. To maintain a high level of validity in this research, and thereby make it possible to use the outcoming result, it is crucial that the study accurately measure what it is intended to measure. This has been an important aspect throughout the entire process. The selection of respondents requires high relevance, which has been ensured by confirming that the respondents' roles are well within the area that is being investigated. Furthermore, the interviews began with the respondents introducing their position within the company to further ensure that it aligns with the research question of the study.

In the design of the interview guide, validity has been crucial. The questions were formed to address the presented research question. A risk when forming questions based on research is that the questions may be biased toward seeking a specific answer. To minimize the risk the interview guide has been based on the various theoretical areas presented in the background. The goal has been to align the question with established framework to maintain high validity, ensuring that the work stays within the area of the study without being biased.

## 4. Empirical Findings

*In this section, the empirical findings of the study are presented. The findings and responses are organized into the different companies and presented in the section of the related key themes.*

### 4.1 Alfa Laval

#### 4.1.1 Corporate structure

The respondents describe the organization's structure as complex and matrix-based, combining both product-focused and function-based divisions. This structure can at times create confusion and limit collaboration across departments. As one respondent explains it, *"We are both divided by the product we develop, manufacture, and sell, but also functionally, meaning some product groups cut across and sell various kinds of products"*(Employee 2, Alfa Laval). Further, the structure is explained as matrix functionalization with the statements *"we are matrix-functionalized where some operate crisscross across the organization"*(Employee 2, Alfa Laval) and *"we work a lot like in a matrix-organization"*(Manager, Alfa Laval). The respondents underscore that the company is divided in different autonomous business units, each responsible for their own profit and loss; *"each business unit has its own decision maker"*(Employee 2, Alfa Laval) and *"every business unit is very autonomous, driving its own profit and loss but under the approval of the board of directors"*(Manager, Alfa Laval). Followed by *"there is a lot of freedom in how to operate the business unit"*(Manager, Alfa Laval).

However, a general hierarchical structure was highlighted by one respondent saying that decision-making typically flows top-down. *"Generally speaking, we do have a hierarchical structure"*(Employee 2, Alfa Laval). At the same time, are the respondents united in that the top management lacks a clear understanding of activities and operations at lower levels in the organization, and that the business units are relatively autonomous; *"Top management might not have such a good grasp of what is happening further down in the organization."* (Employee 1, Alfa Laval). The respondents explain that there exist departments in the company that have more of an innovation focus and are dedicated to come up with new ideas *"In the concept group, everything is about coming up with new ideas. That's essentially what the group is for, so it's dedicated to that"* (Employee 1, Alfa Laval). Also explained that when having such a role, the managers are very supportive and encouraging towards innovating; *"The managers are very encouraging to the employees in coming up with new ideas in those settings"* (Employee 1, Alfa Laval).

The respondents express the organization's openness to collaborate between business units and explain collaboration between the business units *"there are a lot of tasks that span over multiple departments, so there's a lot of collaborations between business units"*(Employee 2, Alfa Laval). Another respondent is stating the complexity in knowledge sharing between the

business units and informs about a perceived silo mentality, which limits knowledge sharing between business areas; *“Sometimes it feels like quite closed silos here... We could definitely improve how we work across these different business units”*(Employee 1, Alfa Laval). and *“I would want more collaboration between the different business units, as some things are done very similarly”*(Employee 1, Alfa Laval). One respondent highlighted that there is a tension when it comes to sharing knowledge and collaboration between business units as their autonomous drive to be profitable to themselves *“we have these different business units and they have their goals that they want to work intensively with”*(Manager, Alfa Laval).

One respondent explains that Alfa Laval traditionally has been a more rigid organization, but now are focusing towards innovation and invest in efforts and activities to improve flexibility and innovation outcomes *“I would probably say that I think Alfa Laval used to be quite a mossy company, but nowadays they've realized that all this stuff related to the climate transition is important [...]and this efforts we do now is apparently very successful”*(Employee 2, Alfa Laval) . Another respondent explain a new effort of starting a total new business unit as an outcome of innovation, but point out that this is highly unusual saying *“It has hardly ever happened before, at least in Alfa Laval's history, that something has been done in that way, and we've been around for over 100 years, so it's not common”*(Employee 1, Alfa Laval).

The new business unit is explained as a unit separated from the structures of the big company without the pressure of contributing to money inflow in the next few years: *“this new business unit is not stuck in the framework of the big company, but more like a small startup sense where we are appointed to investigate what is possible”*(Manager, Alfa Laval) and *“we don't have to ask for money all the time, but the management said we invest in this as we believe in this”*(Manager, Alfa Laval) continuing with *“you don't have to make money in the next few years, but have a clear business plan on what you expect to happen in the next five years”*(Manager, Alfa Laval).

#### 4.1.2 Resource allocation

When it comes to resource allocation, the respondents agree that resources are limited; *“there are always limited resources”*(Employee 1, Alfa Laval). Two respondents describe that they have to convince and promote themselves and the idea to the management in order to be allocated resources; *“one actually needs to have a business case to convince their managers to provide support when access to additional resources is required”*(Employee 2, Alfa Laval) and *“It's all about promoting yourself. Just like anything else, if you're good at marketing yourself to management teams and building their trust, they are more willing to allocate funding for development”*(Employee 1, Alfa Laval). That being said, the respondents perceive that building strong trust, such as by demonstrating previous results to management or managers, significantly increases the likelihood of receiving support and resources. As one respondent stated *“if you gain their trust, they are more willing to provide funding”*(Employee 1, Alfa Laval).

Meanwhile, the manager describes the distribution and structure of resource allocation, with an explanation that the allocation depends on in which stage of development the idea is in. If an idea proves successful on a small scale, it is more likely to receive additional resources for further development *“The goal is to embrace all emerging ideas by allocating sufficient resources to move forward, not to initiate a large-scale project, but to set up necessary smaller components for thorough evaluation of their potential”*(Manager, Alfa Laval).

The perception among employees at Alfa Laval indicates that resources are, in some cases, limited and that resources sometimes feel difficult to access or that they are insufficient. *“One has to fight for their own ideas to get anything to happen”*(Employee 2, Alfa Laval) and *“IT is supposed to support the business and assist with what we need, but they are quite few considering how many they need to support, so you have to wait your turn”*(Employee 2, Alfa Laval). It is however argued that resources are easier to obtain when having a good network in the company as one respondent stated that *“if someone without the same network as me in the company would come up with a good idea, it would probably be much harder for them to push through with the idea”*(Employee 2, Alfa Laval).

Furthermore, resources are prioritized based on where profitability lies, according to one respondent *“in general, revenue is what matters most for a company. But if there is time, research and development are supported”* (Employee 1, Alfa Laval). Following with *“but if there isn't enough time, focus is on delivering products that often takes precedence over investing significant energy and resources into something that may not yield results”*(Employee 1, Alfa Laval). The respondent expresses a belief that more resources should be allocated to innovation and development.

#### 4.1.3 Incentives structures

The respondents explain a financial compensation program for employees sending in ideas, where you get compensation for sending in an invention application that can be patented and then increase the compensation if it can be applied on many products *“We have a structure here at Alfa Laval where you can submit something called an invention application [...] and if it can be patented, there is an established compensation program for that”* (Employee 1, Alfa Laval) continuing with *“if the invention can be applied on many products, the compensation increases”*(Employee 1, Alfa Laval). While employees are encouraged to submit ideas, they effectively sign over the rights to the company once an idea is pursued *“if the company is willing to invest in it, you are also giving up all rights to the idea”*(Employee 1, Alfa Laval). Followed by *“you can't claim five years later that this is your idea and that you want to pursue the idea outside the company”*(Employee 1, Alfa Laval). The respondent however explains that the bonus system works as financial compensation for submitting a good idea, and that in cases where the company declines to pursue the idea, the originator can retain rights to develop it externally even if it is described as a costly and complex process. *“The system it's like the payment for selling your idea to the company”*(Employee 1, Alfa Laval)

and *“if the company does not go forward with the idea you then have the right to invest in the idea yourself outside the company”*(Employee 1, Alfa Laval).

One respondent explains the financial bonus to be a large amount if it proves to be successful *“if your idea moves forward and becomes a significant part of sales, you can earn six-numbers amounts if it’s really successful”*(Manager, Alfa Laval). As Alfa Laval works a lot with patenting products, the organization can provide bonuses for employees coming up with ideas that the company can patent *“If you can patent it, Alfa Laval has established a compensation program for it”*(Manager, Alfa Laval). Regarding the compensation itself, it is stated that it takes time to get the financial compensation *“the compensation comes later, maybe 10 years after you first submitted it”*(Manager, Alfa Laval). There is however a challenge in communication regarding financial bonussystem as another respondent expressed that they were unaware of Alfa Laval having such a patent-related compensation program *“there are various ways to receive money if a product is patented, which you can find in some companies, but I don’t think we have that here at Alfa Laval”*(Employee 2, Alfa Laval).

Additionally, the respondents emphasize the benefits of receiving good feedback and encouragement on their innovations. As one respondent describes *“I feel like I get pretty good feedback and recognition for the work I do”*(Employee 2, Alfa Laval). The respondent points out small celebrations as motivating and explains; *“in our small department, we usually celebrate successes with a small bun or something like that, it doesn't have to be something big”*(Employee 2, Alfa Laval). The manager explains his efforts when celebrating succession, where if one individual has been protrusive through a process he want to lift that person, however he highlights that most initiative is a team effort and that most focus lies in celebrate with the team *“you clearly want to try to lift that individual, but it's almost always a team effort and then the whole team should be promoted and lifted”*(Manager, Alfa Laval) followed by *“we celebrate together”*(Manager, Alfa Laval).

The respondents explain being a part of the whole process when coming up with a new idea, from small-scale testing to integrating it in the company *“In this last project I was a part from the start to the finish line”* (Employee 1, Alfa Laval) and another respondents similarly agrees with *“you are like lifetime support for the solutions you are a part of inventing”*(Employee 2, Alfa Laval) indicating that the inventor's involvement is present even after the implementation phase.

The manager expresses that individuals working in teams focused on innovation are often driven by the opportunity to develop, highlighting internal motivations as a driving force *“employees in this environment are motivated by discovering new things. Their driving force is the ability to find new paths”*(Manager, Alfa Laval). The manager also emphasizes that the team can have a significant impact on driving innovation. Even if not every individual in the team is equally innovative, the manager believes that the team as a whole can foster and drive innovation *“I believe that a sense of belonging is extremely important. Even if you may not be*

*the most innovative person, there are many other valuable contributions to make. Therefore, it is essential to support and elevate the team*”(Manager, Alfa Laval). Another respondent describes his motivation for developing innovations further building on internal motivation as a key driver *“I think that things that either make you more efficient, improve quality, or in some other way increase added value are what make you want to push through new things”* (Employee 2, Alfa Laval) further building on internal motivation.

#### 4.1.4 Risk-willingness

When it comes to risk-willingness, the respondents perspective differs, where one expresses the company to be willing to take risks *“I believe we are quite willing to take risks”*(Employee 2, Alfa Laval) and another explains the company to be more risk-averse *“The company is not so prominent when it comes to taking risks”*(Employee 1, Alfa Laval). The manager is however agreeing that Alfa Laval is taking risks but with a cautious approach, starting on small scales and avoiding the big risk *“We take risks all the time but it's not that we invest 1 million right away, but more thinking on how we can do this on a small scale without investing too much”*(Manager, Alfa Laval) and *“We are avoiding the big risk by having a gradual step-by-step investment approach”*(Manager, Alfa Laval). The manager also describes that from the organizational perspective they want their employees to dare to take chances and work to actively encourage them to be innovative *“We encourage people to be bold, try new things, and come up with ideas that we then test”*(Manager, Alfa Laval).

The respondents all agreed that if an idea is bet on and eventually fails, the company is very supportive where no one gets accused *“if the company takes a risk and it doesn't go as planned, no one will be accused of the failure”* (Employee 1, Alfa Laval) and *“it's not the world if you fail”*(Employee 2, Alfa Laval). They also express the company's approach of not viewing a failed experiment or innovation as something bad but rather as learning *“there are no failures, there are only lessons learned”*(Manager, Alfa Laval).

One respondent argues for some resilience in other parts of the company when integrating new ideas *“there can be some resilience in the company when integrating new ideas”*(Employee 1, Alfa Laval). The manager further explains that to protect their innovations and maintain security within the company, Alfa Laval is diligent in patenting new working ideas *“patents are important to avoid the risk of copies. The business unit managers are quite meticulous about ensuring that we patent our products because it protects us from competitors”*(Manager, Alfa Laval). He also emphasizes that Alfa Laval is one of the world's largest companies in the field, and to stay at the forefront and prevent imitations and not risk becoming irrelevant, patents play a crucial role *“Patenting and IP-rights is why we strive to stay ahead and avoid numerous copies from China or employees replicating the same work”*(Manager, Alfa Laval).

#### 4.1.5 Autonomy

All the respondents express a partial freedom and autonomy, but with some constraints. One respondent explains that *“you don’t have full freedom, you always have to tell your closest manager what you are doing, but without the need of going up too far in the organization”*(Employee 2, Alfa Laval). However, the respondent explained that a need for approval on higher levels can be necessary if the project starts to get expensive: *“if what you are doing is starting to get expensive, approval from a higher level can be necessary”*(Employee 2, Alfa Laval).

Another respondent explains different roles to be given different amounts of freedom and states *“in my previous role, I had a lot of freedom and the management really urges for autonomy”* (Employee 1, Alfa Laval) but continues with *“in other teams, freedom it’s not advocated for in the same level, but I still perceive the company to have a will of inventing new things”*(Employee 1, Alfa Laval).

When it comes to how the teams are influenced and controlled by their manager, the manager explains that new projects and ideas are highly customer-driven. Rather than being directed by management, they adapt to customer demands *“we are very customer-driven and guided more by the customer than by management”*. He further elaborates; *“We develop solutions based on what we can offer the customer. Ultimately, it is the team that brings these ideas to life, ensuring that everything we create is tailored to customer needs”*(Manager, Alfa Laval).

#### 4.1.6 Management support

The respondents explain the closest manager to be crucial when it comes to support and knowledge in daily tasks or invention processes. One respondent expressed support from the management in inventing but also pushed on the fact that other tasks can have a higher priority: *“it can be a priority question, ‘is invention really the most important right now?’”*(Employee 1, Alfa Laval). Both respondents explain that the top management is not aware of what happens further down in the organization, but if they know, they will provide support *“top management may not have a good grasp of what is happening further down the organization”*(Employee 1, Alfa Laval) where one follows with *“but if the top management knows what you are doing, you have their support”*(Employee 2, Alfa Laval).

A respondent also explained that the top management can prioritize what is important right now, and therefore doing skunk work and develop under the radar can be more effective: *“Companies generally focus on money now so an effective approach can be to not tell the management what you are up to, but rather go under the radar and tell them you’re just developing”*(Employee 1, Alfa Laval). Further extended with *“In history, this is how many good ideas within the company have arised, that you actually didn’t announce what you were doing”*(Employee 1, Alfa Laval).

One respondent explains the difficulties when wanting resources from other business units, and that it can be harder to go to managers in other business units and convince them to support you. One respondent argues that a business case to market yourself and your idea is necessary for convincing; *“you need a strong business case and make some advertising for yourself in order to get managers in other departments to provide you with resources that you need”* (Employee 2, Alfa Laval). The respondent perceives that this kind of activity could potentially be more supported by the closest manager to speeden up the process: *“This could be more supported by your closest manager to fasten up the process”*(Employee 2, Alfa Laval). Following with *“But I actually think you can get more things done if you take it in your own hands”*(Employee 2, Alfa Laval).

One of the respondents describes how their closest manager supports the development of new ideas and encourages going to workshops with knowledge exchange in other countries *“she (the manager) thinks it’s great that I’m involved and gathering new ideas and also sharing my own ideas with them”*(Employee 2, Alfa Laval). From a manager's perspective, the manager explains an encouragement to get employees to test new things: *“we encourage people to dare trying and come up with ideas that we can test”* (Manager, Alfa Laval).

#### 4.1.7 Further development of intrapreneurship - Alfa Laval

The respondents identified areas for improvement that could drive further growth and innovation at Alfa Laval. One recurring challenge is resistance to change especially in other departments, where one respondent explains *“there is a strong preference to maintain and only sustain what already exists in the IT-department. New initiatives are not always welcomed, as they often drive significant costs”*(Employee 2, Alfa Laval). Another employee highlights the internal resistance that arises when introducing new equipment or systems and communicates *“integrating new solutions into the existing company structure is often met with resistance. That is a bit unfortunate. I would have liked to see a different approach at Alfa Laval”*(Employee 1, Alfa Laval).

One of the key suggestions for improvement is enhancing knowledge-sharing between business units and teams. One respondent believes that valuable expertise remains underutilized because it is not effectively shared across departments and suggests: *“I think there is a lot of knowledge that isn't being used because people don't see where it could be applied. I strongly believe in rotating between departments from time to time. Maybe not full rotations, but at least larger team meetings where different units present their work and key challenges. For example, one month, the service department could share how they work and what their major challenges are in becoming more efficient, followed by IT, then R&D, and so on. By doing this, people would start thinking, ‘Why wouldn’t this work for us as well?’”*(Employee 2, Alfa Laval).

Another recommendation from one of the respondents is to increase investment in research and development. The respondent expresses that *“more resources should be allocated to*

*R&D areas. Sometimes, it feels like the teams working on this are relatively small compared to the entire organization”(Employee 1, Alfa Laval). The respondent builds on the argument by saying “R&D is the area that originally created the company. While the rest of the organization has expanded significantly worldwide, this department has not grown at the same rate”. The respondent therefore suggests investing more in research and development to get even more innovations; “more of the revenue should simply be invested in R&D”(Employee 1, Alfa Laval).*

## 4.2 Tetra Pak

### 4.2.1 Corporate structure

At Tetra Pak, the corporate structure is explained as partly hierarchical but with established cross functional teams working across departments decentralizing some of these structures. The manager explain SCRUM-teams to be an established method they work with to handle different problems in the company; *“The SCRUM-teams are already established and structured differently. When a major problem arises, it's decided which team can handle it based on their existing expertise. This setup makes the teams highly cross-functional”(Manager 1, Tetra Pak). Further the manager explains “That's roughly how we redesigned the entire development structure so that all development engineers now work in what is called Scrum teams”(Manager 1, Tetra Pak) and explain the idea further with “The idea is to have fixed teams with members from different groups who are assigned tasks, rather than assigning tasks first and then assembling teams afterward. These Scrum teams are permanent, allowing team members to get to know each other well”(Manager 1, Tetra Pak). One of the respondents working with development states that she's not a part of a SCRUM-team “No, I wouldn't say that I am part of such a team. I usually get involved more frequently during the later stages”(Employee 2, Tetra Pak) and further explains her team to be more free and allocated where their expertise is needed “In our team we do not work closely together; rather, we are divided into exchange groups based on different themes”(Employee 2, Tetra Pak).*

When it comes to introducing new ideas, one employee states that there are frameworks and approaches that the companies apply that need to be followed *“Starting a new study or some other kind of initiative is definitely possible, and it's been done many times. But there are still certain frameworks and guidelines you need to follow—and that's completely understandable”(Employee 1, Tetra Pak). The employee further explains that idea development is often based on an identified need rather than just fun ideas “I'd say innovations usually stem from a specific need. It's rarely a case of “Oh, here's a fun idea, let's explore it.” It's more often that we identify a problem that needs solving, and through exploring different solutions, new ideas emerge” (Employee 1, Tetra Pak). Further the respondent explains that these types of ideas evolve alongside but remain separate from day-to-day duties “Ideas are typically explored on the side, which means they're not always top priority. So if I'm juggling my main assignment while putting in an hour here and there on*

*a new idea, it's understandable that those initiatives don't always get much dedicated time"* (Employee 1, Tetra Pak).

Further, one of the employee respondents describes that the company has an established value chain that functions effectively *"We have a fairly large and well-established value chain, with a lot of machinery already in place at customers' sites and in factories"* (Employee 1, Tetra Pak) However, it is sometimes perceived that ideas that needs to adjust these established processes can face some resistance *"Sometimes, I feel that certain ideas—although really cool—don't fit into our value chain, and it feels like they are not profitable. In those cases, I think we can be a bit rigid and tend to get stuck"* (Employee 1, Tetra Pak).

When it comes to knowledge-sharing, the overall expression is positive but with some potential to improve. One respondent explain knowledge-sharing to be good, but can feel stuck to the department of development *"it's such a large organization, but among everyone working with development, I'd say knowledge is shared quite well and I believe the organization has a good setup for knowledge-sharing"*(Employee 1, Tetra Pak). This statement aligns with another respondent explaining that knowledge-sharing always can improve but has evolved over the last years *"Of course, knowledge-sharing can always improve, but there used to be much more of a silo mentality before where each department worked on its own"*(Employee 2, Tetra Pak). The respondent further explains that knowledge sharing is particularly important in new projects. The company is currently implementing sustainable approaches and is therefore applying methods to disseminate this knowledge *"Now, with the new sustainability projects driven by changes in legislation across Europe, such as the requirement for more recycled materials, things are moving faster. As a result, collaboration between departments has improved"*(Employee 2, Tetra Pak). Finally, the employee stated that they have improved their ability to share knowledge, but that there is always room for further development *"There are now various forums for sharing knowledge, and internal training is being conducted. I think we're constantly improving, even if there's always room for more progress"*(Employee 2, Tetra Pak).

The organisation's perspective on radical innovation can seem to be less supported as one respondent explained that *"Sometimes we get stuck with ideas that seem great—'this could be super interesting'—but they require such major changes that it's just not feasible"* (Employee 1, Tetra Pak). This is also further extended with *"It depends on how innovative the idea is and how far it is from what we're currently working on. If it fits within the current scope, it can be included—but if it's too different, it might need to be developed separately"*(Employee 1, Tetra Pak). However, another respondent explained a case where an innovative idea was supported and acknowledged and explained that *"I have had one outside-the-box idea that a colleague and I proposed. These are things we've never tried before, but we suggested testing them and I think it's great that some of those ideas have actually been picked up. Not all of them, of course, but that we take on ideas that maybe not are the normal things we do, that they tend to be acknowledged early on. Sometimes it can be a bit frustrating that things take*

*time, but that's often because they need to be thoroughly considered"* (Employee 2, Tetra Pak).

#### 4.2.2 Resource allocation

In terms of resource allocation, the employees state that in order to gain access to resources in form of time and financial support for new ideas the project needs to be well justified as one respondent explains *"If you have a good reason and can motivate why you need a certain competence, you usually get the support you need"* (Employee 1, Tetra Pak). Another respondent continues with *"There's definitely room to propose new ideas and to test them out as well"* (Employee 2, Tetra Pak). Further a respondent describes that financial resources are rarely limited, and that the company are often willing to provide support for upcoming ideas *"Money usually isn't an issue at large companies like this, which is great—it gives you the opportunity to explore a lot, both deeply and broadly, and really pursue what you're interested in"*(Employee 1, Tetra Pak).

When it comes to time as a resource, the perception differs to some extent where one respondent explains *"However, time can sometimes be limited. There's often a high pace, which reflects the quality and importance of the work being done"*(Employee 1, Tetra Pak). Further, the respondent explains that this may depend on the specific project and how the time is allocated *"That said, it depends on the type of study and how urgent it is. Sometimes we run studies that need to be delivered to a project team because they've encountered an issue and need a solution to move forward. In those cases, there are often critical milestones and tight deadlines to meet before handing things over. So, it really depends on the specific activity you're working on"*(Employee 1, Tetra Pak).

Both employees agree that the hardest resource to allocate is access to the equipment needed to experiment the ideas further and describes *"The hardest part is really getting access to time in equipment. It's not that difficult to come up with ideas or to look into them and financials, but we have many projects that need the same equipment. So introducing a new idea and actually getting time for it might be the most difficult part"*(Employee 1, Tetra Pak) is said by one respondent further stated *"However, we absolutely do have time to be innovative"*(Employee 1, Tetra Pak). The other respondent agreed with *"If we had more resources in terms of equipment, we probably could have explored even more ideas. It would be possible to look into several ideas at the same time, but right now we simply have to prioritize between ideas and ongoing projects"*(Employee 2, Tetra Pak).

Moreover, the manager describes that the degree of time allocated for inventing or coming up with new ideas is highly affected by one's position. The manager however states that even if free time is provided in these roles, they tend to use this time for other projects *"Those who are specialists have some free time, but the challenge is that when there is so-called free time, they never really have free time. People are so ambitious that they tend to work a bit too much rather than too little because they enjoy it as well"*(Manager 1, Tetra Pak). This may

instead lead to issues where employees work overtime when given the autonomy to manage their own time.

### 4.2.3 Incentives structures

When it comes to incentive structures, the respondents explain different efforts to motivate innovation and what motivates them. The manager explained that when a new idea is getting approved, it is celebrated but smaller completions or tasks can get less recognition: *“Now that the project has been completed, we celebrate with cake—the usual secretaries organize everything, and someone gives a speech to mark its completion. However, smaller tasks don’t quite get the same level of recognition”*(Manager 1, Tetra Pak). Further, the manager points out that they often share the journey and the idea within the group when someone has completed a successful project *“But very often, when someone has implemented an idea or completed a task, they almost always have to present it at our group meeting”*(Manager 1, Tetra Pak). The manager further notes that it also provides an opportunity to recognize the individual in front of the group, as a way of showing appreciation for the presentation *“This provides an opportunity to announce, for example, that 'Jörgen has finished his work, it was a great success, and now you’ll get to hear about it today.' So recognition is more verbal rather than formalized”* (Manager 1, Tetra Pak).

When it comes to financial reward systems, one employee describes that they do not use a formal system, but have a system for ideas that leads to patents *“I don’t think there’s really a formal reward system for it. There is an internal system where you can submit an idea or invention, which would later lead to a patent. If it moves forward to patenting, you receive a financial reward”* (Employee 1, Tetra Pak). The respondent further explained that you are not able to get any reward if it's not a valuable idea for the company *“However, you can’t just submit anything—it has to have real potential to develop into something meaningful to get rewarded”*(Employee 1, Tetra Pak). Another respondent is however signaling a lack of knowledge when it comes to a financial reward system and explains; *“No, I’m not sure if there is anything in place. I’m actually not aware of whether there’s a system for when someone comes up with a new idea or if your name ends up on the patent. But I don’t know if there’s any financial compensation involved or anything like that. I’m honestly not sure”* (Employee 2, Tetra Pak).

Additionally, the manager clarifies that individuals are always allowed to continue being involved in the project's later phases if you are the inventor of the idea *“The person who came up with the idea is almost always involved in the project as a technical expert, but they are not necessarily the one leading it”*(Manager 1, Tetra Pak). This is further stated by one of the employees coming up with a new initiative that explains her situation *“We are involved but we handed it over to one of the SCRUM teams working on it. So we follow up on the results and have regular meetings to see what’s happening—whether they need help looking into how it should be used, and so on. So in that case, it’s simply a collaboration. We came up*

*with the idea, but the SCRUM team has the resources. So they take the idea and continue developing it”*(Employee 2, Tetra Pak).

One employee describes that internal motivation is what motivates the most to come up with new ideas and states; *“Personally, I’m really just driven by making things work. It’s more like—OK, we have a problem, how do we solve it? It’s more about detective work and puzzle-solving that drives me rather than financial compensation”*(Employee 2, Tetra Pak).

#### 4.2.4 Risk-willingness

When it comes to perception of risk-willingness, the respondents have different perspectives on how the organization perceives risks and how willing they are to take them. The manager explained that *“Tetra Pak is a company that doesn’t take many risks. As you can tell, the structure is already set—this is how it’s done, use this form, and then we decide what it will become”*(Manager 1, Tetra Pak). However, the manager explains a belief in her managerial style to be more supportive towards risks and continues with *“But I tend to have a different approach. I often feel like, ‘Hey, this is a quick fix—let’s just go for it, and it will probably turn out fine.’ I do a lot to encourage people to test things on their own before handing over an idea so they get the chance to try it out first. That way, they can at least feel like they’ve tested it themselves”*(Manager 1, Tetra Pak). Another respondent working in the managers team has the same perception on risk and explains *“We are very risk-averse, I would say. We are working hard to change this attitude and to encourage taking risks. With the latest projects, more risks are being taken than before. However, it’s still like working in a large company, with many layers of forums and managers that you have to go through. Each layer tends to add more caution and risk avoidance, which can make it difficult to implement new ideas, as not many are willing to say, ‘Yes, let’s go for it”*(Employee 2, Tetra Pak).

Another respondent explains another perspective and explains the company to be more willing to take risks but where it still is important with risk management and awareness: *“As long as you’re aware of the risks, then you can say, “Okay, we accept this risk because of these specific reasons.” and in that way, you always have something to fall back on and then it becomes a conscious and often fact-based decision”* (Employee 1, Tetra Pak). However, the respondent states the differences in risk-taking in different stages and concludes that risks related to food safety can’t be compromised *“In an early stage, I believe it depends on the type of risks involved. If there aren’t any clear showstoppers, the idea is usually worth exploring further. But the closer you get to the customer or the market, the more critical certain attributes become—like quality, food safety, and so on—those can’t be compromised. Still, I’d say we do take risks, absolutely”* (Employee 1, Tetra Pak). Further, the respondent also states the importance of knowing the risks in order to be able to communicate to stakeholders: *“If you know your risks you can also communicate it externally, having the right expectations on the outcome; we are doing this with these known risks”*(Employee 1, Tetra Pak).

As the company exists in different countries, the manager explains that there are some cultural differences in the company and highlights *“There are surveys every year, and it almost always comes up that employees feel that it is a bit dangerous to take risks. However, in the Swedish branch of the company, it’s rare that employees feel this way”*(Manager 1, Tetra Pak). One respondent discusses the open culture the organization has in exploring and expresses *“I think the organization is very open to the mindset that if we have explored something and discovered there's no solution to the problem, then we simply need to find another path or look elsewhere. There's a strong openness to that. After so many years of working in development, but I think everyone understands that not everything we work on will make it to market”*(Employee 1, Tetra Pak).

#### 4.2.5 Autonomy

In relation to autonomy, the respondents underscores individual initiatives not only to be allowed, but actively encouraged. The manager states that *“The specialists in my team have quite a lot of autonomy in deciding what they want to improve in the coming year. They propose various initiatives, and it is largely up to them to identify the areas that need improvement”*(Manager 1, Tetra Pak). The high levels of autonomy but with a commitment to still deliver is highlighted by another respondent stating that *“I feel that I have the freedom to decide how to approach my time. The organization is quite open about there being different ways to do things, as long as you deliver what you’ve committed to. The outcome doesn’t necessarily have to be that you’ve found something—it could also mean that you didn’t find anything. As long as you can demonstrate that you took the right steps along the way”* (Employee 1, Tetra Pak). The respondent is however highlighting the responsibilities that still remain during freedom with *“Its freedom under responsibility so as long as you follow the structures, you are free to manage your work as you want”*(Employee 1, Tetra Pak) which highlights a high moral connected to the high levels of freedom. Another respondent is also stating autonomy and freedom to exist in their role but where daily tasks are prioritized *“A lot of my work is routine work to ensure that the communication functions and that the day-to-day operations are handled, and that must be done. However, there is still a lot of freedom”*(Employee 2, Tetra Pak). The different roles in the company also seem to matter, and the manager states the different autonomy provided to the different positions; *“That is what differs a specialist from an engineer, specialists should have some time where they are free to work on their own ideas”*(Manager 1, Tetra Pak).

#### 4.2.6 Management support

When it comes to management support, the employees express the closest managers to be supportive. From the managers perspective, the respondent emphasizes the importance of presence in the office, not as a formal requirement, but as a way to enable spontaneous interactions and foster a supportive atmosphere: *“But for me personally, I feel it’s very important to be at the office so that they don’t only have to ask me every other week in our scheduled meetings. If something comes up, I’m there in the office”*(Manager 1, Tetra Pak) and *“You can bring something up on the way to the cafeteria just as easily as in a meeting.*

*You can notice when someone is down after a meeting or if something exciting has happened. It feels good to be present, to be around everyone all the time*”(Manager 1, Tetra Pak). However, the manager states that it's not required as a manager in the organization but more her individual management style and something she believes in, related to supporting employees *“I’m in the office five days a week, which is not something you have to do at Tetra Pak”* (Manager 1, Tetra Pak).

The respondent states their closest managers in the organization to be supportive where one explains that *“The managers are there if you need to check something or get support, but they rarely interfere with your work. There’s a lot of freedom with responsibility—it's about taking ownership”* (Employee 1, Tetra Pak). Another respondent expressed *“I think we get really great support, especially from the closest manager”* (Employee 2, Tetra Pak) which highlights the managers to be supportive yet providing trust and autonomy. The manager also highlights encouragement and support towards innovation and expresses that *“I always encourage my team a lot to come up with their own ideas. They should ideally have a task like this running all the time, so they can have some control over their own time”*(Manager 1, Tetra Pak).

When it comes to the top management, one respondent noted that there is a good understanding between middle managers and the top management regarding employees' daily work. Moreover, an open communication between the different levels in the organization was highlighted: *“there is a good understanding and it's very easy to talk to managers on higher levels in the organization”*(Employee 1, Tetra Pak). However, another respondent explained that the top management may not be as involved in the lower levels and it can take time for an idea to reach the top management and get more support: *“The top management set their planning for the next five years and their priorities. So, it can be hard to get them to listen to something completely new. But at the same time, if it’s a good idea, it will eventually make its way through the whole organization. It just takes time. So, it can be a bit frustrating at times that it takes so long to get the management on board”* (Employee 2, Tetra Pak). This highlights some challenges in getting the same support from the top management as from the closest manager.

The challenges in getting the top management's support is further extended by one respondent arguing that the top management lacks detailed knowledge and thereby can have a harder time recognizing a good idea *“The less detailed knowledge someone has, the harder it is. It’s easier for a direct manager to recognize that an idea is genuinely interesting”*(Employee 2, Tetra Pak). It is also noted that while senior managers are presented with numerous ideas, only a few are taken forward. *“But then the higher-level manager might receive ten interesting ideas, and the one above them gets a hundred, and they’re expected to choose among them without really having the detailed understanding of which one is most promising”*(Employee 2, Tetra Pak). The respondent continues by describing this as a challenge to the innovation process *“It can be a challenge, but I do believe innovation is appreciated, but sometimes it’s difficult”* (Employee 2, Tetra Pak).

#### 4.2.7 Further development - Tetra Pak

For further development, respondents identified areas of improvement. One respondent identified an area of improvement to be being more open to new ideas. The respondent believes that there is a growing openness to new ideas but that it could improve even further: *“I think there’s been a huge shift compared to just a year ago. Back then, the attitude was more like ‘we shouldn’t do anything new, let’s just stick to our old ways.’ But in the past year, that has changed a lot. Now, there’s a much stronger focus on innovation”*(Employee 2, Tetra Pak). The changes in the company structure are also highlighted by the manager, who also suggests using a more synchronized approach towards a more collaborative climate *“When I started this job seven years ago, I had even more authority. Back then, I made all the decisions about what projects to initiate. However, we have since moved towards a more synchronized approach, ensuring alignment before starting new initiatives”*(Manager 1, Tetra Pak).

One respondent stated that the company could improve innovative behavior by using external actors and suppliers to a larger extent in the innovation phase using more of an “open-innovation”-approach: *“The willingness to seek help from external experts is crucial. I truly believe that it is important to engage with universities and those who have expertise, rather than spending time determining what is truly innovative. In that regard, one can benefit from the knowledge of those who are more experienced and seek their assistance”*(Employee 2, Tetra Pak). The “open-innovation”- approach is stated to be more welcomed in the specialist team, while the innovators are described as more restrained when it comes to sharing knowledge and ideas outside the company with; *“We also have this contact with all the suppliers, so we work with them daily. That’s maybe also a big factor in large companies, where the development department wants to invent everything themselves. They want to be secretive and not share outwardly because they want to protect their rights—if it could potentially become a patent”*(Employee 2, Tetra Pak). The respondent further notes that this type of selectiveness in sharing internal ideas can slow down the pace of development, and that their team is striving to work more openly by involving external parties in the development process: *“But that can slow things down, instead of just saying, ‘We have this problem,’ and talking to suppliers without revealing critical details. My team, my manager, and I are much more open to taking help from external experts”*(Employee 2, Tetra Pak).

Another respondent explained better resource allocation and more dedicated time to innovate as areas of improvement: *“The system we have for exploring new ideas and solutions is perhaps something people work on in their spare time. It could benefit from being more focused and dedicated, with better allocation of resources and budget, so it doesn’t end up being just something we do on the side”*(Employee 1, Tetra Pak).

## 4.3 Essity

### 4.3.1 Corporate structure

In Essity, the company is structured into business units based on geography and market segments where each business unit is responsible for their own sales: *“each business unit is responsible for sales, marketing, operations, product launches, profitability, and market share growth.”* (Employee 1, Essity) One of the managers states the organisation structure to be quite matrix oriented *“we are quite matrix-oriented and very used to working within a matrix organization. But in all the projects we run, we have cross-functional teams that mainly are led by the development department”* (Manager 1, Essity). This highlights the company's efforts of being agile and flexible. The cross functional teams are also underscored by the other managers explaining his team to work in that approach: *“It is a relatively small business dimension, so we are all well connected with each other”*(Manager 2, Essity) and provide insights into the diverse skills and individuals that are needed in different product groups saying *“you always need a creative person and a technical person”*(Manager 2, Essity).

The innovation process at Essity is initiated based on strategic gaps identified by the management setting the strategic plan. To solve these gaps, an approach of using agile methods is often used to come up with new ideas. One manager describes it as follows: *“Initially, the management identifies gaps—such as lacking strong ideas for the Swedish market—before transitioning into a highly creative phase. Once a need is defined, a project is initiated, resources are allocated, and an agile design process begins, lasting about two months”*(Manager 2, Essity). Another respondent also explains some agile methods projects to create innovative outcomes and explains *“last year i had a huge ideation project with agile design, where I involved almost 80 people coming from the markets and other categories. And then we spent three full days using this agile methodology to come up with crazy ideas”* (Employee 1, Essity).

However, to create innovative efforts outside the frames of the strategic plan is explained to be harder where one of the managers express that *“If the idea is fantastic, I can raise it up to my management and say maybe we should try this. But then I need to challenge the strategy”*(Manager 2, Essity) and follow with *“I can do that, but I cannot do it every day. You know I need to select when it makes sense and we do that from time to time”*(Manager 2, Essity) highlighting this approach as more demanding.

When it comes to knowledge-sharing, one respondent expresses the organization to have a willingness to share knowledge, but where some resistance exists and states that *“I think the willingness to share knowledge is there, but in reality, we probably don't do it enough”* (Employee 2, Essity) and continues with *“there are a lot of teams that I don't have a clue of what they are doing”*(Employee 2, Essity). The respondent however describes sharing

knowledge as important to be better at and states that *“We're not great at sharing knowledge, but it's something we're actively working on. I believe there's huge potential to improve because everyone has so much valuable knowledge that could be beneficial to share and leverage across different projects”*(Employee 2, Essity). The respondent illuminates a knowledge-sharing effort where *“a whole network of people have been trained in a new innovative way of working and have been placed throughout the company to spread that knowledge”*(Employee 2, Essity).

#### 4.3.2 Resource allocation

When it comes to resource allocation, all respondents have relatively shared perceptions. Regarding the resources put into supporting innovations, one respondent described that *“Money is not really a problem in our job, it is not a real problem”* (Manager 2, Essity). Whereas one manager explains that the allocation depends on the available resources, as they have a set budget each year based on the net sale *“2,75 percent of net sale that we can spend every year according to budget”* (Manager 1, Essity). Furthermore, the manager states that the amount to be allocated is predetermined in a five-year plan, but how it is allocated depends on emerging ideas and processes *“We make a long-term plan and based on the long-term plan we create a budget”* (Manager 1, Essity). Further one respondent explained that as an employee you need to be able to justify the investment and argue for your case *“But you have to have arguments for why it is a good idea and why it's worth testing. And as long as you can argue for your case you will get a green light I would say”* (Employee 2, Essity).

The strategy plan seems to be the foundation to where and in what areas innovation should occur. One manager explains that *“first of all, we need a strategy. So we don't do a new idea to do a new idea; we do a new idea because we have a strategy”* (Manager 2, Essity). The manager follows with *“We look at market trends and at that moment we decided to become creative. So it's not that we wake up in the morning and say what is a good idea today? You know, this would not work”*(Manager 2, Essity) and *“because we have a business strategy, we need some great creative ideas in that specific area”*(Manager 2, Essity) highlighting a structured and strategic approach of coming up with new ideas. The manager explains that the structure shifts from phases of creativity and phases of structure: *“before being creative, we are structured [...]but says that when the ideation phase starts, in that moment, we go crazy”*(Manager 2, Essity).

One of the managers expressed the key challenge when it comes to resource allocation to lie in prioritization and time management rather than financial resources: *“Time is limited... More than working full time, we cannot do. We can do priorities, maybe say do this first because it's a little bit more urgent”*(Manager 2, Essity). Another respondent described similar challenges with time management and expressed that *“We spend a lot of time on projects that are just maintenance of the current assortment, you know, small improvement of the current assortment and probably not enough time on really thinking about what is the*

*next generation*”(Employee 1, Essity). At the same time one of the managers stated the largest challenge is to have the courage to take more risks and be more open to new ideas *“the most critical challenge is to create the spirit to yes we can”* (Manager 2, Essity).

### 4.3.3 Incentives structures

The respondents explain the incentives structure on Essity and describe different systems to provide motivation and rewards. In Essity, there are inconsistent perceptions on financial rewards where one respondent states there is no financial reward system: *“You don't get any reward because you have ideas, no.”* (Employee 1, Essity). Similarly, another respondent confirms, *“We don't have any reward system”*(Employee 2, Essity). However, one manager explained a bonussystem for innovators getting IP-rights and explained *“We don't have anything that is linked to any reward system, except when it comes to IP rights if you are an innovator....Then you can collect compensation over time depending on how far the patent goes and so on”*(Manager 1, Essity).

On the other hand, one respondent explained a collective reward system and described *“but we have a bonus system in the company, and one part of the bonus we get is linked to the five most important innovations that will be delivered according to the KPI. Then we get some money in the bonus, but it's not individual, it's the whole group”*(Employee 1, Essity). The respondent follows with *“so even if I'm not doing innovations, but others are doing their work properly, I will get the bonus as well”*(Employee 1, Essity) highlighting their effort of having a team-based bonus system.

However, the respondents explain the financial bonussystem not to be a key driver and instead of financial rewards, Essity fosters motivation through recognition. One manager explains their approach and says *“What I do personally is that I give visibility. So if it was your idea to do something, everybody will know that this came from you. And that's my personal style”* (Manager 2, Essity). The other manager similarly claims that *“I believe people in our organization have an inherent drive to constantly come up with ideas on how we can improve things for our customers and consumers. There has never been a need for us to initiate this process”* (Manager 1, Essity) and continues with *“people actually feel a responsibility to help our customers and consumers to live a better life”*(Manager 1, Essity). This highlights internal drive and motivation in the innovation process. The respondent also explained surveys to be a proof of concept that internal motivation is the key driver for innovation and that the organization provides sufficient incentives for employees to come up with innovative ideas: *“When looking at internal surveys measuring motivation and engagement, we consistently rank very high in those areas“* (Manager 1, Essity).

When talking about ownership and involvement when coming up with an idea, one manager states that if you have a role related to innovation you will be involved in the whole process: *“if you are working in the team of innovation, and the idea comes from you. You will be fully involved from the beginning to the end”* (Manager 2, Essity). Similarly, the other manager

stated that the ideas often stem from the R&D teams or are handed over as they work with development; *“when it comes to product development or the development of solutions, for instance, either the ideas tend to originate in my department or it is handed over to my department. So I would say that’s largely how it works”* (Manager 1, Essity).

#### 4.3.4 Risk-willingness

When it comes to the organization's willingness to take risks, the perception of risk-level differs between the respondents. One employed respondent describes that the organization operates on a medium level of risk and that the company prefers taking safe bets: *“I would say we are medium in taking risks”*(Employee 1, Essity). However, one of the managers instead argued that the company is open toward taking risks: *“I am part of the organization. We are very inclined to take risks. Yes, we are a risk favorable”* (Manager 2, Essity).

One employee respondent expresses that the company could be better at taking risks but highlights the complexity of being flexible in a large organization *“It’s not a start up, right? We are a big company. We have a lot of shareholders who want to get their money at the end of the year. So gross and profit is mainly driving. But of course if you want to generate growth or profit, you need to innovate”* (Employee 1, Essity). Further the respondent mentioned that the company has a lot of contact with external startups to explore idea development, but that these efforts never are bet on because of the company's risk-averse approach: *“I have a lot of contact with startups that come with really interesting ideas that could really make a difference. But...it is not at the core of what we are doing. So it never goes very far. Actually, we never dare to invest in those startups”*(Employee 1, Essity).

One of the managers expressed that the company does take risks but after careful calculations, risk analysis and decision-making *“we do take these calculated risks, yes, we do”*(Manager 2, Essity) and continues with *“we want to challenge the status quo, and only if you take risks, can you change the reality”*(Manager 2, Essity). This perspective is aligning with another respondent saying *“I think it is a strength that you can identify the risks and then you are aware of what risks you are taking when you make decisions”*(Employee 2, Essity).

Further the other manager put forward that the risk willingness depends on the market and business area and explain that they have a strategy to take some high-risk initiatives but also having a more cautious approach in other areas: *“As we aim to be market leaders, we have several high-risk initiatives—things that have never been done before, where we don’t know if they will succeed. So, I would say we operate at a relatively high risk level when it comes to innovation [...] In other areas of the business, however, we take a more cautious approach, as we don’t necessarily have the same ambition for high-risk initiatives”* (Manager 1, Essity). This is further extended from another respondent's perspective that underscores her team to be a great risk: *“my entire team is a huge risk and all the products we develop are huge risk-taking initiatives from the company”* (Employee 2, Essity).

All respondents are agreeing that if risks are taken and eventually fail, the effort is not seen as a failure and no one is blamed for the failure. Instead, it is seen as an opportunity for development and learning. One manager stated *“You are allowed to fail, but fail fast and then learn from your failure... It's fine once, but don't do it again”* (Manager 2, Essity). The other managers share a similar perspective when it comes to failure resulting from risk-taking *“We don't point fingers at failures. Instead, we learn from what went wrong, look ahead, and decide how to move forward based on those lessons. And I'm one of the people who actively shapes that culture”* (Manager 1, Essity) and *“Nobody gets blamed for any failure or issue, we just need to learn from it and use it for improvement. That's it. That's our job”*(Manager 1, Essity). Furthermore the respondent elaborates by saying *“It's OK to make a mistake. It's absolutely OK. What is important is that we learn from that mistake”*(Manager 1, Essity). The manager is however aware that the perception of failure could potentially be a divided perspective within the organization and states that *“My view on it and almost all of my colleagues, is that you either succeed or you learn”*(Manager 1, Essity). One of the managers agrees by stating *“the only person that does not make a mistake is a person that is doing nothing”*(Manager 2, Essity).

Finally, one respondent argues that the business is built upon a stable corporate division that ensures revenue and sales. Alongside this, various segments and products are developed with a higher risk-level: *“It is based on having this cash cow that provides a foundation and generates revenue. At the same time, there is this highly costly segment that entails significant risk”*(Employee 2, Essity).

#### 4.3.5 Autonomy

The respondents shared a common perspective on autonomy, emphasizing a high level of freedom and strong trust within the organization. One respondent started with *“I'm very, very free”* (Employee 1, Essity) and continues with *“I am extremely free of doing whatever I want”* (Employee 1, Essity). Another respondent extended this with *“I have a lot of freedom – sometimes almost too much. But it allows me to really shape my work”*(Employee 2, Essity). The same respondent stated the autonomy to stem from trust that the respondent has expertise in that specific area: *“I have a lot of freedom, and I think that's because I'm the only one who knows my area. So people trust me a lot to give good advice when it comes to that area”*(Employee 2, Essity).

The view of high level of freedom is also expressed by the managers *“I believe that the fundamental mindset in our company is a strong trust in people and their abilities. We have a relatively high degree of empowerment within the organization”*(Manager 1, Essity) and *“my team has a lot of freedom”* (Manager 2, Essity).

Furthermore, one respondent explains the provided freedom to organize time independently without involvement from the manager *“I'm organizing myself as I want”* (Employee 1,

Essity), the respondent explains that this trust is based on a relationship where both the employee and manager rely on each other *“as long as he feels that you can manage by yourself. You don't need to report anything and he has a lot of trust in his team”* (Employee 1, Essity). From the manager's perspective, if taking responsibility and meeting expectations, the employees are given the opportunity to manage their time and work on their own; *“Of course, how it is executed may vary depending on the individual, but providing autonomy is the core approach we embrace”* (Manager 1, Essity). The other manager agrees and explains his teams own responsibility to communicate if they can't manage deadlines by themselves: *“They need to escalate issues to me or my colleagues if they cannot operate within the given framework”* (Manager 2, Essity) and continues with *“If they realize that the project's objectives cannot be met, they should come back to us. Otherwise, they manage things quite independently”* (Manager 2, Essity). However one of the managers is a part of a small team stating that the team *“have a lot of freedom but as we are also a very small team, I am also very involved in the projects”*(Manager 2, Essity).

#### 4.3.6 Management support

When it comes to management support, one manager describes his leadership to be strategic: *“I believe that I lead on a strategic level—focusing on what we want to achieve”*(Manager 1, Essity). The respondents explain the management structure to be based on the manager being available when needed, but providing employees a high level of freedom. One manager describes leadership as important for a team to function *“My team has freedom and leadership, but it has nothing to do with innovation, It has to do with leadership. I will be as strong as they are. If they are weak, I am weak”*(Manager 2, Essity). The same manager explained motivational encouragement as important in providing support to the team: *“It's about mediating a positive feeling that you can achieve it”*(Manager 2, Essity).

When it comes to the employees' perception of their closest manager, both respondents express great experience and high support. One respondent expressed: *“He is the best manager since I started working for the company”*(Employee 1, Essity) and the other explained that *“my manager is truly a driving force when it comes to supporting my role. She fully supports the new way of working and is very supportive”*(Employee 2, Essity). Furthermore, it is emphasized that trust is important and once it is established, the work flows smoothly, with no need to report everything they do: *“as long as he (the manager) feels that you are doing what you are supposed to, you can manage by yourself. You don't need to report anything and he has a lot of trust in his team”*(Employee 1, Essity) and *“he doesn't check, but he's always there when I have an issue and I need his support, then he's present”*(Employee 1, Essity).

One manager explained that there are individual approaches to leadership, but that overall culture and support is very similar. Another manager agrees and states: *“maybe I do something a little bit more or something a little bit less but otherwise it's almost the same”*(Manager 2, Essity) in terms of management support. However, one respondent

described that the top management does not provide the same level of support as the closest manager, as there is a lack of action from the top management: *“I feel very well supported by my manager, that's for sure [...] But the top management. Yeah, I don't know. There's a lot of talking, but not much when it comes to action.. They're not always very supportive in terms of taking action. So there's a lot of projects that have been buried”* (Employee 1, Essity).

Another respondent expressed a similar attitude towards accessing more support from the closest manager but where the top management can seem harder to convince: *“change management takes a really long time in large companies like this but my closest manager often says “go for it! [...] but my manager has to put in a lot of effort to argue why innovation is beneficial”* (Employee 2, Essity).

#### 4.3.7 Further development - Essity

When it comes to the future, one of the managers states that Essity needs to find innovative ways to change their business plan as the business model lacks some sustainable aspect: *“We are working to reduce the need for the very products we sell. We invest significant resources and capital into these initiatives because we believe they represent the future. Since we primarily sell disposable products, we must also focus on preventive solutions or innovations that help reduce the demand for such products”* (Manager 1, Essity).

At the same time one of the respondents working with sustainable innovations expressed a lack in the top management's engagement when it comes to sustainability innovations: *“They think it's important but not urgent [...] and they tend to prioritize well-being or profit first, and then consider how to make it sustainable. I believe we need more people thinking about sustainability from the very beginning”* (Employee 1, Essity).

When it comes to areas of improvement one manager explains leveraging external innovators and including in the innovation phase as one but also concludes that it does not always align with the strategic aspects: *“We can improve how Essity, as a company, leverages external innovators” [...] The different business units run their own initiatives, and when they find something interesting, they come to us and ask if we can help. However, it doesn't always align with the needs we want to address for our customers and consumers. And not is it always well thought out from a brand perspective or other strategic aspects“* (Manager 1, Essity).

Another manager defines an area for improvement in the company's innovation and product launch process and explains that they effective in the ideation phase, but could improve later stages as well: *“while the initial creative phase—where ideas are generated and validated, has become fast and agile, the later stages, involving manufacturing and installation, remain relatively slow”*(Manager 2, Essity). The respondent continues with *“the full process can take a long time, with the final 75% being very slow due to the complexity of working with large machinery and metal components. The goal is to achieve the same speed and agility in*

*execution as in the early innovation phase, though it remains unclear how to make this part more efficient”(Manager 2, Essity).*

One respondent agrees with that Essity's production capabilities and technology infrastructure present constraints: *“one of the biggest constraints we have is that we have technologies that requires huge investment in order to produce all the products in big quantities and the machines go super super fast and are super super complex”(Employee 1, Essity).* The respondent further expresses the hard situation where it can be easy to be more bold in the beginning, but when it starts to cost, there are many decommissioning projects: *“It is easy to be bold in the beginning, but when reality hits you, you have no machine able to produce that and you need to invest in a new machine contributing to huge expensing which requires a huge business case”(Employee 1, Essity).*

Another respondent explains resistance to change from other departments and expresses an area of improvement to be better alignment in the different departments. The challenge is however stated to be that others are not as receptive to change. *“but if we were to extend this innovative effort into the rest of Essity, I think we would probably face more resistance [...] Those in higher positions have always worked in a certain way. And as long as they don't see the value of working in this new way, it becomes a challenge”* (Employee 2, Essity). To overcome the challenge of resistance to innovations is further explained where demonstrating value is stated as a core approach: *“People generally don't like change, but what you need to keep in mind to implement a new way of working is to constantly demonstrate the value. If you keep demonstrating value, I believe eventually it will become second nature, not just for my team but for the rest of Essity as well”* (Employee 2, Essity). This highlights the efforts Essity does in order to be more innovative.

| <b>Company</b>        | <b>Alfa Laval</b>   | <b>Tetra Pak</b>   | <b>Essity</b>  |
|-----------------------|---|--|--|
| Corporate structure   | Complex matrix structures. Separate business units. Silo-mentality, leading to limitations in knowledge sharing.  | Cross-functional SCRUM teams. Idea development follows structured frameworks. Innovation faces structural resistance   | Cross-functional teams. Matrix-structured. Innovation is mainly driven by strategic gaps identified by management, followed by agile methods to generate and develop ideas.  |
| Resource allocation   | Limited efficiency in resource allocation. Access to resources depends on the development stage. Harder to get access to competence.  | Access to equipment is the biggest challenge. Financial support is accessible in most cases if the ideas are well-motivated.   | Financial resources are generally available for innovation. Innovation efforts must align with the company's overall strategy to get resources.  |
| Incentives structures | Financial compensation program for innovations with IP-rights. Recognition and motivation is present through bonuses and team-based celebration. Internal motivation is a key driver      | Recognition for innovation is mostly informal and verbal. Financial incentives exist for patentable ideas. Internal motivation, such as problem-solving and improving processes is a key driver of innovation.   | No consistent financial reward system, but some group-based and IP-related compensation programs exist. Recognition, visibility and a strong sense of internal motivation are key drivers for innovation rather than monetary incentives |
| Risk-Willingness      | Cautious attitude toward risk. Gradual investments to avoid larger risks. Failure is accepted and identified as opportunities for learning. Patents and IP protection are prioritized.    | Organization is generally perceived as risk-averse, due to structured processes. Risk-taking is more accepted early on in the development.   | Risk tolerance differs across business areas. Failure is accepted and seen as an opportunity for learning. Balances low-risk operations with high-risk, high-reward initiatives  |
| Autonomy              | Employees experience partial autonomy. Autonomy varies by role and team. Work is highly customer-driven.  | Employees experience a high level of autonomy. Autonomy is balanced by accountability. Freedom exists as long as responsibilities and results are met  | Strong sense of freedom. Autonomy stems from a culture of mutual trust, where individuals are empowered based on their expertise.  |
| Further development   | Problems due to other departments' resistance to change and innovate. Lack of cross-units knowledge sharing. Want resource allocation to be more efficient and put to innovation efforts. | Still some resistance to innovation, where employees desire higher receptiveness to new ideas. A desire for more external collaboration and an open-innovation approach to accelerate development. Lack of dedicated time for experimenting is seen as a limiting factor for innovation. | Sustainability as a strategic challenge. While the company sees potential in collaborating with external actors, alignment with strategic priorities and brand consistency remains a challenge.  |

Table 5: Comparative Table

## 5. Discussion

*In this section, the empirical findings are analyzed in relation to existing literature, examining how organizational culture and structure influence entrepreneurship in multinational corporations in Sweden. The research question:*

How do large multinational corporations with strong ties to the Swedish market foster innovation through organizational culture and structure? And how can these elements be developed to enhance intrapreneurial behavior within the organization?

*Key themes are discussed, highlighting how intrapreneurial initiatives are supported, with perspectives from both employees and managers.*

### 5.1 Corporate structure

A recurring theme is the tension between the aspiration for flexibility and the persistence of hierarchical or siloed structures. This further reflects a gap between espoused values and observable artefacts that according to Schein (2010) is how the organizational culture is created. While ambidexterity is a capability seen as necessary for balancing exploration and exploitation (O'Reilly & Tushman, 2013), the practical implementation of such duality remains difficult.

#### 5.1.1 Matrix organizations to enable ambidextrous capabilities

Hirich (1990) argues that flat organizational structures and collaborative teams will enable intrapreneurship and innovative efforts, which can be particularly challenging for large complex organizations traditionally permeated by hierarchical structures supporting internal efficiency. In line with this, all three interviewed companies have gone from more traditional hierarchical structures to use more variations of matrix-oriented structures, to decentralize decision-making and support collaboration across divisions within the organization.

Their efforts of balancing decentralization and centralization to enhance exploration while still containing efficiency and productivity is an effort that aligns with organizational ambidexterity, underscored by O'Reilly & Tushman's (2013) and March (1991). Having structures that both support creativity, experimentation and innovation has to be balanced with structures optimizing what the organizations already do. The companies exemplify different strategies for leveraging complex matrix organizations to support organizational ambidexterity, where the structures supporting innovations in Tetra Pak are established through organized SCRUM-teams for agility in development. Essity follows a structured innovation plan, containing planned workshops using agile methodologies while in Alfa

Laval, there are cross functional teams working over the departments. In Alfa Laval there is also an example of a project growing to a whole new business unit, where methods of structural separation are used to enhance creativity within the unit. This unit has been provided operational freedom and financial independence which aligns with O'Reilly & Tushman's (2013) and Stetler and Magnusson (2015) concept of structural separation, which can increase the creative behavior needed for that innovative effort.

### 5.1.2 Limitations in knowledge-sharing leads to silo mentality

A common theme in the empirical data is that all three companies express knowledge sharing to be important in the organizations. Sveiby and Simons (2002) emphasizes that a collaborative climate and effective knowledge sharing are critical factors for fostering innovation and collaboration. While all three companies express an awareness of the importance of knowledge-sharing and a willingness to share, the empirical findings reveal limitations and barriers that hinder its full potential.

It is highlighted in the empirical findings, that there exists a disconnection between knowledge-sharing intentions and actual knowledge flows within the organizations. In Alfa Laval, the organizational structure is organized through autonomous business units responsible for their own profit and loss. While this seems to support structural ambidexterity, it also appears to create some isolation effects as knowledge-sharing is limited between the business units. Therefore lessons learned or innovative practices in one unit are not automatically transferred to others highlighting that while this decentralization can support innovation within units (Garvin & Levesque, 2006), it also risks creating structural barriers to knowledge-sharing between the business units.

Tetra Pak stands out for having formal structures by using established SCRUM-teams, which in turn promote cross-functional collaboration between departments and knowledge exchange. However, the knowledge-sharing is stated to be somewhat limited to development and within the existing SCRUM-teams as these teams are permanent. As a result, valuable insights risk being kept within recurrent established teams. In Essity it is also stated that knowledge-sharing efforts are not done enough and respondents identify a barrier to innovativeness as valuable knowledge is not shared enough. While structures such as matrix teams and agile methods promote cross-functional interaction, they must be supported by a culture that actively encourages openness and knowledge sharing to prevent a silo mentality where important insights are not shared across the whole organization.

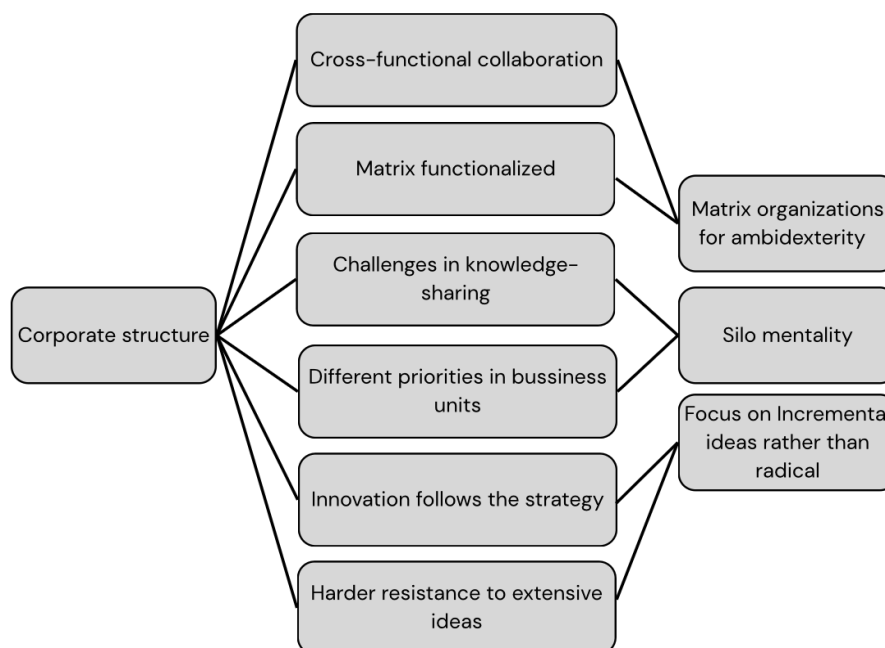
### 5.1.3 Focus on incremental ideas rather than radical

The ability of an organization to be ambidextrous is discussed by both March (1991) and O'Reilly & Tushman (2013). The authors both state the importance to balance exploration and exploitation to ensure sustaining innovations over time (March, 1991; O'Reilly & Tushman, 2013). While all three case companies are demonstrating efforts to build

ambidextrous capabilities, the empirical data reveals that the methods rather support incremental innovation, and where support for radical or disruptive ideas are more limited.

The empirical findings reflect that radical or non-strategic ideas face greater resistance in all companies, while more incremental developments within the scope or strategy is more supported. In all the companies, there is an encouragement of early-stage idea testing but where more innovative or resource demanding initiatives can require a motivated business case, management alignment and some larger efforts to develop further. However, in practice, ideas that align with existing strategic priorities and incremental improvements tend to receive more support and resources, and get less resistance from other departments as the changes are less comprehensive. More radical innovations, particularly those that fall outside the core business scope, often face greater organizational friction and sometimes even abandonment.

At Tetra Pak and Essity, respondents described innovative ideas with high potential that were ultimately abandoned because they fell outside the strategy plan or business scope. In contrast, Alfa Laval provides an example of a new business unit that may lead to more radical innovation outcomes. However, respondents noted that this is highly unusual within the company and that its development has taken considerable time, indicating some friction in the process. This aligns with the paradox of Innovator's Dilemma discussed by Christensen's (1997) that large firms often prioritize strategic fit and scalability, where innovation initiatives are expected to conform to existing business. This can limit the organization's ability to fully explore disruptive technologies, business models, or market opportunities despite structural effort that in theory should support such exploration, but where innovations can be deprioritised if they don't perform as good in early stages.



*Figure 2. Corporate structure*

## 5.2 Resource allocation

The findings related to resource allocation suggest that financial resources are generally not the main barrier to intrapreneurial activity, which can be due to the large revenues that multinational corporations secure. Instead, limited access to time and cross-functional competence appears more constraining. This finding indicates that the issue is not about resource availability per se, but about how resources are distributed and prioritized. Such constraints may reflect sluggish and rigid systems or structures, further reinforcing Christensen's (1997) paradox of Innovator's Dilemma, where established firms focus on sustaining improvements rather than disruptive exploration due to short-term focus. These findings suggest shifting mindset and streamline resource allocation to improve intrapreneurial efforts.

### 5.2.1 Prior experience and role matters in access to resources

Kurakto (2017) describes that it's important that there are available resources for employees to engage in intrapreneurial activities. All of the companies confirm that there are available resources in Essity, Alfa Laval and Tetra Pak to develop ideas and innovative incentives. But at the same time, all respondents from all three included companies confirm that the role and experience influence allocated resources. Access to resources such as IT support, time, and development capacity is described as highly dependent on one's position and are defined as scarce resources in the organization.

That the employees' role or previous experience influence the allocation of resources is also confirmed by Turro, López & Urbano (2013) that states the importance of having experienced and trained human capital within the company, and that the intrapreneurs' knowledge and skills are a valuable resource influencing the intrapreneurial outcomes and success. This is further discussed in interviews with all three companies where the previous experiences seem to have an impact on how resources are allocated. One respondent from Alfa Laval stated that it's important to gain trust from the management and that they are then more willing to provide resources and funding. This also demonstrates that management's perception of the employee can influence the allocation of resources.

### 5.2.2 Challenges in time-management and access to competence, not financial contribution

A consistent theme across the empirical findings is the constraint of time as a resource. The findings emphasized that while financial resources are generally accessible, time and access to relevant competencies remain critical factors for engaging in intrapreneurial activities. This finding strongly resonates with Badoiu et al. (2020), who explain the importance of time availability for employees to pursue non-routine activities and creative thinking. Similarly,

Hornsby et al. (2002) highlight that intrapreneurial behavior is unlikely to emerge unless organizational structures allocate time for such engagement.

However, in Tetra Pak the manager identified that specialists getting too much time to non-routine activities will most likely still put a lot of time in their existing projects aligning with Blomkvist et al. (2024) argument that there is an U-shaped connection between time availability and employee engagement in entrepreneurial activities. The findings show that too much time will eventually lead to less intrapreneurial outcomes .

Alpkan et al., (2010) is also stating that allocation of time also is about managing workload, as workload can hinder employees from engaging in intrapreneurial activities. The literature aligns with the information gathered from the three companies, as it seems like daily work tasks and activities aligning with the business scope is prioritized over experimenting and developing new ideas. There are however some differences in the respondents' roles, where some respondents claim to have complete freedom of their own time, while others operate under more defined guidelines. Furthermore respondents also explain struggles in getting access to the right competence within the company or access to equipment needed for experimenting. If allocation of resources is seen as constraining, less intrapreneurial outcomes will probably occur (Kuratko, 2017), stating some areas of improvements for organizations in managing resources better making them more available.

When it comes to financial resources, all companies have a common theme that financial resources are generally not seen as a barrier to innovation. Which aligns with Hisrich's (1990) arguments that access to financial and human capital is necessary for intrapreneurial activity, especially for enabling non-routine and initiatives that lead to exploratory ideas. The access to financial resources is explained by the fact that they work in large multinational corporations that already have products that contribute to cash inflow, leading to an availability of financial resources. All respondents express that initiatives for innovations are allocated sufficient resources to some extent, but that very risky and large projects may be closed down if it is not perceived as profitable in later stages. However, in Alfa Laval the respondents present a view, where the project needs strong motivation to be allocated resources, potentially leading to slightly larger friction in allocation of financial resources.

### 5.2.3 Innovation is a structured process, rather than spontaneous creativity

Kuratko (2017) and Hisrich (1990) describes the importance of available resources for employees to engage in entrepreneurial activities, further meaning that innovation is not a spontaneous act but a structured process that requires careful allocation of resources. This understanding aligns with the perspectives gathered from all three case companies, where innovation is initiated through planned activities, such as designated innovation workshops or targeted projects. These initiatives are often embedded within the organizational structure and designed to align with broader business objectives, also contributing to that resource access is facilitated when innovation aligns with strategic priorities.

At Essity, employees state the importance of aligning innovative initiatives with long-term business goals, ensuring that resources are directed towards ideas that have a clear potential to support the company's growth strategies. At Tetra Pak, the allocation of resources and the development of innovation is guided by strategic objectives, where employees highlight that the approach to innovation is structured but flexible enough to adapt to changing needs. In Alfa Laval there is a unit specifically designed to come up with new ideas, being measured with KPIs on how many invention applications are sent in. All these different structures in the companies emphasize the connection between resource distribution and the company's overall goals, further suggesting that innovation is a carefully structured process rather than a spontaneous activity by the employees.

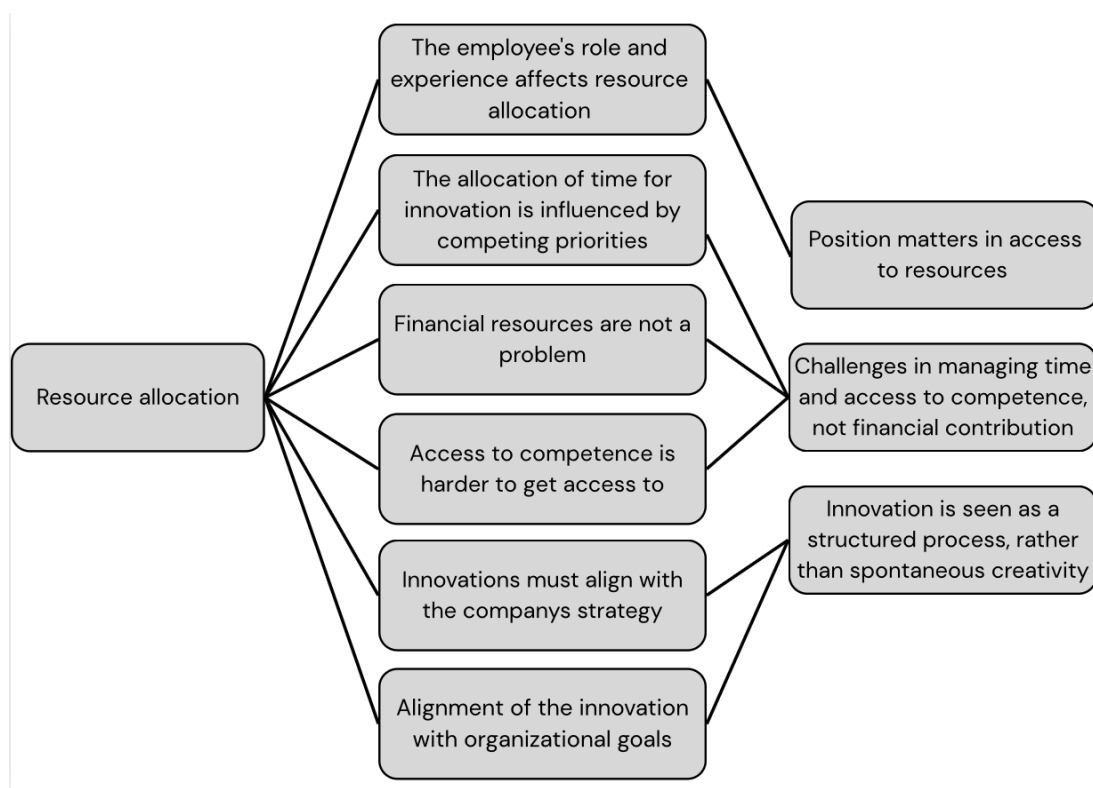


Figure 3. Resource allocation

### 5.3 Incentives structures

The findings related to incentive structures reveals inconsistency in how employees perceive the reward systems and their practical relevance. The miscommunication in the organization highlights a gap in communication but also psychological drivers as more important than financial ones. The findings also point out that even if the organization communicates a desire for innovation, the underlying reward systems seem to remain rooted in traditional performance logic. This further highlights a potential misallocation of resources put in ineffective incentive structures.

### 5.3.1 Inconsistent communication regarding financial bonus system

One theme emerging from the empirical findings is the inconsistent communication to reward systems tied to patentable ideas. In all three companies some respondents claim that reward systems containing a financial compensation for IP-rights exist. At the same time, other respondents within the company explained the absence or uncertainty of the existence of these systems. Amabile et al., (1996) and Hisrich (1990) describe that financial rewards and equity shares are used to motivate employees to engage in intrapreneurial activities and inventing. The motivating factor of having a financial compensation program can only affect employees that have the information about its presence and change behavior based on it. This lack of communication in financial reward systems, will therefore not create any additional incentives to innovate for those employees unaware of the system. This miscommunication can potentially lead to less intrapreneurial outcomes which states the importance for organizations to communicate these incentive systems in the whole company.

According to Nessen et al. (2019), performance-based incentives are most effective when employees understand the conditions under which they apply. This is also supported by Blomkvist et al., (2024) that explain that overly rigid or unclear reward systems are less effective than environments that focus on personal recognition and support. This underscores that if the miscommunication or lack of understanding for these systems depends on the employees perception of the system not to be motivating in engaging in intrapreneurial efforts, other rewards structures could potentially be developed and explored to increase overall motivation.

### 5.3.2 Intrinsic motivation as a primary driver

When asking the respondents about key drivers for innovations, a theme that emerges is that intrinsic motivation seems to be a primary driver of innovation. This can be explained by the fact that individuals in innovative roles often are those who genuinely enjoy creative thinking and problem-solving tasks explained by Hisrich (1990). In the empirical findings, employees consistently underscored their inner drive and willingness to contribute to improvements, solving complex problems, creating new ideas and experiencing the positive impact of their work by customer and corporate satisfaction. These factors were described not only as aspects of the job, but as meaningful sources of motivation for engagement in innovation incentives.

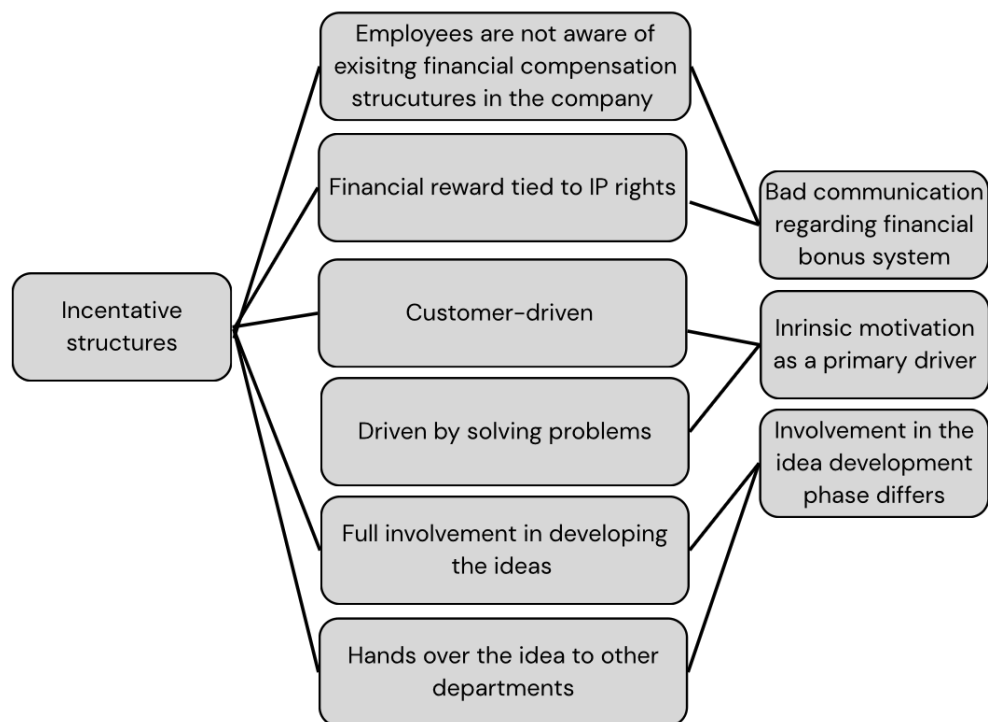
Goffin & Mitchell (2018) explains that different employees are motivated to engage in intrapreneurship in different ways. However, the empirical findings relate with Hisrich (1990), who states the importance of intrinsic motivation to foster creative outcomes. The empirical findings also support the arguments presented by Blomkvist et al. (2024) and Nessen et al., (2019) explaining that companies should focus on encouragement, feedback loops, autonomy and personal recognition to better motivate employees. These factors seemed fulfilled in the results as almost all respondents expressed strong support and

encouragement from closest managers, where personal recognition or small celebrations were made after finished projects or milestones related to innovation. This suggests that cultural and structural enablers, when combined with intrinsic motivation, play a critical role in driving employee engagement in intrapreneurship.

### 5.3.3 Involvement in the idea development phase differs

The level of involvement employees have in the innovation phases varies significantly across the different included organizations. In some cases, employees are involved throughout the entire process from innovation and development to implementation and support for its continuous survival. Some respondents however explain handing over the ideas to centralized development teams early in the process but being available if needed.

However as noted by Hisrich (1990), Amabile (1996), Nessen et al., (2019) and Sung & Choi (2011), employee involvement and a sense of ownership throughout the innovation process engage intrapreneurial behavior even more. The strategy to involve the inventor in the process even further is by former research stated to lead to increased intrapreneurial behavior among employees where involvement beyond the initial idea stage contributes to a stronger sense of ownership and motivation according to Sung & Choi (2011). Based on this, a strategy aimed to involve the original idea creator more extensively in the development and implementation phases could enhance entrepreneurial behavior among employees, making them more committed to new projects.



*Figure 4. Incentive structures*

## 5.4 Risk-willingness

A recurrent theme when it comes to risk-willingness is that employees interpret and perceive risk in highly individual ways, even within the same organizational setting. While formal structures may aim to foster a culture of experimentation, the actual willingness to engage in risky, innovative behavior appears to be shaped by personal, contextual, and cultural factors. This aligns with Edmondson's (1999) notion that psychological safety is subjective as a "safe to fail" environment for one employee may feel professionally threatening to another, where it can seem that cultural and national dimensions can play a role in how risk is understood.

Rather than seeing these differences as limitations, they could potentially represent a strength where organizations can balance bold, high-risk projects with more cautious, low-risk improvements.

### 5.4.1 Calculated risk-taking with preference of stability

All three companies explain strategies aimed at minimizing unnecessary or high risks, primarily through taking incremental steps and early-stage experimentation. All three companies explained strategies of experimentation and mitigating major risks by proceeding in small, controlled steps. In Essity, respondents explained a strategy to take calculated risks by having customer feedback loops early in the product development.

The organizations appear to support calculated risks but with a preference of operating within a general stability. According to Gursoy & Given (2016), Blomkvist et al., (2024) and Turro, Lopez & Urbano (2013) an open, collaborative and risk-tolerant culture significantly enhances employee engagement in intrapreneurial activities. In line with this, the three involved organizations appear to have created environments where the respondents feel safe to come up with ideas and make some experimentations without fear of failure. This is explained partly due to their strong trust in their already solid products, generating a stable cash flow. This indicates that the presence of a stable core business can create a safe-to-fail space for controlled experimentation. This approach aligns with Edmondson (1990) arguments that the level of risk an organization is willing to tolerate plays a crucial role in fostering intrapreneurship, as it determines how much uncertainty and potential failure are acceptable during the innovation process. All three included companies seem to support risks in small scales. But can seem more reserved if it comes to larger resource demanding projects. Having a larger risk-tolerance in some projects could thereby lead to potentially larger intrapreneurial outcomes.

#### 5.4.2 Mistakes are seen as opportunities for learning

All the companies express a culture of where mistakes or failed efforts are not only tolerated but actively viewed as valuable learning opportunities. Respondents express encouragement to engage in intrapreneurial activities without fear of negative consequences if their ideas do not succeed. This “safe-to-fail” environment, where individual employees are not punished for failure, is explained as crucial by Edmondson (1999). The safe environment is highlighted both by employees and the managers in all three organizations. The organizations demonstrate a shared understanding that failure is valuable in the process of intrapreneurship. This organizational attitude reflects a perspective on risk where failure is not framed as a setback but rather as a necessary step towards progress, as also explained by the included respondents.

Both Alpkan et al., (2010) and Adokiye et al., (2017) further explain that it is important to have a culture that is open to testing new ideas and projects without fear of failure. The respondents highlight the managerial role in enabling or constraining employees to take risk through attitudes and support, where the majority of respondents have expressed the middle manager to be very encouraging in taking risks.

However, the manager at Tetra Pak explained that organizational surveys show that in other parts of the organization outside Sweden, employees feel less secure when it comes to experimenting, and do not experience the same level of psychological safety as the Swedish departments. This may suggest national differences, where employees in Sweden are more used to stability and employee-friendly regulations. It may also reflect cultural factors, as Sweden is ranked as a very innovative country, a supportive and safe environment can seem to enable individuals to take bolder, more innovative actions, which in turn transform ideas into actual innovations. This could therefore also be suggested as a learning for other organizations having other cultures – create a culture where mistakes are viewed as learning opportunities.

#### 5.4.3 Individual perception of “risk” influence decisions

In all three organizations the perception of the organization's willingness to take risks differs between respondents. In Alfa Laval there are some perceiving the company as quite willing to take risks, while others say the company is not prominent in risk-taking. In Tetra Pak some describe the structure as risk-averse, while others highlight the organization to absolutely be willing to take risks. In Essity there are various perceptions ranging from “medium risk” to “very risk favorable,” depending on the business unit. The respondents that stated the companies to be more risk-averse were also perceiving the company not to be so innovative and gave a lot of improvements on how the company could be more supportive when it comes to innovative efforts. Therefore, the perception of the companies risk-willingness seems to be highly connected to intrapreneurial behavior stated by Gursoy and Guven, (2016), Blomkvist et al., (2024) and Turro, López & Urbano (2013). The variation in how the

risk-willingness is perceived reflects a gap or misalignment in the company's pronounced culture – where the employees feel different about an enabling climate to take risks.

According to Edmondson (1999) the organization's willingness to take risks is a crucial factor when fostering intrapreneurship in order for employees to dare testing new ideas and processes. However, the empirical findings showed a significant variation in respondents perception regarding the organization's ability to invest in risky project

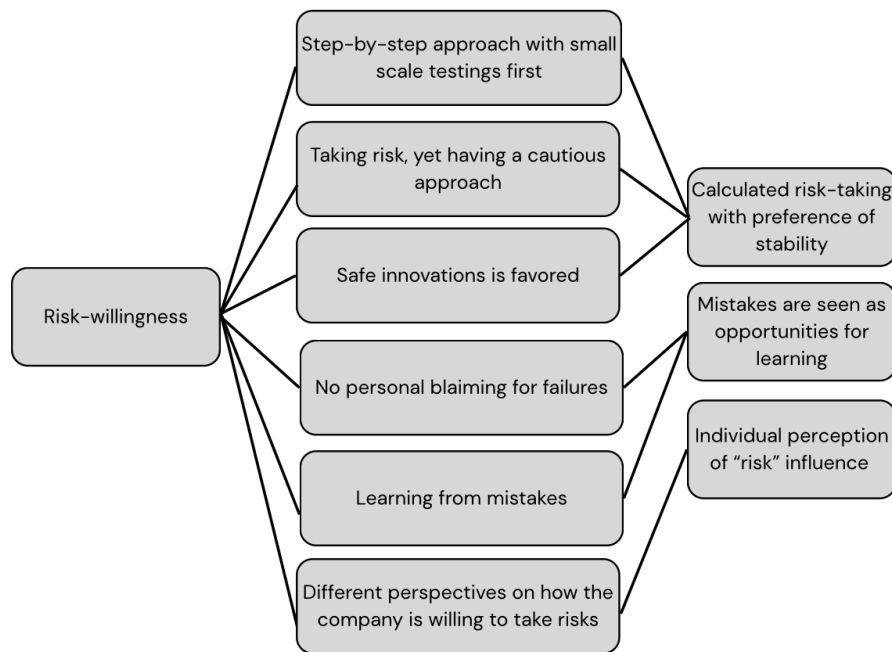


Figure 5. Risk-willingness

## 5.5 Autonomy

When it comes to findings related to autonomy, it appears to be unevenly distributed across the organization between roles and departments, often given to employees with more creative functions. While this aligns with Hofstede’s (1998) observation that multiple subcultures exist within organizations, it can also contribute to a culture of exclusivity. When autonomy is limited to specific “islands” of creativity, it may reinforce siloed innovation and exclude other valuable perspectives. This fragmentation can inhibit a broader cultural shift towards intrapreneurial thinking across the organization and contribute to other departments' resistance to change and innovation.

### 5.5.1 Freedom within restrictions and alignment to strategy

The empirical findings revealed that the employees generally feel high levels of autonomy, yet this freedom is carefully structured and guided by strategic boundaries. Some respondents explained that restrictions and structures are embedded within the provided autonomy, so that

efforts and behaviour align with organizational goals and strategic plans. The findings resonate with Blomkvist et al. (2024), who argues that while autonomy enhances creativity, it also has to exist embedded cultures and structures where goals and expectations are clear, explaining a balance of freedom and control.

Alfa Laval provides an example where they use strategies of structural separation to ensure more autonomy in a newly started business unit, which is a strategy explained by both Goffin & Mithell (2018), March (1991) and O'Reilly & Tushman (2013) to enhance creativity. However, the manager clarifies this total autonomy to be bound to a period of time, where even if creation of value or positive cash flows is not required in this early phase – the initiative has to generate profit later for continuance. These findings suggest that autonomy is not unbounded, as the structure creates a balance between freedom and accountability where individuals can act independently but must eventually demonstrate value creation.

However, several respondents emphasized that even if autonomy is provided with requirements of a strategic alignment, it does not necessarily limit the feeling of freedom. On the contrary, strong managerial support where approval from management is needed to continue with experimentation and innovative efforts, appears to enhance perceived autonomy. This aligns with Liu et al. (2011), arguing that managerial support can function as a psychological enabler, compensating for limited structural autonomy by creating a supportive environment for creative and innovative behaviors.

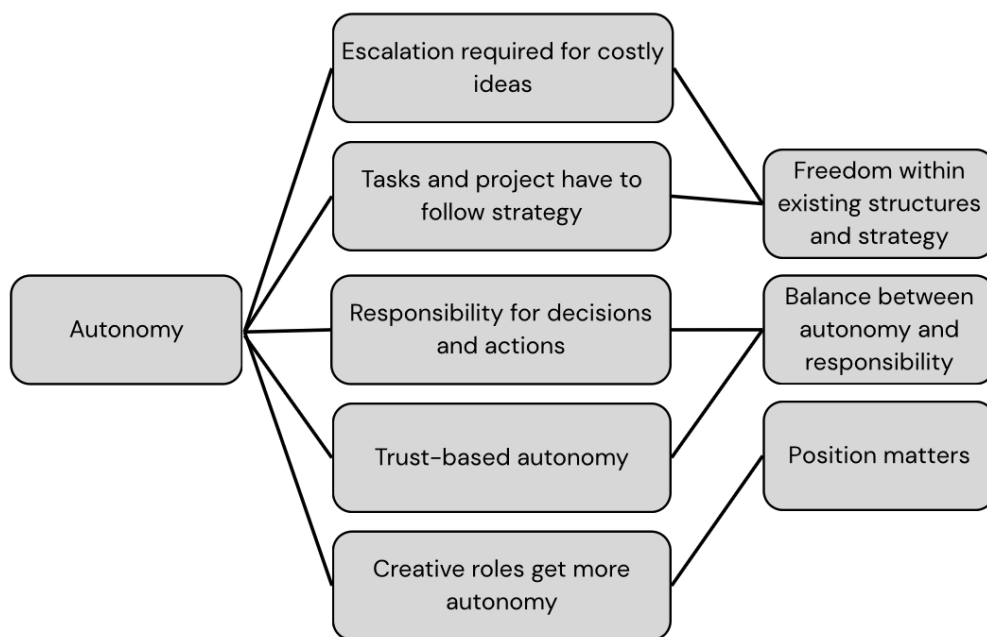
In conclusion, while autonomy is generally experienced positively and the respondents express high levels of autonomy, it is never absolute. Rather, it exists within a framework of strategic intentions, where trust is embedded in control mechanisms. However, support from the manager and a clear vision can work as enablers bridging the gap between formal constraints and perceived autonomy, which ultimately is what shapes employee engagement and innovative behavior.

### 5.5.2 More autonomy is provided in creative roles

In all companies, there is a pattern across the interviews where the respondents working in the R&D departments express high levels of autonomy. However, it seems that autonomy is not equally distributed in the whole organization, but depends on the employee's role and expertise.

At Essity, respondents describe experiencing high levels of autonomy with the beliefs that experience and knowledge is the factor behind. Similarly, in Alfa Laval, respondents explain that the level of freedom is not advocated for at the same level in other teams not working with innovation. In Tetra Pak, one manager explicitly states that some roles include more freedom and autonomy than others, highlighting that autonomy is selectively applied to different roles.

These findings reflect a strategic allocation of autonomy based on role function. As Augusto Felício et al. (2012) argue, high levels of autonomy are positively correlated with innovative outcomes, and should be provided to those employees that are entrusted with exploration and experimentation. However, as exploration needs to be balanced with exploitation and operational efficiency (March, 1991), other roles in the company are more focused on routine operations and have tighter constraints. Their limited autonomy is a strategic decision as they are not the selected individuals or teams to ensure ideation, experimentation and innovation. This distribution of autonomy further reinforces the idea that innovation is a structured and intentional process and not a spontaneous one.



*Figure 6. Autonomy*

## 5.6 Management support

The findings related to management support reveal a strong sense of support from the closest managers, but a lack of perceived support from the top management. This asymmetry suggests that intrapreneurship is largely operationalized on a middle-management level, which may limit a strategic integration. Hornsby et al. (2002) emphasize the critical role of middle managers, who must translate strategic intentions into innovative efforts. The middle manager can however be constrained by higher authorities' prioritizations and have less access to allocate necessary resources than the top management. For intrapreneurship efforts to thrive, it can seem important that innovation support is consistent across the whole organization and for innovation not only to be encouraged in rhetoric, but also supported by action and alignment in strategic priorities.

### 5.6.1 Strong support from closest manager, but priority constraints from the top management

The middle manager's role is highlighted by Hornsby et al. (2002), who emphasize mutual confidence and communication of goals as vital for enabling intrapreneurship. This aligned with the empirical findings, where all respondents argued that they had a high perceived support from the closest manager. These closest managers were described as encouraging, supportive and important for employees to engage in innovative initiatives and experimenting.

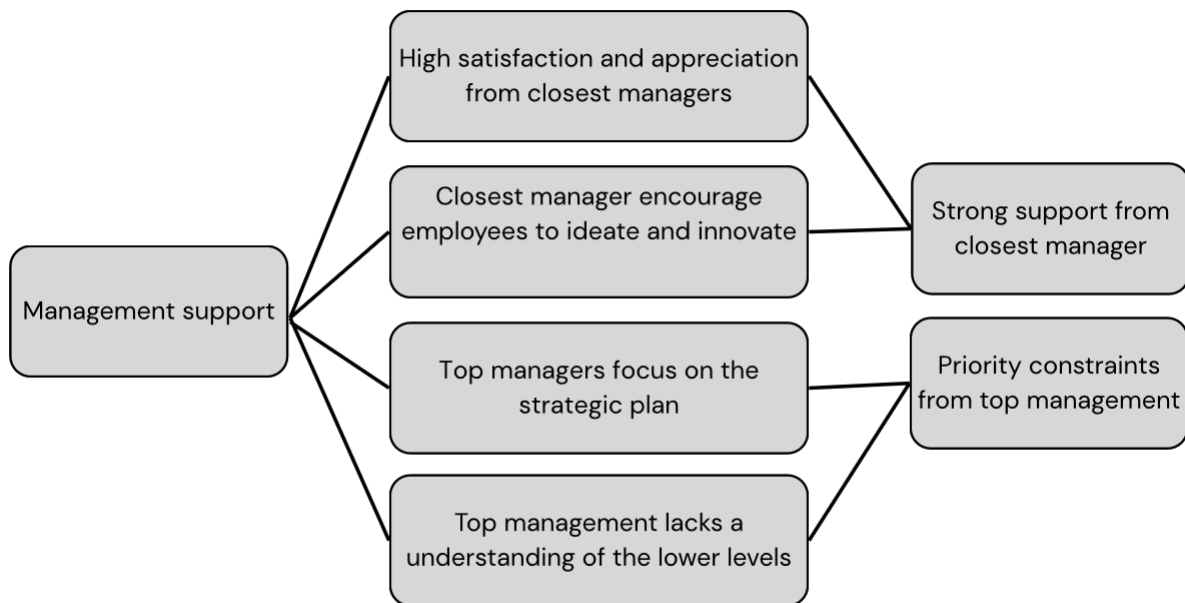
However, despite this support from closest managers, a recurring theme across the cases was that employees perceived more limited support and less perceived prioritization from the top management. Several respondents expressed that while they felt empowered at the operational level, this support did not seem to be backed by the whole organization.

Schein (2010) describes that all leaders are crucial and important for employees, in order to create a strong group and culture. The perceived disconnection between top management and employees in this study implies that the influence of leadership may be more localized, where the closest managers have a more direct and meaningful impact on intrapreneurial engagement than the top management. It can also show some implications of having the same culture in the whole organization, as the support seems to differ in the different levels. The findings indicate that this cultural understanding may be lacking as supportive environments seem to depend a lot on individual leadership rather than being a standardized structure. To fully embed intrapreneurship, organizations must ensure that top management actively prioritizes innovation and aligns with middle managers to create systems where the whole culture supports intrapreneurship rather than initiatives dependent on characteristics of the manager.

Hornsby et al., (2002) states the importance of having a supportive culture in the whole organization. In Tetra Pak the manager presents her individual leader style in high presence as a personal choice and not a formal expectation or structure from the company. The same manager also noted that certain experimental initiatives needed to be experimented outside the company frameworks, indicating that innovation was sometimes enabled more when going outside the company structures and not because of it. This highlights a tension between formal structures and informal leadership efforts, where intrapreneurship becomes dependent on individual managers leaderstyles rather than an innovative structure embedded in the organization.

In Alfa Laval, respondents mentioned that top management provided support if they were aware of the innovation activities. However, the general sense was that the top management often remained unaware of initiatives occurring further down the organization. One respondent also stated that more happens when you take action into your own hands, rather than go through your manager, underscoring that managerial styles and individual

characteristics also affect the managerial support further building on that managers individual styles can affect how employees approach different ways of being innovative.



*Figure 7. Management support*

### 5.7 Further development for a more intrapreneurial behavior

Many respondents highlighted the need for increased openness, flexibility, and cultural transformation to further develop intrapreneurial behavior and foster innovation. This suggests that intrapreneurship is not fully embedded in the organizational structures and culture. Companies may benefit from shifting the mindset of viewing innovation as a separate activity that should be made by some employees, and rather identify innovation as a shared responsibility through the whole organization. Concepts like open innovation introduced by Chesbrough (2003) are promising, but they require organizations to release some control, both internally and externally. To evolve further, companies may need to redesign processes not just to perform today, but to reward learning, experimentation, and long-term thinking.

#### 5.7.1 Open innovation mentality

Some respondents called for more openness in the innovation process, including stronger collaboration and knowledge-sharing with external actors such as suppliers and universities. Even within the organization between department and business units, a stronger sharing of knowledge and collaboration efforts were called for. This openness to external cooperation

and knowledge exchange aligns with Chesbrough's (2003) theory of open innovation, emphasizing the value of leveraging external knowledge to complement internal capabilities.

At Alfa Laval, the need for stronger internal knowledge-sharing was called for as respondents described that valuable expertise remains siloed between departments, with limited sharing across different business units. Gursoy and Guven (2016) states the importance of leveraging knowledge sharing and ensuring that knowledge is spread across the organization. In Tetra Pak the openness to external expertise was more requested. As the respondents highlighted a willingness to collaborate with new suppliers. Chesbrough (2003) also states the importance of open innovation as a part of the innovation development. As external resources and perspectives can be of high importance for the further development. However as this is something that is perceived as an area for improvement, it highlights some compliance the companies have in actually taking this risk associated with open innovation that Ritala & Hurmelinna-Laukkanen (2013) explain, underscoring that even more risks could be taken.

### 5.7.2 Flexibility and openness to change

One recurring challenge identified in the empirical data is organizational resistance to change. While innovation is often encouraged at the ideation and experimentation stage, respondents described difficulties in pushing ideas through existing systems and structures. Particularly, departments outside dedicated innovation teams were seen as more resistant to integrate these new methods to already established processes, methods, or systems. This friction reflects a broader challenge of the Innovator's Dilemma stated by Christensen (1997), and the tendency to favor the status quo over disruptive change and the friction within the organization.

Kwantes & Boglarsky (2007) argue that perception plays a central role—if employees perceive the system as rigid, their engagement in innovation will suffer. A culture towards openness to change, more individuals promoting flexibility and innovation efforts could fasten this process up, potentially leading to better attitudes towards change. For example in Essity, one respondent described the company to be very effective and good in the ideation phase, but later the progress was very slow and constrained by internal processes. In Alfa Laval, other departments were highlighted as not so encouraged towards change as new innovation requires new systems and processes which requires time and effort to change.

The perception indicates that there is a disconnection between innovation as a concept and the organization's readiness and availability in absorbing change. True innovation requires more than isolated innovation teams where a flexible mindset and systems throughout the whole organization can be important. Departments across functions must see themselves not just as executors of existing processes, but as contributors to improvement and evolution to reduce the friction in the companies.

### 5.7.3 Priority transformation

Several participants highlighted the organization's prioritization of short-term profitability over long-term innovation. This tension is explained by March (1991), who warns that excessive focus on exploitation can limit exploration and that the balance of them both is necessary to maintain competitiveness.

Respondents from all companies described internal resistance to change and a larger amount of resources allocated to ideas following the strategy plan. Innovation was sometimes limited to specific teams or business units, with struggles in the integration across departments. Across the companies respondents explained the organizations tendency to prioritize short-term profits over uncertain long-term innovations. New ideas often struggled to gain support unless they showed immediate financial returns or that of the employee is very good at justifying. This cautious approach limits experimentation and slows progress, especially in areas like sustainability and R&D. To foster innovation, organizations need to shift toward valuing long-term impact alongside short-term gains to constantly be interesting and continue being a big part of their market. All respondents could identify areas of improvements, stating that there are still things that can be done in order to support intrapreneurship even more.

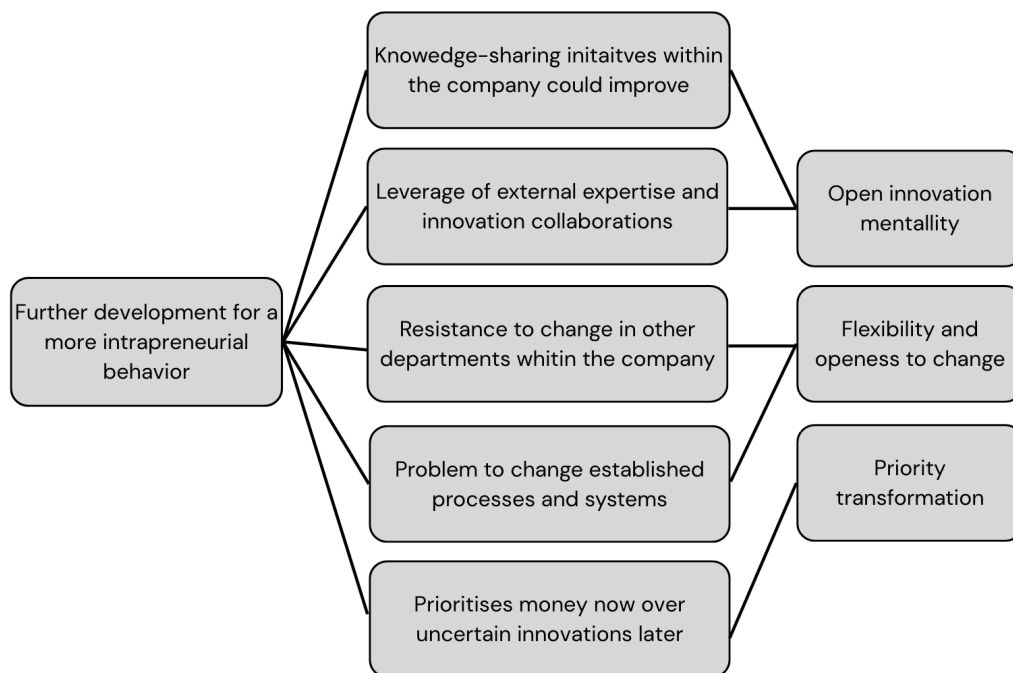


Figure 8. Further development for a more entrepreneurial behavior

## 6. Conclusion

*First, the research questions are revised and a conclusion summarizing the key findings in relation to the research question highlighting how organizational culture and structure support intrapreneurial initiatives. Then practical implications, limitations for this study and examples of further research are presented.*

### 6.1 Revisiting the research question

This study aims to understand how organizations use structural processes and corporate culture to support intrapreneurial initiatives and how it is perceived by employees in the organization. The study also wants to detect if these mechanisms could be developed to further improve intrapreneurial effort in the organization. The research question, created as a foundation of the research was formulated as follow:

*How do large multinational corporations with strong ties to the Swedish market foster innovation through organizational culture and structure? And how can these elements be developed to enhance intrapreneurial behavior within the organization?*

The theoretical framework provided various cultural and structural mechanisms that, according to previous research, enables the outcome of intrapreneurial efforts. In the empirical findings, the respondents provide insights in how these structural and cultural mechanisms are intended to promote intrapreneurial behavior but also how they are perceived as enabling or not. The companies use different, yet similar mechanisms to enhance intrapreneurial behavior among employees but with some challenges in their full potential.

### 6.2 Conclusion

Based on the empirical findings, it is clear that large multinational corporations support innovation through several structural and cultural mechanisms, such as efforts to decentralize decision-making, cross-functional collaboration, freedom to experiment and strong management support. A key insight is that not all these elements are perceived as equally meaningful or motivating, such as financial rewards did not seem to motivate employees to innovate more but internal motivation and encouragement seemed important to be in place for innovation to happen. Respondents also agreed that some enablers such as resource availability, time allocation, and managerial support were important for innovation to happen. At the same time, innovation is very dependent on a lot of structural and cultural elements co-working and the lack in some aspects could affect the overall intrapreneurial environment.

While many formal structures and strategies are in place to support intrapreneurship, their effectiveness is largely determined by how they are perceived by the employees. Therefore, it is not enough to only implement policies to support innovation but also get an understanding on how well those policies are internalized, experienced, and acted upon by employees across

the organization. This study highlights that fostering intrapreneurship is a complex process and there is often some friction between the formal strategies designed by management intentions and how these strategies are perceived by those expected to carry them out. Bridging this gap requires transparent communication and continuous reflection on how the organizational culture and structures are perceived and how they can be improved.

While each company included in the study showed different unique approaches in how they encouraged innovation, they also shared some common challenges in siloed thinking leading to limitations in knowledge-sharing, limited resource flexibility and a larger focus on incremental changes following strategy rather than investing in disruptive innovations. The empirical findings show a strong orientation towards incremental innovation reflecting what Christensen (1997) describes as the Innovator's Dilemma, where successful firms focusing on sustaining innovations for existing customers, risk missing disruptive innovations that originate in niche markets or new technologies. The empirical findings also present challenges in using external actors as a part of the innovation phase, where respondents express that using an approach of open innovation could improve the innovation process as more knowledge could be absorbed. The tendency for the organization to favor short-term efficiency rather than long-term innovations is also a challenge brought up by the respondents, where strategic efforts should be implemented to improve decision-making and transform priorities.

Addressing these challenges by developing even stronger and better innovation supportive structures and fostering a more innovation-driven culture, can support the intrapreneurs and their engagement in innovation. When organizations actively align structures and culture with employees' perception on how they want to be supported, then intrapreneurship can become a powerful tool for long-term competitiveness. It can however seem important to not only incorporate this culture within the innovation units, but for the whole company to welcome innovation and be supportive of change.

### 6.3 Practical implications

This research contributes to a deeper understanding of intrapreneurship within established organizations operating in the Swedish market as it explores how these organizations currently function, how their employees perceive intrapreneurial conditions, and what areas that are identified to change for improved innovation outcomes. This study provides relevant insights for managers, organizational leaders, policymakers, and innovation strategists working in or alongside large multinational corporations.

This study gives some useful tips on how different structural and cultural strategies can be implemented and used to improve entrepreneurial engagement and outcomes. It also provides insight into the gap between intended support and perceived support by employees which highlight the importance of including the intrapreneurs in the process of creating an innovative climate. Further, this study contributes with insight into broader challenges like the Innovator's Dilemma, resistance to change and organizations tendency of having a

short-term mindset and how this organizational opposition affects the employees intrapreneurial behavior.

For policymakers, the understanding how multinational corporations need support for innovation can seem important as they are important actors in the national innovation systems. Policymakers can design incentives or frameworks that encourage collaboration between large firms and external actors, such as smaller start-ups or universities, to foster open innovation models and support innovation.

For multinational corporations, the findings provide insights in innovation-supportive environments, with various strategies in how to create enabling structures and a supportive culture towards innovation. The findings also provide intrapreneurs perception on challenges and areas of improvement, which can seem important to understand for managers and organizational leaders wanting to develop their intrapreneurial efforts where this study can be used as a roadmap.

#### 6.4 Limitations

This study has some limitations that should be acknowledged. First of all, the research included three different organizations, with three to four interviews conducted within each organization. This design aimed to include a balance between breadth – by capturing variation across companies – and depth – by gaining rich, qualitative insights within each organization. However, this dual focus may have constrained the study's capacity to fully achieve either. The limited number of interviews per company could restrict the depth and the full organizational understanding while the small sample of organizations may limit the generalizability of findings across the broader population of multinational firms.

Secondly, the sample of employees who both had the opportunity and willingness to participate was somewhat limited, resulting in a selection based on availability rather than a fully randomized sample. This introduces a potential bias, as the participants may not fully reflect the broader population of employees involved in innovation within their organizations.

Furthermore, since the innovative roles differed across respondents and companies, cross-case comparisons must be approached with caution. These differences may affect the insights and should be acknowledged as a limitation in this study. Future studies would benefit from a more systematic sampling strategy that can capture a wider range of roles and perspectives.

#### 6.5 Suggestion for future research

The field of intrapreneurship has been widely explored, yet there remains insufficient research regarding depth in various aspects. First of all, a comparative study involving different markets could be interesting to explore further in order to detect national or industrial differences in creating innovative climates. By comparing different markets or

various industries, broader insights could be gained and create a wider understanding in country or industry specific characteristics. Secondly, a further investigation of intrapreneurship from an individual perspective could be conducted. Including other factors affecting intrapreneurial behavior like individuals skills, personality traits and former knowledge can also be aspects to include in future research.

Further, conducting longitudinal research that can track intrapreneurial projects over time could be interesting to explore deeper. This would contribute to the understanding of which types of structural and cultural support that is more important when it comes to successful innovation outcomes, and what challenges that arise at different phases – from ideation to implementation and scaling.

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## 8. Appendix

# 1. Interview guide: Employees

### Introduction:

1. Can you present yourself and your role at your company?

### Elements Organization Structure:

#### Corporate structures

2. How is your organizational structure?
  - How are decisions typically made in your organization?
3. Are innovative initiatives among employees supported by the management?
  - In what way?
  - Can you give an example where the company focused on trying something new or experimenting? Training sessions?
4. How do you perceive collaboration efforts to come up with or develop new ideas in the company?
  - Is there a culture of sharing knowledge and collaborating across departments?
  - Can you provide an example of how collaboration helped generate new ideas?

#### Resource allocation

5. If you have a new idea or process, how do you feel that you get supported through resources to further develop the idea?
  - (time, budget, support)?
  - If you would come up with a new idea, how could you feel more supported (when it comes to resources)?
6. How much time do you get to spend on creative ideas and new projects?

#### Incentives structure

7. Have you ever introduced a new idea or better way to do something in the organization?

#### IF yes:

- How was the process and how involved were you in the process?
8. What would motivate you to introduce a new idea within the organization?  
kan ju ej fråga
  - (reward-systems and ownership of the idea?) jag kan fråga nått liknande aaa gör de reward system är bra

Elements Organization Culture:

Risk-Willingness:

9. How do you perceive your organization's willingness to take risks? And how comfortable are you with taking a risk and potential failure in the company?
  - Supportive of failure?

Autonomy

10. How much freedom do you have to experiment or act on your own ideas?

Management support

11. How do you feel supported/not supported by the top management or your closest manager when coming up with new ideas?

Closing Question:

12. Is there anything else you would like to add about the company in relation to innovation and new ideas?
13. Do you have any suggestions for how the company could better develop to a more innovative environment?

## 2. Interview guide: Key persons/managers

Introduction

- Can you explain your role/position at the company? your daily-tasks and what you do?

Company Structures

- What does the organizational structure of the company look like?
- How are decisions typically made within your organization?
  - Possibly in relation to new innovations
- How do you collaborate within and outside your team to develop new ideas in the company?
  - Is this something you actively encourage?
  - Is there a culture of sharing knowledge and collaborating across departments?

Resource Allocation

- If someone in your team presents a new idea they want to develop further, how do you support them in terms of resources such as time, budget, and support?

- Do you have any requirements or limitations regarding how you can allocate resources to employees?

#### Incentive Structure

- Has an employee ever presented a new idea to you?
  - **If yes:**
    - How did you reward or motivate the employee during the process?
    - What did the process look like, and how involved were you in it? How involved was the employee?

#### Risk Willingness

- How accepted is risk-taking and allowing employees in your team to take risks associated with developing new ideas within the company?
- Do employees have any performance requirements when working on new ideas?
  - How would you say you support both failures and successes?

#### Autonomy

- How much freedom do employees in your team have to experiment or develop their own ideas?
- How involved are you in new projects? Do teams get the opportunity to develop their ideas independently, or are you as a leader involved in all processes?

#### Leadership Support

- How do you support employees when they come up with new ideas? In what ways?
- Are there differences between how you support your team and how top management provides support?

#### Final Question:

- Do you have any suggestions on how you as a leader and the company as a whole could develop to contribute to a better innovative environment?
- Is there anything else you would like to add regarding the company's relation to innovation and new ideas?