

A Paradigm of Entrepreneurship: Entrepreneurial Management*

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Abstract

Corporate entrepreneurship seems to many entrepreneurship scholars a contradiction in terms. This paper represents an attempt to bridge that gap. This is done by, first, reviewing the literature on entrepreneurship, trying to summarize it in a few major themes. Second, a view of entrepreneurship is proposed that facilitates the application of the previous findings to the field of corporate entrepreneurship. Finally, a series of propositions are developed, as instances of the kind of research that can be pursued by following the proposed approach.

Corporate entrepreneurship is a concept that has acquired more and more importance in the last few years. Serious, scholarly work has appeared on the subject (see, for instance, Burgelman, 1983a,b, 1984a,b, Nielsen, Peters and Hisrich, 1985; MacMillan, Block and Subba Narasimha, 1986; Hisrich and Peters, 1986; MacMillan and Day, 1987; for some recent examples). General interest books have also made an impact (Brandt, 1986; Hisrich, 1986; Kanter, 1983, 1989), and some of them have even reached best-seller lists (Pinchot, 1985). The very existence of this issue of the *Strategic Management Journal* testifies to the credibility gained by the concept among experts in business management.

Yet, when reading much of the literature on entrepreneurship as such, to which corporate entrepreneurship should be somewhat related (perhaps as is a species to its genus), one finds an implicit definition of entrepreneurship as something which is radically different from corporate management. Indeed, some writers find it to be the opposite of corporate management (Vesper, 1985). Thus, the very concept of corporate entrepreneurship sounds to many entrepreneurship scholars as something of an oxymoron.

What is, then, behind that surge of the corporate entrepreneurship construct? There is no doubt that, of late, entrepreneurship in general has gained its status as a legitimate scholarly research subject, enjoying in addition much public interest (Vesper, 1988). This is evidenced by the appearance of new academic journals, such as the *Journal of Business Venturing*; by the fact that mainstream journals carry more and more articles on related issues (Churchill and Lewis, 1985); and by the growth of interest in non-academic publications, which has been even faster

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(see McClung, J. J. and J. A. Constantin, 'Nonacademic literature on entrepreneurship: An evaluation', in Kent et al. 1982). As of today, there is practically no business school without at least one course on entrepreneurship (Porter and McKibben, 1988).

The main traits generally believed to be associated with entrepreneurship, such as growth (Drucker, 1985), innovation (Backman, 1983), and flexibility (Birch, 1987), however, were deemed to be also desirable traits for large corporations, by theorists and practitioners alike. Thus the field of corporate entrepreneurship was born. There is a need, however, to establish clear links between the fields of entrepreneurship and corporate management, if the large body of research in the former is to benefit the latter. Establishing such a link is especially important because, as pointed out above, many entrepreneurship scholars would consider entrepreneurship as just what is outside of mainstream corporate management.

This paper attempts to establish this linkage. It reviews much of the literature on entrepreneurship and groups these previous studies into a few underlying themes which have relevance to corporate entrepreneurship. It then re-examines definitions of entrepreneurship and advances its own definition of entrepreneurship that facilitates the connection of the previous research findings to the broader field of corporate management. From that connection, propositions for research and implications for the teaching and practice of corporate entrepreneurship are developed.

Three Main Streams of Research

The plethora of studies on entrepreneurship can be divided in three main categories: *what* happens when entrepreneurs act; *why* they act; and *how* they act. In the first, the researcher is concerned with the results of the actions of the entrepreneur, not the entrepreneur or even his or her actions per se. It is generally the point of view taken by economists, such as Schumpeter, Kirzner, or Casson. The second current may be termed the 'psychological/sociological approach', founded by McClelland (1961) and Collins and Moore (1964), in the early 1960s. Their work provides a useful emphasis on the entrepreneur as an individual, and on the idea that individual human beings – with their background, environment, goals, values, and motivations – are the real objects of analysis. The causes of individual entrepreneurial action constitute the primary interest of the researcher. Both the individual entrepreneur and the environment as it relates to the motives of individual entrepreneurial behavior are considered. It is the *why* of the entrepreneur's actions that becomes the center of attention. Finally, *how* entrepreneurs act can become the center of attention. In this case, researchers analyze the characteristics of entrepreneurial management, how entrepreneurs are able to achieve their aims, irrespective of the personal reasons to pursue those aims and oblivious to the environmental inducements and effects of such actions.