

Corporate Entrepreneurship in Established Firms: Balancing Innovation and Control

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Abstract—Corporate entrepreneurship has emerged as a critical mechanism through which established firms sustain competitiveness in dynamic and uncertain environments. Unlike start-ups, mature organizations must pursue innovation while preserving operational stability, governance structures, and shareholder accountability. This paper examines corporate entrepreneurship in established firms, focusing on how organizations balance innovation-driven exploration with control-oriented exploitation. By synthesizing literature on strategic management, organizational ambidexterity, and innovation governance, the study analyzes structural, cultural, and leadership mechanisms that enable firms to foster intrapreneurship without compromising performance discipline. The findings suggest that successful corporate entrepreneurship depends on ambidextrous organizational design, adaptive control systems, and leadership practices that reconcile risk-taking with strategic coherence. Ultimately, balancing innovation and control is positioned as a dynamic managerial capability essential for long-term value creation.

■ In an increasingly volatile and technology-driven global economy, the sustainability of established firms depends not only on operational efficiency but also on their capacity to innovate continuously [5]. While entrepreneurial activity is traditionally associated with start-ups, corporate entrepreneurship refers to entrepreneurial initiatives undertaken within established organizations to generate new products, services, processes, or business models [4]. For mature firms, this internal entrepreneurship is both an opportunity and a paradox: innovation demands flexibility, experimentation, and risk-taking, whereas

established organizations rely on formal structures, standardized processes, and control mechanisms to ensure stability and accountability.

This tension between innovation and control lies at the core of corporate entrepreneurship. Established firms must navigate the dual imperatives of exploration—pursuing novel opportunities—and exploitation—refining existing capabilities for efficiency and profitability [1]. Exploration fosters creativity, learning, and long-term adaptability, while exploitation ensures short-term performance and operational reliability. The challenge for management is not choosing one over the other but designing systems that enable both simultaneously [3].

Digital Object Identifier 10.62802/526z2p83

Date of publication 25 02 2026; date of current version 25 02 2026

Organizational ambidexterity provides a theoretical lens for understanding this balance. Ambidextrous firms create structural or contextual mechanisms that allow innovative units to operate with relative autonomy while maintaining alignment with overarching strategic objectives [6]. Structural ambidexterity may involve separate innovation labs or corporate venture units, whereas contextual ambidexterity emphasizes a culture in which employees can switch between routine execution and entrepreneurial initiative [8]. Both approaches require deliberate managerial design to prevent fragmentation or mission drift.

Control systems, often perceived as barriers to innovation, can paradoxically enable entrepreneurial behavior when designed appropriately. Clear performance metrics, transparent governance, and strategic direction provide a framework within which risk-taking becomes purposeful rather than chaotic [10]. Without adequate control, entrepreneurial initiatives may generate inefficiencies or strategic inconsistency; conversely, excessive control can suppress creativity and discourage experimentation. The balance between autonomy and accountability is therefore a dynamic equilibrium that must be continuously recalibrated [11].

Leadership plays a central role in fostering corporate entrepreneurship. Transformational leaders articulate a compelling vision that legitimizes innovation while reinforcing organizational values and strategic coherence [2]. They allocate resources to exploratory initiatives, protect entrepreneurial teams from bureaucratic inertia, and cultivate a culture of calculated risk-taking. At the same time, effective leaders ensure that innovation efforts contribute to measurable organizational objectives, aligning entrepreneurial energy with long-term performance goals [7].

The strategic significance of corporate entrepreneurship is particularly evident in industries characterized by rapid technological change, digital disruption, and shifting consumer expectations. Firms that fail to innovate risk obsolescence, while those that innovate without discipline may undermine operational stability [9]. Thus, corporate entrepreneurship is not a peripheral activity but a core strategic capability that

influences resilience, competitiveness, and long-term growth.

This paper explores corporate entrepreneurship in established firms through the lens of balancing innovation and control. By examining structural arrangements, governance mechanisms, and leadership practices, the study highlights how organizations can institutionalize entrepreneurial behavior without sacrificing performance discipline. Ultimately, corporate entrepreneurship is framed as a dynamic managerial capability that enables established firms to remain agile, adaptive, and strategically coherent in complex business environments.

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