Entrepreneurship and the evolution of the field

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**Research interests**
Entrepreneurial finance (bootstrapping finance), venture capital, business angels, entrepreneurship theory and education
Agenda

1. History matters in entrepreneurship research!

2. Entrepreneurship as a field of research
   → A note on the evolution of entrepreneurship as a research field

3. Interestingness in entrepreneurship research
   → A note on how to make entrepreneurship research interesting
History matters in entrepreneurship research!

Entrepreneurship is a dynamic and future-oriented field of research!

My main argument:
History matters in entrepreneurship research!

- Create a necessary knowledge accumulation.
- Borrow concepts/theories from other field → understand underlying assumptions and intellectual roots.
- Historical contextual approach when discuss policies and practice.

Argue for a solid “groundwork” in entrepreneurship research!
Read more about the history of entrepreneurship


Entrepreneurship as a field of research
Three eras of entrepreneurship research

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1870 1900 1950 2000
Conclusions: Early contributions in entrepreneurship research

Entrepreneurship was a marginal topic in some mainstream disciplines:

- Limited interest in entrepreneurship and small business in society. Economic development was assumed to be based on mass production and large companies.
- Changes in mainstream disciplines, eg. economics became increasingly formalized and mathematically oriented which made it difficult to include the entrepreneur in the models.

Knowledge development was mainly based on individual scholarly achievements.
Three eras of entrepreneurship research

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1870 1900 1950 2000
The 1960s and 1970s: Decades of "creative destruction"

- Introduction of institutional reforms, e.g. tax laws, Bayh-Dole Act, etc.
- Technological breakthroughs, e.g. DNA, microprocessor, etc.
- Globalization of the economy.
- Twin oil crises (1973/1979), and an uncertainty about large companies possibilities to create jobs.
- Change in mentality ("small is beautiful").
- Political support (Thatcher and Reagan).

Changes in society

Entrepreneurship and Small Business Research

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Take-off phase (<1990s)

- Existing fields, for example, economics were ill-equipped to explain changes in society.
  
  Baumol (1968: pp. 66-68): The theoretical firm is entrepreneurless – the Prince of Denmark has been removed from the discussion of Hamlet” and ... “the neoclassical model is essentially an instrument of optimal analysis.”

- Pioneering empirical studies:
  - David Birch (1979) – job creation
  - Giacomo Becattini (1979) and Sebastiano Brusco (1982) – regional development (“industrial districts”)
  - Zoltan Acs and David Audretsch (1990) – innovation
  - etc.
Birch’s contribution was that he realized that no data were available to resolve various questions related to job creation, and he utilized and reshaped existing data in a way that they could be used for longitudinal analyses (Dun & Bradstreet data base, 1969-1976).

- The majority of new jobs were created in firms with 20 or less employees – often independent and young firms (thus, it was not the large firms that created new jobs).
- The report (54 pages) was sold in twelve copies, but its influence was enormous (among policy makers as well as research community).
- Considerable debate, but many of the findings have proved very robust and have been verified in many later studies (Storey, Kirchhoff, Reynolds, Davidsson).
Evolution of entrepreneurship research  
(Landström, 2015)

<table>
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<tr>
<th>Take-off phase (&lt;1990s)</th>
<th>Growth phase (1990s)</th>
<th>Searching maturity phase (2000s)</th>
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| ▪ Differentiation of entrepreneurship from other fields, arguing that existing fields were ill-equipped to explain changes in society  
▪ Pioneering empirical studies  
▪ Emerging infrastructure | ▪ Extensive growth  
- Migration  
- Mobility  
▪ Policy (and practice) oriented empirical research  
▪ Highly fragmented research field  
▪ Strong infrastructure building | ▪ Convergence  
- Conform the style and norms of established fields  
- Theory-driven and focus on robustness  
▪ Divergence (paradigmatic, broading of topics, and disciplinary divergence) |

Externally-driven legitimacy  
Decade of academic entrepreneurs  
Decade of resource mobilization

Academic-driven legitimacy
Decade of institutionalization
Research focus over time

1980

The role of entrepreneurship in the dynamics of the industry
Venture performance and growth
Corporate entrepreneurship
Technology-based entrepreneurship
Social networks in entrepreneurship
Venture capital (markets and behaviors)

1990

A ‘trait’ approach
Personal characteristics

A ‘process’ approach
Many parallel topics
Strategic concerns
International comparisons

2000

A ‘cognitive’ approach
Cognition theories
Effectuation theory
Broader acceptance of entrepreneurship

Convergence

Divergence

Decreased divergence
Conclusions: Evolution of entrepreneurship as a research field

- A lot of progress have been made (Davidsson, 2013)
  - It has produced a lot of good research that has given us a lot of knowledge about entrepreneurship and inspired others in their own research, teaching or practice.
  - We have a strong infrastructure for research (eg. PhD programmes, co-production of research, role models, etc.) and teaching.
- Entrepreneurship has been regarded as an interesting field of research
  - Entrepreneurship is inherently interesting: Focus on novelty and change, looking at the unknown and entrepreneurship is based on nonlinear thinking.
  - Entrepreneurship has received a political and policy interest and impact: A ”tool” to solve all kinds of societal and economic problems.
  - Entrepreneurship has been regarded as interesting among scholars from different fields: A large number of scholars have rushed into the field.
A note on the evolution of entrepreneurship as a research field

- Imprinted research subjects in the 1970s and 1980s
  - Entrepreneurship is heavily rooted in a neoliberal capitalistic political ideology (Thatcherism and Reaganism) with a strong focus on (i) financial and economic value creation, (ii) regarded as something good for society, and (iii) based on an Anglo-Saxon context.
  - Our research subjects today are rooted in the challenges of yesterday (and not on the challenges of today or tomorrow nor the challenges in the developing world).

- Path dependencies in research methodologies
  - The US research paradigm constitutes a role model and created path dependencies in methodology, with a focus on (i) micro-level analysis, (ii) rigour and sophistication, quantitative studies, large databases, etc., and (iii) an uncritical development of new knowledge.
  - If entrepreneurship is about high diversity, non-linear behaviour, non-rational thinking, where "luck" may have a significant impact - this methodological focus can be discussed!
Next step in the evolution of entrepreneurship research?

Prediction is very difficult, especially if it’s about the future!
(Niels Bohr, 1885-1962)
A future outlook ...

**Multidisciplinarity, diffusion and influence**
- Diffusion: Different contexts (e.g. China, Africa), and different phenomena (e.g. social entrepreneurship, public entrepreneurship).
- Influence: Entrepreneurship has been a part of the academic education system in many countries.

**Institutionalization**
- International isomorphism: following a US research hegemony
- Business school syndrome: marketization and managerialism

**Consequences:**
- There is a risk that individual scholars become embedded in a culture and incentive system that reduce the incentives for scholars to conduct challenging and “interesting” research.
Interestingness in entrepreneurship research
Interestingness – to whom?

- Interestingness is something subjective and a question of individual taste.

- However, there are collectively held assessments of what is regarded as interesting, but ...

- ... research might not include the entire community but different subgroups. Thus, a work is interesting in relation to a particular audience:
  - Fellow researchers, broader group of researchers, educators, students, textbook writers, entrepreneurs, venture capitalists, consultants, media, policy-makers, etc.
Interestingness in management studies

(Das & Long, 2010)

Management: Members av ASAC (Canada)

1. Generalizability and data analysis: focuses on studies with large samples and sophisticated data analysis
2. Innovative design: focuses on novel research methodologies, the application of existing models in new contexts and re-examination of theories
3. Novelty: focuses on new perspectives and theoretical frameworks
4. Relevance: focuses on the connection to practical applications and implications of research results
5. Communication: focuses on the way of writing in terms of a clear, engaging and rich text
Interestingness in entrepreneurship research (in Europe) (Landström and Frank, 2013)

- Focused group conversations among 6-8 discussants in each group, led by a moderator.
- 8 focused group conversations:
  - 4 groups of “junior faculty” (PhD students and post docs) – 21 discussants
  - 4 groups of “senior faculty” – 21 discussants
- Questions:
  - What makes entrepreneurship research interesting?
  - How do you consider interesting in your own research?
  - What can be done to make entrepreneurship research interesting?
- Analysis:
  - Quantitative analysis (Das & Long, 2010)
  - Qualitative analysis
Interestingness in entrepreneurship research (in Europe): Results

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<th>Junior Scholars</th>
<th>Senior Scholars</th>
<th>Das &amp; Long</th>
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<tr>
<td>Generalizability and data analysis</td>
<td>5</td>
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<td>Innovative design</td>
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Interestingness in entrepreneurship research: Relevance!

- Entrepreneurship as a field is reality-oriented
  “We are not 2-3 years behind reality, we are probably close to 10 years behind ... mainstream entrepreneurship research is the results of the past ... but it provides a better chance of being published.” (SenS)
  “We need to think about the research agenda, which must be closer to the real world. As the field has developed, we became distant from the actual object of study.” (SenS)

- Entrepreneurship scholars need to contribute to practice and policy
  “Sometimes when you listen to paper presentations you wonder, how will this piece of research actually help that poor entrepreneur who is trying to develop his/her business, it has no relevance ... it’s even totally uninteresting.” (SenS)
  “As entrepreneurship scholars we want to make a positive change in the world ... We have to research something practical, which will help improve society in some way.” (JunS)
Rigor vs Relevance: Arguments

1. Research and practice are unbridgeable
   - Research and practice are embedded in two different self-referential systems with different logics (based on Luhmann, 1998 system theory approach; Kieser & Leiner, 2009)
   - We even don’t have anything to say to practitioners – much has already been said and most academic writings are incremental (Alvesson, 2014)

2. Research and practice are bridgeable
   - Bridging the gap is a question of how to conduct relevant research, i.e. focuses on the research process: (1) problem formulation, (2) research process, and (3) dissemination of research
   - Different “how-strategies” labelled, for example, action research, engaged scholarship, enacting entrepreneurship, etc.
A note on how to make entrepreneurship research interesting: Applicative knowledge

- From a focus on the way we conduct research (the process), to a focus on the knowledge that we develop!

<table>
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<th>Technical knowledge</th>
<th>Theoretical knowledge</th>
<th>Applicative knowledge</th>
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<td>Techne</td>
<td>Episteme</td>
<td>Phronesis</td>
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<tr>
<td>Specific ”rules of skills” or techniques which is needed to carry out specific operations.</td>
<td>Focus on understanding, potential of predictions and hypothesis formulation, and the conceptual frameworks that help to organize knowledge.</td>
<td>Abilities required in dealing with everyday problem solving as an entrepreneur. Example: Based on implicit (tacit) knowledge and actionable variables.</td>
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A note on how to make entrepreneurship research interesting: Impact indicators

- Indicators to measure scholarly impact:
  - Bibliometrics (citations)
    - Number of citations: Web of Knowledge, Google Scholar, Scopus, etc.
    - H-index: combination of number of citations and number of articles published
    - i10-index: number of publications with at least 10 citations
  - Altmetrics (using measured based on online tools)
    - Number of times an article has been bookmarked in Mendeley, CiteUlike, etc.
    - Number of Facebook "likes" and "shares", number of Tweets, etc.

- Critics:
  - Number of citations is often a single measure
  - Focusing on a single audience: academics
A note on how to make entrepreneurship research interesting: Impact indicators

Consequences:

- Incentives (tenure, salary, and compensation system) are based on journal rankings and number of citations, and this has become a powerful tool for shaping employees behavior, and also on the research to conduct, i.e. research that is likely to be published in journals considered to be ”top-tier”
  - ”... research has changed its focus and primary goal from producing knowledge to publishing papers, from improving practice to advancing a researcher’s own career.” (Tsui, 2013)
- Interestingness has decreased and been replaced by ”gap-spotting”
- In the long run: negative consequences for the field:
  - Credibility and long-term sustainability of our research enterprise will be questioned if we do not bring back the train back on track.” (Tsui, 2013)
A note on how to make entrepreneurship research interesting: Impact indicators

- **What is needed?**
  - Develop measures of impact that account for other audiences – not least practitioners and policy-makers

- **Pluralist concept** (Aguinis et al., 2014)
  - Including multiple measures of impact
  - Including different audiences

- **... but be aware that**
  - "Not everything that counts can be counted, and not everything that can be counted counts" (Albert Einstein)
Questions and Comments?

Thank you for your attention!

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