

## THE MECHANISM AND THE DIRECTION OF ORGANISATIONAL CULTURE'S IMPACT ON CORPORATE ENTREPRENEURSHIP

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### Abstract

The paper analyses the mechanism, that is, the way in which organisational culture impacts corporate entrepreneurship. Additionally, the paper analyses the direction of this impact, that is, the assumptions, values, and norms through which culture creates a positive context for corporate entrepreneurship. Corporate entrepreneurship, broadly defined as entrepreneurship within organisations, becomes a prerequisite for the organisations' survival and development in the era of globalisation, and radical technology and market changes. Organisational culture as a system of assumptions, values, and norms shared by employees and managers significantly determines their opinions and behaviour. The paper demonstrates that organisational culture impacts corporate entrepreneurship by shaping the employees and managers' interpretative schemes through its assumptions and values. Thus, organisational culture impacts employees and managers' behaviour in everyday work, and thereby the extent to which this behaviour will be entrepreneurial. We applied the fragmented and integrated approaches in identifying the cultural assumptions, values, and norms through which organisational culture positively impacts corporate entrepreneurship. The fragmented approach showed that organisational culture positively impacts corporate entrepreneurship if it highly values innovations and changes, people development, open and intensive interactions and communications, the autonomy of employees and loose control, identification with the company, focus on work, and openness towards the environment. The integrated approach showed that the following culture types positively impact corporate entrepreneurship: adhocracy culture in Quinn and Cameron's classification, and constructive culture in Human Synergetics' classification.

**Key words:** corporate entrepreneurship, organisational culture, organisation, cultural assumptions, cultural values.

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## МЕХАНИЗАМ И ПРАВАЦ УТИЦАЈА ОРГАНИЗАЦИОНЕ КУЛТУРЕ НА КОРПОРАТИВНО ПРЕДУЗЕТНИШТВО

### Апстракт

У раду су анализирани механизам, односно начин на који организациона култура утиче на корпоративно предузетништво, и правац тог утицаја, односно претпоставке, вредности и норме којима култура креира позитиван контекст за корпоративно предузетништво. Корпоративно предузетништво, широко дефинисано као предузетништво унутар организација, постаје услов опстанка и развоја организација у ери глобализације и радикалних технолошких и тржишних промена. Организациона култура као систем претпоставки, вредности, норми и ставова које деле запослени и менаџери битно одређује њихово мишљење и понашање. Показано је да организациона култура утиче на корпоративно предузетништво тако што својим претпоставкама и вредностима обликује интерпретативне шеме запослених и менаџера, и на тај начин детерминише њихово понашање у свакодневном раду, а самим тим и у којој мери ће то понашање бити предузетничко. У идентификовању културних претпоставки, вредности, норми и ставова којим организациона култура позитивно делује на корпоративно предузетништво примењени су фрагментисани и интегрисани приступи. Фрагментисаним приступом је показано да организациона култура позитивно утиче на корпоративно предузетништво ако се високо вреднују: иновације и промене, развој људи, отворене и интензивне интеракције и комуникација, аутономија запослених и лабава контрола, идентификација са компанијом, фокусираност на посао, и отвореност према окружењу. Интегрисаном приступом је показано је да на корпоративно предузетништво позитивно утичу следећи типови културе: култура адхократије у Квиновој (Quinn) и Камероновој (Cameron's) класификацији, и конструктивна култура у класификацији Хјуман Синерџетикс (Human Synergetics).

**Кључне речи:** корпоративно предузетништво, организациона култура, организација, културне претпоставке, културне вредности

### INTRODUCTION

In the modern business environment, organisations must possess entrepreneurial capabilities in order to survive in a competitive environment. They must create changes, innovate, and learn. One of the key processes within an organisation that creates its ability to constantly renew, innovate, and recreate is corporate entrepreneurship (CE). Broadly defined as entrepreneurship within an existing business, CE is increasingly being viewed as a tool that allows businesses to rejuvenate and revitalise, and to create new value through innovation, business development, and renewal (Heinonen & Toivonen, 2008). Being innovative, risk-taking, and ready to pioneer has been proven to contribute well to the financial performance and strategic value of a company (Lumpkin and Dess, 2001). Therefore, CE has become critical to a firm's success. This is why it is very important for companies to build such an internal environment which would facilitate entrepreneurial thinking and behaviour. Companies must create a context in which entrepreneurship is expected, wel-

comed, and rewarded. Many authors have sought to identify the factors that create a favourable environment in the organisation for the development of internal entrepreneurship (Srivastava & Agrawal, 2010). The most frequently identified factors in corporate entrepreneurship in relevant literature, according to our knowledge, are: 1) management support (Srivastava and Agrawal, 2010), 2) rewards (Alpkan et al., 2010), 3) organisational structure (Venkeer et al., 2008), 4) autonomy/work discretion (Kearney, et al., 2008), 5) time availability (Mokaya, 2012), 6) resource availability (Urban and Nikolov, 2013), and 8) risk-taking and tolerance for failure (Alpkan et al., 2010).

Organisational culture is indeed recognised, but rarely researched, as a factor that facilitates and nurtures the entrepreneurial activities of managers and employees (Turró et al., 2014). As a system of assumptions, values, and norms shared by employees and managers, organisational culture has a comprehensive impact on their thinking and behaviour, and it impacts their every action, interaction, and decision (Schein, 2010). Therefore, organisational culture certainly plays a very important role in creating a context suitable for the development of entrepreneurial activities within organisations. This impact, however, has not been sufficiently explored and recognised in the existing literature. The number of studies and the importance assigned to organisational culture as a factor of CE do not correspond to the impact it actually has. The aim of this paper is to fill this gap. By systemising the existing research and by creating new assumptions, we will examine the role that organisational culture plays in building corporate entrepreneurship more closely. This will be done by answering two questions: the question of the way in which organisational culture impacts CE, that is, the nature of the mechanism of its impact; and the question of the direction of this impact, that is, the assumptions, values, and norms through which culture incites CE.

### *ORGANISATIONAL CULTURE*

Organisational culture is understood as a system of assumptions, values, and norms (Schein, 2010) manifested through symbols (Rafaeli, Worline, 2000), which members of an organisation have developed and adopted through mutual experience (Schein, 2010), and which help them determine the meaning of the world around them and how to behave in it (Smircich, 1983). Organisational culture emerges in the process of the social construction of reality within organisations (Geertz, 1973). All organisations face the same problems – specifically, external adaptation and internal integration (Schein, 2010). As explained by Berger and Luckmann (1966), solutions to these problems are found through the process of social interaction between the organisations' members, in which members construct the reality inside and outside the organisation by assigning spe-

cific meanings to things, occurrences, and events. Organisational culture emerges when specific meanings shared by the majority of an organisation's members are created and established, and then used to reach a consensus on how to resolve the problems of external adaptation and internal integration.

Organisational culture has its cognitive and symbolic components. The cognitive component consists of the elements of the managers and employees' interpretative schemes, which the organisational culture imposes, and through which it influences not only how they behave but also how they understand the world around them (Janićijević, 2022). The most often cited and described cognitive components of organisational culture are assumptions, values, and norms. Basic assumptions are the deepest layer of organisational culture, and they are descriptive in character because they explain to the organisation's members the world as it is (Schein, 2010). Values are defined as a "stable belief that a certain way of behavior or existential state is personally or socially more desirable than the opposite behavior or existential state" (Rokeach, 1973, p. 5). Norms are rules of behaviour, most often informal, in the form of social expectations, which emerge from values and represent instructions for the everyday behaviour of the organisation's members (Hofstede et al., 1990). Symbols are the 'visible' part of culture. Symbolic components of organisational culture manifest the cognitive elements of organisational culture, and they include everything that can be seen, heard, and felt in the organisation (Rafaeli, Worline, 2000). Symbols can be very diverse, depending on how the cognitive components of a culture are manifested: behavioural (behaviour), semantic (language), and material (things).

The importance of organisational culture emerges from the fact that, by imposing a set of assumptions and values, it creates a frame of reference for the perceptions, interpretations, and actions of the organisation's members (Schein, 2010). In this way, it influences most of the hard and soft components of management and organisation. Extensive empirical research has documented that organisational culture affects strategy (Klein 2011), performance control (Deem et al. 2010), organisational structure (Ranson, Hinings & Greenwood 1980), compensation systems (Chen, 2010), performance appraisal (Henri, 2006), organisational learning (Alavi, Kayworth & Leidner 2005;), leadership (Giberson et al. 2009), job satisfaction (Lund 2003), and organisational performance (Wilderom, Glunk & Maslowski 2000).

Due to its comprehensive impact on almost all aspects of organisation and management, it may be assumed that organisational culture is an important factor of CE. Some researchers have so far identified some important elements of the organisational context which impact CE, and have classified organisational culture as one of them.

### *CORPORATE ENTREPRENEURSHIP*

Entrepreneurship is defined as an individual act, and we may say that “everyone is an entrepreneur only when he actually carries out new combinations” (Schumpeter, 1934, p. 78). However, CE refers to entrepreneurship within existing companies. Therefore, we are dealing with the entrepreneurial behaviour not of an independent individual, but of a member of an organisation, which significantly alters the issue. The importance of external, systematic factors for entrepreneurship within organisations is far greater than for the entrepreneurship of a self-employed person.

Research on CE has so far dealt mainly with defining the phenomenon (Sharma and Chrisman, 1999), its impact on performance (Fis, & Cetindamar, 2021), the factors that encourage CE and the characteristics of the organisation that nurtures it (Srivastava & Agrawal, 2010), the role of managers as facilitators (Burgess, 2013), the measurement of CE (Kuratko, Montagno & Hornsby, 1990), and the influence of other variables that have an indirect or mediatory influence on CE (Lumpkin & Dess, 2001).

Corporate entrepreneurship is usually defined as the process of introducing something new to an organisation, or creating a different combination of the existing resources within an organisation, or creating new business opportunities within the existing organisation, and its strategic renewal (Abolghasem, Ahmad & Hamed, 2014). Many definitions emphasise the aspect of innovation and novelty in CE. One of the widely accepted definitions of CE suggests that it is the process of discovering and developing new opportunities to create value through innovation, regardless of the available resources or the job positions of the entrepreneurs (Antoncic & Hisrich, 2001).

On the other hand, many definitions of CE explain it as part of the process of radical change that revitalises the company. Kuratko, Ireland, Covin and Hornsby (2005) define CE as the process within an established company whereby an individual, or a group of individuals create a new business, or instigate a renewal or an innovation within the current business. Under this definition, strategic renewal (organisational renewal involving major strategic and/or structural changes), innovation (introducing something new to the market place), and corporate venturing (corporate entrepreneurial efforts that lead to creation of new business organisations within the corporate organisation) are all important and legitimate parts of the corporate entrepreneurial process (Srivastava, Srivastava & Jain, 2011).

Major activities related to CE include perceiving opportunities, generating ideas, designing a new product or another recombination of resources, internal coalition building, persuading management, planning, organising, and resource acquiring. Kuratko et al. (2005) outlined the fol-

lowing essential activities: endorsing, refining and navigating entrepreneurial opportunities through organisational bureaucracies and individual networks, and identifying, acquiring and deploying the resources needed to pursue these opportunities. Belousova, Gailly and Basso (2009) introduced one more activity as a separate category – legitimation/enrolment, which includes the process of spreading an idea, translating it for organisational members, and enrolling them into the network of the project.

Factors determining CE have been researched at two levels: individual and organisational. Authors dealing with the individual level of CE usually seek to discover the personal characteristics of individuals who exhibit entrepreneurial behaviour (Milanović, Talić & Jovanović Vujačević, 2021; Douglas & Fitzsimmons, 2013). Authors dealing with the organisational factors seek to discover the characteristics of an organisational context that is favourable and that stimulates CE (Kuratko, Hornsby & Covin, 2014).

#### *THE MECHANISM OF THE IMPACT OF ORGANISATIONAL CULTURE ON CORPORATE ENTREPRENEURSHIP*

The first question to be answered when exploring the impact of organisational culture on CE is the question of how a culture performs this impact. The answer to this question explains the mechanism of organisational culture's impact on CE. Organisational culture directly impacts the entrepreneurial behaviour of employees and managers by shaping their interpretative schemes, and, consequently, their behaviour in the company. Organisational culture shapes the actions, interactions, and decisions of all the members of an organisation because it is, essentially, a collective system of meanings (Smirchich, 1983). One of the basic assumptions of contemporary social sciences is the interpretative character of social reality and the behaviour of the people within it (Geertz, 1973). People do not react to the reality which surrounds them based on what it is, but based on their own interpretation of the aforementioned reality. They interpret reality by assigning meanings to occurrences, events, people, and decisions. In the process of interpretation, in which meanings are assigned to things, occurrences and events in reality, people use interpretative or mental schemes as "cognitive structures which represent organized knowledge on a particular type of stimuli" (Fiske & Taylor, 1984, p. 140). Organisational culture, as a system of assumptions, beliefs, values, and norms which the members of an organisation share, determines a significant part of their interpretative schemes (Martin, 2002). To the extent to which they start from the same assumptions, values, and norms, people will interpret the reality which surrounds them in the same or similar way, and they will behave the same within it (Schein, 2010; Martin, 2002). Consequently, the interpretative schemes of the majority of the organisa-

tion members will contain the same elements emerging from the shared cultural content. Thereby, due to organisational culture, most members of an organisation assign the same meanings to things, occurrences, and events inside and outside of the organisation, and they also interpret, understand, and deal with them in the same or similar way.

The impact of organisational culture on an organisation is comprehensive: it affects every decision, action or interaction between people in organisations. The reason for this is that each individual action, interaction or decision of each member of the organisation is conditioned by the meanings created in the interpretative schemes of these members of the organisation which, as we have already explained, in good part emerge from organisational culture. Culture's impact on the opinions and behaviours of the organisation members is operationalized through the impact that the assumptions, values, and norms, as elements of cultural content, have on each of their decisions, actions, or interactions. As a descriptive cognitive component of organisational culture deep in the subconsciousness of people, assumptions serve to explain to people the reality in which they are, whereby context is being created and their behaviour is being governed (Schein, 2010). As a prescriptive component of culture, values show us what we should strive for, what goals should be attained, and how we should behave to attain these goals (Rokeach, 1973). As unspoken collective rules of conduct and collective expectations, norms immediately direct the behaviour of the organisation members (Cooke & Szumal, 2000). Therefore, assumptions, values, and norms together define the behaviour of people in an organisation and determine the extent to which this behaviour will be entrepreneurial.

Since CE implies a certain profile of attitudes and behaviours of the employees and managers, it is clear that one of the factors determining whether this profile will be present in the organisation is precisely organisational culture. Depending on the assumptions, values, and norms it contains, the culture will either direct or it will not direct the employees and managers towards entrepreneurial thinking and acting. CE implies that a large number of the employees and managers expresses a positive attitude and a proactive relationship with changes, innovations, risk, and adding value for the consumers. Whether they will have this attitude and nurture this behaviour depends on the cultural assumptions, values, and norms they share. If the culture highly values the entrepreneurial behaviour of employees and managers through its content, they will indeed show such behaviour. Therefore, culture determines CE by shaping the interpretative schemes and behaviours of the employees and managers. When we know that, what remains to be precisely determined are the assumptions, values, and norms that support and encourage entrepreneurial behaviour in organisations.

### *THE DIRECTION OF THE IMPACT OF ORGANISATIONAL CULTURE ON CORPORATE ENTREPRENEURSHIP*

The exploration of the content of organisational culture positively affecting CE may be approached in two ways: through fragmented research, and through integrated research. The fragmented research aims to identify the individual assumptions, values, and norms through which a culture supports the entrepreneurial behaviour of employees. The integrated approach aims to identify the organisational culture types as systems of consistent assumptions, values, and norms that create a favourable ambience for CE development. In the scarce research conducted so far, the fragmented approach is the dominant one, but we hold the opinion that the integrated approach can also provide valuable results.

#### *The Fragmented Approach*

The fragmented research of entrepreneurial culture starts from the practices and behaviours distinctive of CE, in order to use them as the basis of the research, and then apply the induction method to identify the assumptions, values, and norms that imply such practices and behaviours (Arz, 2017; Basso et al., 2007; Detert, Schroeder & Mauriel, 2000; Kanter, 1985; Paunovic & Dima, 2014; Shepherd, Patzelt & Haynie, 2010; Zahra, Hayton & Salvato, 2004;). Seven (7) groups of assumptions, values, and norms that compose the content of entrepreneurial organisational culture were identified by synthesising the existing research. They relate to the following: 1) innovations and changes, 2) people development, 3) interactions and communications, 4) autonomy and loose control, 5) relationship with the company, 6) environment, and 7) work.

**Innovation and changes.** The central activities of CE are, certainly, the creation of innovations and the process of conducting changes within the company via the implementation of these innovations. Thereby, a certain uncertainty with respect to the outcomes of innovations and changes is undoubtedly created, and it is also accompanied by the assumption of a certain risk. Therefore, the organisational culture that creates a positive context for CE development must have assumptions, values, and norms which highly value innovations and innovating (Arz, 2017; Detert, et al., 2000; Paunović & Dima, 2014; Zahra, et al., 2004). Also, this culture must contain a positive attitude towards changes, that is, it must contain the assumption that changes are something good for the company. Entrepreneurial culture must contain the assumptions, values, and norms which highly value the ability to work in conditions of uncertainty, and the inclination toward taking a reasonable risk when necessary.

**People development.** The carriers of CE are people – employees and managers. In order for them to develop the behaviours and practices we call entrepreneurial, they must learn, develop their potentials, and



strive towards achievements. This is why the corporate culture which incites CE should contain assumptions, values, and norms through which it would create a favourable context for the learning and development of the employees and managers' potentials (Paunovic & Dima, 2014). Acquiring and using new knowledge, learning, and personal development must be highly valued. Additionally, the employees expressing entrepreneurship also have a high level of ambition and need for achievement, so the culture supporting CE must also highly value these needs.

**Interactions and communications.** Many research studies emphasise the importance of a specific profile of interactions and interpersonal relations within the company for CE. Open, two-way, and intensive communication – both horizontal between colleagues and vertical between employees and managers – is critical for successful CE development (Arz, 2017; Shepherd, et al., 2010). With its assumptions, values, and norms, the culture must incite this kind of communication, and prevent both turf defence behaviour and the use of information for gaining power (Kanter, 1985).

**Autonomy and loose control.** The autonomy of employees is a very important prerequisite for CE development. It is also a mediating variable connecting work climate and employees' competence (Randelović & Stojiljković, 2015). Without some degree of autonomy and the possibility of independent decision-making, there is no entrepreneurial behaviour of employees (Arz, 2017; Basso et al, 2007). Also, for this to be possible, the control within the organisation should be loose, and not tight. With its assumptions, values, and norms, the culture should support and make the autonomy of employees, loose control and independent decision-making desirable in the organisation. It should create an ambience of confidence in employees, which is necessary for them to achieve independence, as a prerequisite for entrepreneurship. Organisational culture should also emphasise the value of individual achievements and give an individual freedom, while it should, on the other hand, also value teamwork, without which it is not possible to realise innovations.

**Relationship with the company.** A number of research studies emphasise the need for the employees of a company developing CE to have a high level of identification with their organisation, as well as a high sense of mission (Paunovic & Dima, 2014; Shepherd, et al., 2010; Basso et al., 2007). Since the goal of CE is the development or renewal of the company, employees will not develop entrepreneurial behaviour if they do not identify themselves with their company, and if they do not share its mission. Organisational culture might be of help in this, since a strong culture is an excellent means for employees' identification with the company, and since the company's mission is actually a part of its organisational culture. Therefore, organisational culture should provide employees with the basis for identifying with the company and its mission.

**Environment.** Some research studies emphasise the necessity for the employees and managers of companies with developed CE to share the values of openness towards the environment (Arz, 2017). The reason for this is simple: the main purpose of innovations and changes is adjusting to the environment and satisfying consumer needs. Therefore, in order for CE to make sense, it is necessary for employees and managers to turn to the environment and the consumers, and to constantly seek new ways to satisfy consumer needs, and add value to their products and services. Another factor in favour of the assumptions, values, and norms of openness and external orientation is the fact that the goal of CE is the renewal of the company. If the company is experiencing a crisis, the only way to overcome it is to adapt to the changes in the environment, and this requires external orientation and openness.

**Work.** CE does not merely imply the generation of ideas and innovations – it also implies their realisation. The carriers of entrepreneurial ideas and endeavours must ‘sell’ the idea to their colleagues and management, that is, they must plan, organise, and manage the innovations realisation project. This requires them to be efficient and pragmatic. This is the reason why work, systematic efforts, focus, pragmatism, and results must be appreciated in a company with a developed CE (Arz, 2017; Paunovic & Dima, 2014). This is precisely what discerns CE from daydreaming.

### *The Integrated Approach*

The integrated approach to identifying the direction of organisational culture’s impact on CE implies identifying the types of organisational cultures which represent a favourable context for the expression and development of CE. Unlike the fragmented approach, wherein individual assumptions, values, and norms implying CE are identified, the integrated approach identifies the types of organisational cultures as the systems of mutually consistent assumptions, values, and norms that make a favourable framework for CE development. In this segment of the paper, we will present the two most important classifications of organisational culture types and explain their supposed impact on CE.

Cameron and Quinn’s classification of organisational cultures, called the competing values framework, differentiates culture types according to two criteria which it intertwines and, thus, forms a matrix of four (4) organisational culture types (Cameron & Quinn, 2006). According to this classification, organisational cultures are differentiated on the basis of two fundamental criteria: 1) flexibility, changes, and dynamism *versus* stability, order, and predictability; and 2) internal orientation, integration, and harmony *versus* external orientation, differentiation, and competition. Based on these two dimensions of organisational cultures, a four-field matrix (Table 1) may be constructed, in which each of the four

fields contains one of the four basic types of cultures: clan culture, hierarchy culture, market culture, and adhocracy culture.

*Table 1. Organisational culture types according to the Competing Values Framework*

	Flexibility and autonomy	Stability and control
Internal focus and integration	Clan culture	Hierarchy culture
External focus and differentiation	<i>Adhocracy culture</i>	Market culture

*Source:* Cameron, K. S. & Quinn, R. E. 2006. *Diagnosing and changing organizational culture: The competing values framework*. 2nd ed. San Francisco: Jossey-Bass.

CE implies external orientation, and openness to market and consumer needs. On the other hand, CE likewise implies an inclination to changes and risk, flexibility, and autonomy. Thus, it is obvious that adhocracy culture is completely compatible with the values and behaviours that produce CE, and that this organisational culture type is certainly the most favourable context for developing and expressing CE. The only thing that could stand in the way of CE development in this culture type is the competition and differentiation it implies, since they jeopardise the team spirit and the conducting of innovations. But, this is certainly less important than the orientation to changes and innovations present in this culture, which even uses innovations as the main measurement of success.

The second classification of organisational culture types that can be used for identifying cultures compatible with CE is the work of the consulting company Human Synergetics (Cooke & Szumal, 2000). This classification is the result of the application of a research instrument the company developed – Organizational Culture Inventory (OCI). OCI identifies cultural dimensions and classifies cultures into three types, depending on their position with respect to these dimensions. Classifications of culture types are done according to the norms of behaviour since, according to the authors, these norms are concrete, observable, and can be easily linked with organisational performance. OCI starts with two cognitive dimensions: 1) people orientation vs. task orientation, and 2) orientation to satisfying higher-level satisfaction needs vs. orientation to lower-level safety needs. Based on these two dimensions, OCI identifies twelve (12) behavioural norms and styles which constitute the main dimensions of every organisational culture. Depending on the organisational culture's position on each of these 12 scales measuring the norms of behaviour, a specific culture will be classified into one of the following three types of cultures: constructive, aggressive-defensive, or passive-defensive. Each of the three main organisational culture types, obtained by combining four (4) norms of behaviour, implies people orientation or task orientation, as well as a predominant orientation towards satisfying higher-level or lower-level needs.

*Table 2. Organisational culture types according to Human Synergetics*

People's needs and orientation	Type of culture	Behavioural norms and styles
Satisfaction needs through orientation to people and tasks	<i>Constructive culture</i>	<i>Achievement</i> <i>Self-actualisation</i> <i>Humanism, encouragement</i> <i>Affiliation</i>
Safety needs through orientation to tasks	Aggressive-defensive culture	Opposing Power Competition Perfectionism
Safety needs through orientation to people	Passive-defensive culture	Approval Convention Dependence Avoidance

*Source:* Adapted according to: Cooke R.A. & Szumal J., 2000. Using the organizational culture inventory to understand the operating cultures of organizations; Ashkanasy, N., Wilderom, C. & Peterson M. Eds, *Handbook of Organizational Culture & Climate*. Thousand Oaks: Sage, pp. 147–162

Empirical research has shown that the constructive type of culture leads to better results on an individual level (higher motivation, job satisfaction), group level (team work, better quality of interpersonal relations), and organisational level (better quality and customer relations) (Cooke & Szumal, 2000). This also applies to CE. It is clear that all the norms implied by a constructive culture type are 'entrepreneurial friendly', and that they are suitable for the development of entrepreneurial behaviour in employees. Unlike the previous classification, entrepreneurial culture in this classification contains not only the norms oriented to changes, achievement, innovations, and development but also norms oriented towards team cooperation. The aggressive-defensive culture type is unfavourable for CE because it creates an ambience in which the employees want to secure their own safety above all else, which they accomplish through an aggressive approach to their colleagues. If securing your own safety is your primary goal, then you do not take risks with entrepreneurial ideas and innovations. The passive-defensive culture type is also unfavourable for entrepreneurship, because safety is provided through following the rules. There is no participation, and people are not expected to show any initiative, but are required to just follow orders. People are afraid of mistakes, because mistakes are punished and success is not rewarded. The synthesis of the research results is shown in Figure 1.

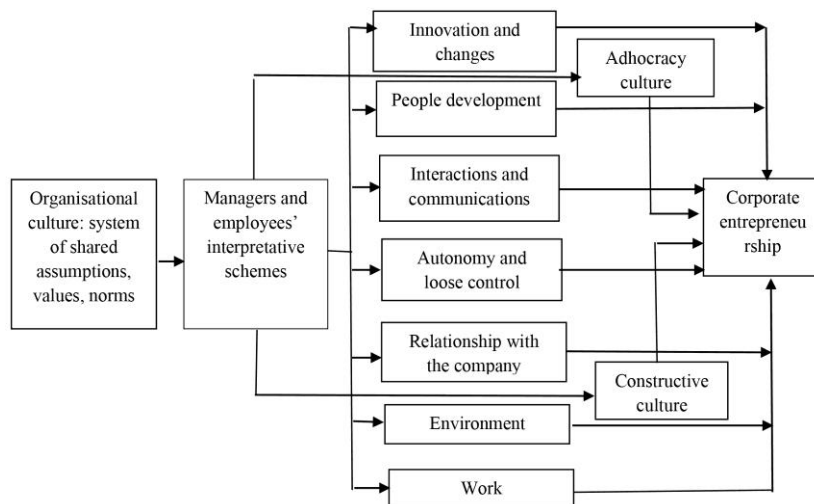


Figure 1. The mechanism and the direction of the impact of organizational culture on corporate entrepreneurship

### CONCLUSION

Defined as an entrepreneurial effort on behalf of the employees of a company with the aim of introducing changes and innovations which renew the company's business models, CE is often emphasised as a necessary element of the company's ability to keep up with the continuous changes in the environment. CE implies an entrepreneurial state of mind, as well as employees and managers' entrepreneurial behaviour. As a system of assumptions, values, and norms manifested through symbols which employees and managers share, and which significantly determine how they understand the world around them and the way they behave in it, organisational culture has been identified as one of the elements of the context positive for CE.

Organisational culture impacts CE by shaping the interpretative schemes of the employees and managers, via which they build their interpretations of reality and the ways they behave in it on the assumptions, values, and norms of the organisational culture. In order for the employees and managers to express entrepreneurial orientation and behaviour in everyday work, they must start with the assumptions, values, and norms that such an attitude and such behaviour are justified and required. This means that whether the employees and managers will express any entrepreneurial tendencies at all also depends on the organisational culture's content,

The direction of the organisational culture's impact on CE is explored through identifying the cultural contents which positively impact, incite, or enable CE. There are two possible approaches to exploring this issue: the fragmented approach, and the integrated approach. In the fragmented approach, the research conducted thus far, and the analysis of behaviours implied by CE show that the elements of entrepreneurial culture are those assumptions, values, and norms which incite the following: innovations and changes, people development, open and intensive interactions and communications, autonomy of employees and loose control, identification with the company, focus on work and professionalism, and openness towards the environment. Through the integrated approach, it was revealed that adhocracy culture in Quinn and Cameron's classification, and constructive culture in Human Synergetics' classification create a positive context for the development of CE.

This paper has significant theoretical and practical implications. The first theoretical implication are the conclusions that organisational culture is a very important factor of CE, and that it should not be left out of the classifications of organisational factors of CE. Second, the paper suggests that a lot more empirical research is necessary in order to explore the cultural assumptions and values, and the organisational culture types that positively impact CE in more detail. Finally, the paper indicates that it is necessary to research the possible indirect impact of organisational culture on CE, specifically through the impact of culture on other CE factors such as management policy and style, rewards, organisational structure, and work autonomy. The practical implication of the paper lies in the notion that managers should pay attention to the importance that culture has in the process of building CE. Additionally, the paper provides managers with the knowledge about what the entrepreneurial culture that should be built looks like.

The limitations of this paper are also significant, and they are mirrored in its theoretical and exploratory character, and in the fact that the paper does not explore the impact of some mediatory factors that could influence the relations between organisational culture and CE, such as, among others, leadership style, and the organisation's age and size.

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## МЕХАНИЗАМ И ПРАВАЦ УТИЦАЈА ОРГАНИЗАЦИОНЕ КУЛТУРЕ НА КОРПОРАТИВНО ПРЕДУЗЕТНИШТВО

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### Резиме

Дефинисан као предузетнички напор у име запослених у компанији са циљем увођења промена и иновација које обнављају пословне моделе компаније, корпоративно предузетништво се често истиче као неопходан елемент способности компаније да прати континуиране промене у окружењу. Корпоративно предузетништво

подразумева предузетничко стање духа, као и предузетничко понашање запослених и менаџера. Такво понашање укључује стално тражење нових начина пословања, као и континуирано тражење и имплементацију промена и стварање иновација, те вођење предузетничких подухвата унутар компаније. Предузетнички начин размишљања, као и предузетничко понашање запослених и менаџера биће присутни у компанији у оној мери у којој за то постоје услови. Истраживачи већ годинама идентификују бројне аспекте амбијента који је повољан за, и који олакшава корпоративно предузетништво. Као систем претпоставки, вредности, норми и ставова који се манифестују кроз симболе које запослени и менаџери деле, а који значајно одређују начин на који разумеју свет око себе и начин на који се у њему понашају, организациона култура је идентификована као један од организационих фактора корпоративног предузетништва.

Организациона култура утиче на корпоративно предузетништво тако што обликује интерпретативне шеме запослених и менаџера, услед чега они своје перцепције стварности и начине на које се у њој понашају граде на основу претпоставки, вредности, норми и ставова организационе културе. Да би запослени и менаџери у свакодневном раду исказали предузетничку оријентацију и понашање, морају поћи од претпоставки, вредности и норми које такав став и такво понашање оправдавају и захтевају. То значи да од садржаја организационе културе зависи и питање да ли ће запослени и менаџери уопште испољавати предузетничке склоности.

Правац утицаја организационе културе на корпоративно предузетништво истражује се кроз идентификацију културних садржаја који позитивно утичу на, подстичу или омогућавају корпоративно предузетништво. Постоје два могућа приступа истраживању овог питања: фрагментисани и интегрисани. Фрагментисани приступ подразумева идентификацију индивидуалних културних претпоставки, вредности, норми или ставова који имају позитиван утицај на корпоративно предузетништво. Досадашња истраживања и анализа начина понашања које подразумева корпоративно предузетништво показали су да су елементи предузетничке културе оне претпоставке, вредности, норме и ставови који подстичу следеће: иновације и промене, развој људи, отворене и интензивне интеракције и комуникацију, аутономију запослених и лабаву контролу, идентификацију са компанијом, фокусираност на посао и професионалност, те отвореност према окружењу. Интегрисани приступ у откривању правца утицаја организационе културе на корпоративно предузетништво подразумева идентификацију типова организационих култура које га подстичу и олакшавају. То се постиже анализом критеријума на основу којих се разликују типови организационе културе и анализом садржаја ових типова организационе културе. На тај начин је откривено да култура адхократије у Квиновој (Quinn) и Камероновој (Cameron's) класификацији, и конструктивна култура у класификацији креираној од стране компаније Хјуман Синерџетикс (Human Synergetics) стварају позитиван контекст за развој корпоративног предузетништва.