

## MSc Thesis Opportunity on Crises and Intrapreneurship

The unit of <u>Sustainability</u>, <u>Industrial Dynamics and Entrepreneurship</u> at INDEK is looking for MSc student(s) to engage in a 30 ECTS thesis project (January – June 2023). The thesis project will directly contribute to ongoing research and with the possibility for future publication in academic journals and/or as policy briefs.

## **Proposed project**

We already know that companies that promote intrapreneurship tend to perform better than others (e.g., Zahra, 1991, 1993; Zahra & Covin, 1995; Bierwerth et al., 2015), and the need for corporate innovation and renewal can be expected to become ever more important in an increasingly fast-moving, complex, and unpredictable business environment. Many firms nevertheless find it difficult to bring about the diverse and novel innovations that are necessary for long-term growth even under normal macroeconomic conditions. Rigid corporate hierarchies and clearly defined organizational boundaries create communication barriers and inflexibility hindering entrepreneurial efforts. Often, efficiency-seeking within established core businesses gets in the way of more explorative venturing into novel and previously untried areas. The question remains how such rigidities have changed as a result of the disruptive crises that are currently sweeping across the globe (pandemic, wars and/or financial).

The overall effect of crises in large part runs through the profitability of firms. Typically, crises decrease consumption and investments in the economy and they affect the profitability of most businesses in a similar, negative manner. To understand the extent to which crises changes intrapreneurship among firms it is pertinent to consider the connection between corporate profitability and firm attitudes towards novelty and risk taking in some detail. Generally speaking, larger financial resources imply more permissive and benign managerial attitudes towards innovation, allowing an increasing number of new ideas to be tested and also retained for longer periods without being seriously challenged or questioned. High corporate profitability also allows the firm to introduce new products and services in an "add on" way, leaving the routines, knowledge, and belief structures of existing personnel unaffected and avoiding outright incentive conflicts. Unlike situations where the adoption of new ideas requires the re-allocation of personnel and equipment to alternative and temporarily less productive uses, periods of high corporate profitability thus generally reduce the perceived costs of novelty to established operations. Yet, how this plays out during times of disruptive events and significant distress is unclear. The thesis project could shed light on how such unexpected and for some firms and industries pervasive crises affect the extent, sources, and nature of intrapreneurial activity, and how because of the relative severity of the effect it may differ across firm size and industry. The thesis project could be qualitative or quantitative in nature. The project proposed is open to changes and input from the student(s) in line with their own interests and competencies.

Interested students may contact Philip Kappen (<u>Kappen@kth.se</u>) to discuss MSc thesis opportunities further.