

Toward a Reconciliation of the Definitional Issues in the Field of Corporate Entrepreneurship*

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Abstract

Although authors generally agree on the nature of entrepreneurial activities within existing firms, differences in the terminology used to describe those activities have created confusion. This article discusses existing definitions in the field of corporate entrepreneurship, reconciles these definitions, and provides criteria for classifying and understanding the activities associated with corporate venturing.

Scholars have begun to pay increasing attention to entrepreneurial activities within existing organizations (e.g. Birkinshaw, 1997; Burgelman, 1983; Caruana, Morris, & Vella, 1998; Drucker, 1985; Guth & Ginsberg, 1990; Kanter, 1983; Miller, 1983; Pinchot, 1985; Zahra, 1986, 1995, 1996). Unfortunately, and similar to the study of entrepreneurship in general, there has been a striking lack of consistency in the manner in which these activities have been defined. A number of scholars have expressed concern about this lack of universally acceptable definitions (e.g. Jennings & Lumpkin, 1989; Stopford & Baden-Fuller, 1994; Wortman, 1987; Zahra, 1991). Although the choice of definitions in behavioral sciences generally remains subject to debate (Hoy, 1995), a clearly stated set of definitions is necessary for scientific understanding, explanation, and prediction (McKelvey, 1982). Moreover, clearly stated and agreed-upon definitions makes it easier for researchers to, build on each other's work, and for practitioners to decide whether research findings are applicable to their situation. Because the field of corporate entrepreneurship is still in its infancy, the time is ripe to work on the clarification of existing terminology.

This article represents one effort to systematize the use of terminology in the field of corporate entrepreneurship. To do this we first review some of the existing definitions and illustrate how they are contradictory. This review is conducted to provide a grounding from which a framework of definitions can be developed that covers the field of corporate entrepreneurship. In developing this framework we go from a general to a specific point of view in order to clarify the existing boundaries of the field, reconcile the various terms used to describe the phenomena of interest, and illustrate the territory they cover.

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Each of the definitions we will propose are broad, by intention. We are of the opinion that broad definitions of concepts are preferable to narrow definitions at this stage in the field's development for several reasons. First, broad definitions are less likely to exclude as-yet-unspecified problems, issues, or organizations that are potentially important or interesting. Therefore, starting broad makes it less likely that the definitions will become outmoded and in need of revision as new issues are discovered. Furthermore, broad definitions are more amenable, and more resilient, to the discovery and classification of unique populations and subpopulations of firms and events since they avoid premature or arbitrary decisions about the variables that delineate one group from another. Broad definitions make it possible for the natures of different organizations and events to emerge through empirical research and theories of differences. Finally, broad definitions are more likely to be acceptable to most scholars since most will find a place for the topic or sites of research that are of interest to them. In sum, broad definitions better reflect the early stage of development of the field, avoid the need for excessive retrenchment as new knowledge becomes available, and provide considerable latitude for a theoretical and empirical process to emerge that will eventually permit the unique parts of the whole to be classified, defined, and understood in relation to that whole.

After we have presented our framework of definitions pertaining to corporate entrepreneurship, we then proceed to discuss some of the critical constructs by which internal corporate venturing efforts might be classified to illustrate the possibilities of the approach taken. We focus on internal corporate venturing because it is the sub-area that has been perhaps the most thoroughly studied thus far and is, therefore, the most amenable to further classificatory efforts.

Existing Definitions

Entrepreneurship

Before discussing existing definitions in the field of corporate entrepreneurship, we briefly turn our attention to the term "entrepreneurship." Entrepreneurship has meant different things to different people (Gartner, 1990; McMullan & Long, 1990). The historical development of the term has been documented by various authors (e.g. Gartner, 1988; Hisrich, 1986; Livesay, 1982; McMullan & Long, 1983). The earliest reference of the term has been traced to Richard Cantillon's work (1734). To him, entrepreneurship was self-employment with an uncertain return (McMullan & Long, 1990).

In a recent study, Gartner (1990) identified two distinct clusters of thought on the meaning of entrepreneurship. The first group of scholars focused on the characteristics of entrepreneurship (e.g. innovation, growth, uniqueness, etc.) while the second group focused on the outcomes of entrepreneurship (e.g. creation of value). Scholars who subscribe to the notion that entrepreneurship should be defined by its characteristic attributes appear to be, the largest group, accounting for 79% of