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.

Considering What Happens when Entrepreneurs Act: Studying the Results of Entrepreneurship

The area of literature concerned with the question of what happens when entrepreneurs act is dominanted by economists. What matters here is the net *effect upon the general economic system* of the actions of the entrepreneur, and the role he or she plays in the development of the market system. The earliest interest in entrepreneurship was expressed by Richard Cantillon, who focused upon the economic role of the entrepreneur, rather than the individual who performs such a role. Cantillon, who coined the word ‘entrepreneur,’ said that entrepreneurship entails bearing the risk of buying at certain prices and selling at uncertain prices. Jean Baptiste Say broadened the definition to include the concept of bringing together the factors of production. Thus the entrepreneur is the protagonist of economic activity in general.

Schumpeter takes a more specific view. He considers entrepreneurship the process by which the economy as a whole goes forward. It is something which disrupts the market equilibrium, or ‘circular flow.’ Its essence is ‘innovation.’ He writes that ‘the carrying out of new combinations we call “enterprise”; the individuals whose function is to carry them out we call “entrepreneurs” (1934: 74). He thus distinguishes different roles:

> We call entrepreneurs not only those ‘independent’ businessmen in an exchange economy who are usually so designated, but all who actually fufil the function by which we define the concept, even if they are, as is becoming the rule, “dependent” employees of a company, like managers, members of boards of directors, and so forth, or even if their actual power to perform the entrepreneurial function has any other foundations, such as the control of a majority of shares. As it is the carrying out of new combinations that constitutes the entrepreneur, it is not necessary that he should be permanently connected with an individual firm; many ‘financiers,’ ‘promoters,’ and so forth are not, and still they may be entrepreneurs in our sense. On the other band, our concept is narrower than the traditional one in that it does not include all heads of firms or managers of industrialists who merely may operate an established business, but only those who actually perform that function (p. 74).

A few pages earlier he had spelled in detail what he understood by ‘new combinations’:

> (1) The introduction of a new good-that is one with which consumers are not yet familiar – o, of a new quality of a good. (2) The introduction of a new method of production, that is one not yet tested by experience in the branch of manufacture concerned, which need by no means be founded upon a discovery scientifically new, and can also exist in a new way of handling a commodity commercially. (3) The opening of a new market, that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before. (4) The conquest of a new source of supply of raw materials or half-manufactured goods, again irrespective of whether this source already exists or whether it has first to be created. (5) The carrying out of the new organization of any industry, like the creation of a monopoly position (for example, through trustification) or the breaking up of a monopoly position (p. 66).

After Schumpeter's work, most economists (and many non-economists as well) have accepted his identification of *entrepreneurship with innovation*. This represents a change from the previous tradition, where the term '*entrepreneur*' meant basically '*businessman*,' as we saw. (See Kilby, 1971, for a summary of the term 'entrepreneur' in classical economics.)

Some economists interpret the results of entrepreneurship in a different way: instead of disrupting the market equilibrium, thus advancing the economy to qualitatively higher levels, the entrepreneur works towards the accomplishment in real life of the (theoretical) equilibrium (Kirzner, 1979). The first tradition, represented by Cole (1968) at the Harvard Research Center in Entrepreneurial History, has stressed the aspect of innovation in the entrepreneurial function (see Scherer, 1984, significantly titled *Innovation and Growth, Schumpeterian Perspectives*). The second, represented by Kirzner, has stressed the informational aspects of the entrepreneurial function; his argument is that the entrepreneur has a superior knowledge of market imperfections, that he uses to his advantage. Leibenstein (1968), also based at Harvard, takes this approach, beyond merely allocative efficiency. He makes the entrepreneur's basic function the destruction of pockets of inefficiency in the system.

For the most part, microeconomics, has neglected the study of the entrepreneurial function, simply by assuming that markets would eventually reach equilibrium. Even industrial organization, the area of microeconomics that is arguably closest to actual management practice (Porter, 1981), maintains in emphasis on supra-firm variables by concentrating on the assumption that the structure of a given industry drives the conduct of the firms in it. Nevertheless, the importance of the 'entrepreneurial function' to the actual development of the economy of a given country, following more or less Schumpeterian lines, has been studied extensively, starting with Hirschman: 'development depends not so much on finding optimal combinations for given resources and factors of production as on calling forth and enlisting for development purposes resources and abilities that are hidden, scattered or badly utilized' (1958: 5). These points of view open the way for an empirical study of the effects of entrepreneurship in the real economy. Birch (1979, 1987) has analyzed carefully the impact of entrepreneurial activity in the overall economy through the actual creation of jobs.

Thus the study of the *effects* of entrepreneurship has the following characteristics: (1) It abstracts from the individual entrepreneur and his or her actions to focus on the process by which those actions affect the economic environment. (2) It recognizes the entrepreneurial function as responsible for economic improvement in our society, due to its 'innovations,' thus providing a theoretical base for the 'advocacy studies' we shall discuss below. (3) It creates a basis for the distinction between the roles of 'investor,' the 'manager,' and the 'entrepreneur.' Under this third torch of analysis, entrepreneurship would then go well beyond the mere creation of small businesses (Scherer and Ravenscraft, 1984), thus paving the way for the legitimation of the concept of corporate entrepreneurship.

Considering Why Entrepreneurs Act: Studying the Causes of Entrepreneurship

It is not surprising that entrepreneurs themselves have been subjects of interest. If entrepreneurship is at the root of economic improvement, the implication that 'we need more of it' is not difficult to draw. Researchers must, therefore, understand those who provide it. This is consistent with a cultural emphasis upon the individual actor ('the cult of the individual'). It also fits with a need to understand why some depart from the norms of average behavior: the dramatic accomplishments of some entrepreneurs easily leads to the thinking that the individuals behind them must somehow be different and therefore of particular interest.

One level of inquiry into the 'causes' of observed entrepreneurial behavior conceptualizes entrepreneurship as 'a psychological characteristic of individuals, which can be described in terms such as *creativity*, *daring*, *aggressiveness*, and the like' (Wilken, 1979: 58). It was probably started by *The Enterprising Man*, by Collins and Moore (1964), who put at the core of entrepreneurship the 'desire for independence,' and who identified as the causal variable certain Oedipal conflicts and neuroses of the entrepreneur. This early work has had much following, particularly among social scientists with a background in psychology. Brockhaus studied the locus of control belief of entrepreneurs (1975), and their risk-tendency (1980). Marcin and Cockrum (1984), study psychological characteristics of entrepreneurs across different countries. Hochner and Ganrose (1985) analyze the characteristics of entrepreneurs, compared to their non-entrepreneurial fellow co-workers; and a similar psychological study is performed on female entrepreneurs by Rowen and Hisrich (1986). Cooper and Dunkelberg (1986) compare the path to entrepreneurship (inheritance, purchase, start-up) with background attitudes characteristic of a large sample of entrepreneurs. The popular press has also written extensively about the 'special psychological characteristics of the entrepreneur,' generally understood as someone who starts somewhat successfully-his or her own business.

An interesting twist is the study of the relationship between personal characteristics of entrepreneurs and the companies they set up. Smith and Miner (1983) analyzed the adequacy of different 'types' of entrepreneurs along the different stages in the development of a firm, while Webster (1977) and Gartner (1985) focus on the kinds of firms set up by different kinds of entrepreneurs.

A second level of inquiry conceptualizes entrepreneurship 'as a socal role ... that may be enacted by individuals in different social positions' (Wilken, 1979: 58). It was pioneered by McClelland's best-selling *The Achieving Society* (1961). The essence of this approach is that entrepreneurial behavior is dependent upon personal motivations which in turn are dependent on environmental characteristics. McClelland started from a psycho-sociological point of view, asking why some societies, at some points in time, had exhibited high economic and social growth. He attributed that growth to the 'need for achievement (n-achievement)' present in the psychological make up of large parts of the population in those societies. This point of view has been very fruitful in that it has brought all the theoretical resources of sociology to bear on the field of entrepreneurship. Its results have been well-detailed accounts of how the environment affects practice of entrepreneurship (see, for instance, Greenfield, Stricken and Aubey, 1979; Delacroix and Carrol, 1983; Pennings, 1982a, b). The practical consequences for public policy are obvious, so much of the research undertaken with this 'environment as motivator' approach has clear political overtones. In fact, much of what is being published right now falls into this advocacy approach (see, for instance, Backman, 1983 and Kent, 1984).

Many criticisms have been levelled at these attempts to understand the *why* of entrepreneurship. First, it can be pointed out that it is extremely difficult to link particular psychological or sociological traits causally to patterns of complex behavior, such as entrepreneurship (Cooper, Dunkelberg, and Woo, 1988). Indeed, the literature suggests that no causal link can be established between any of the above-mentioned variables and entrepreneurship. At most, one could speak of correlates or antecedents of particular kinds of entrepreneurial behavior.

An added problem with this approach is that its constant focus on the individual entrepreneur has led, in many cases, to the identification of entrepreneurship with small business management (Carland et al. 1984) and to the failure to differentiate clearly between the individuals and organizations. These two points of view seriously impair the ability to transfer whatever knowledge is gained in entrepreneurship research to broader fields of management, such as corporate entrepreneurship.

On the other hand, the contributions of this 'entrepreneurship from its causes' approach are extremely important, and cannot be forgotten in any serious attempt at understanding corporate entrepreneurship. This approach has reminded us of the following facts: (1) It is individuals who carry out entrepreneurial activities, no matter how they are defined. (2) Their characteristics (personality, background, skills, etc.) matter. (3) Environmental variables are also relevant, not only in that they open up opportunities to exploit market inefficiencies, as in the 'economists' approach,' but also in the sense that different environments are more or less conducive to entrepreneurship, and can be more favorable to the new venture's success. So, apart from the possible social benefits that might have obtained from some of the advocacy approach, emphasis on the individual focuses the study of entrepreneurship on its protagonist – the individual entrepreneur, who was somewhat 'lost' in the previous economic analysis.

Considering How Entrepreneurs Act: Studying Entrepreneurial Management

The two streams of research discussed above, which have been characterized as 'entrepreneurship from its effects' and 'entrepreneurship from its causes,' deals with the '*what*' and the '*why*' of entrepreneurship. It is now left to study the *how*'. Entrepreneurship can be considered from a practical point of view–what do entrepreneurs do, or, normatively, 'how to succeed at being an entrepreneur.' It is, in fact, what is between the 'causes' and the 'results': the 'managerial behavior' of the entrepreneur. Table 1 represents the three major categories entrepreneurial studies can be fitted into.

Table 1. Contributions of disciplines to entrepreneurship

Line of inquiry	Causes	Behavior	Effects
Main question	Why	How	What
Basic discipline	Psychology, sociology	Management	Economics
Contributions	Importance of individual		Entrepreneurship is the function by which growth is achieved (thus not only the act of starting new businesses)
	Environmental variables are relevant		Distinction between entrepreneur and manager

There is a vast popular literature along these 'how-to' lines, from functional studies on aspects of interest to small businesses, to work on startups, venture capital, etc.; as well as many practical, functional studies on how to set up and run a few businesses successfully (see, for instance, Silver, 1983). There is also now emerging academic work focused an considering how entrepreneurs act. The study of strategy formation in entrepreneurial firms is now a legitimate area of inquiry (Mintzberg and McHugh, 1985).

Two important areas of research in this domain are studies concerned with the different life cycles through which new ventures pass and the problems entrepreneurs face as their companies mature (Gray and Ariss, 1985; Quinn and Cameron, 1983); and studies that try to find predictors of success for new ventures. This latter group attempts to identify predictors generally by relating such success (or lack thereof) to either the entrepreneurs' background, the chosen strategy, environmental considerations, or some mixture of these (Dollinger, 1984; Miller, 1983; Cooper and Bruno, 1975). Timmons and Bygrave (1986), Roure and Maidique (1986), and MacMillan, Zemann and Subba Narasimha (1987) have all sought predictors of success in new ventures funded with venture capital. They have found that there are indeed variables other than just the personalities of the individuals involved, such as the existence and nature of management teams, which affect the likelihood of a positive outcome.

It can be argued that this research on 'how' is the most appropriate for a business school, since it focuses on understanding (and, it is hoped, improving) actual managerial practice. An example may help clarify this. The success in business of the overseas Chinese has been well documented (see Limlingan, 1986, for an up-to-date analysis), together with that of other ethnic minority groups (Sowell, 1983). This can be analyzed from the point of view of the 'why,' and resultingly we find answers such as the traditional closeness of the Chinese family or the need for achievement of a barely tolerated minority. But also the 'how' can be studied; then a network of both strong and weak relationships is found (Larson, 1988). That network enables the participants in it to work with much lower transactions costs (Williamson, 1975), thus becoming much more efficient than larger, more formal competitors (Jarillo, 1988). The first level of analysis provides little guidance for a would-be entrepreneur. The second gives a clue as to how a start-up company can structure itself in order to be more competitive. As will be seen later, this stream of research promises the most relevance for the field of corporate entrepreneurship.

Defining Entrepreneurship in a Useful Way

The extent to which the above studies can be taken to relate to corporate management depends on one critical question, one which we have thus far avoided throughout the literature review: what is an entrepreneur? Does anybody who starts a business qualify as an entrepreneur? Or is an entrepreneur necessarily an innovator, whether in a large or a small firm? If we take the first approach-that is, if we assume that only those who start a business qualify-then Ray Kroc of McDonald's or Thomas Watson of IBM would not qualify as entrepreneurs, although they have been producers of all the 'good things' that entrepreneurs are supposed to do, such as job and wealth creation through the introduction of new products and services. At the same time, only a few of those researchers interested in entrepreneurial studies would consider the opening of a typical 'mom and pop' store an entrepreneurial act worthy of study. The work of Reynolds, Van de Ven, Vesper, Cooper, among others, has provided insights into the start-up process; however, they have not always focused on the difference between high-potential ventures and others.

This dilemma is reflected throughout the literature. Some prominent researchers think that the present explosion in interest should not be diverted to anything other than new venture creation (Vesper, 1985). Others see entrepreneurship as something that is indistinguishable from innovation and as something that should not be circumscribed to new ventures. It is seen by some as the key to economic growth and productivity, and to the diffusion of knowledge (Baumol, 1986). This view of entrepreneurship would then also encompass the struggle of large firms to remain competitive (Kanter, 1989). 'The divergence in points of view is so great that it has been said that even a 'unifying theme' is lacking (Kirzner, 1973: 281). Casson has pointed out that the task of reviewing the literature on entrepreneurship 'is rendered still more difficult by the fact that in most academic studies of entrepreneurs the word "entrepreneur" does not appear in the title, whilst most of the literature with "entrepreneur" in the title is either nonacademic or is not about entrepreneurs at all' (1982: xiii).

Those attempts to pigeon-hole entrepreneurship do not contribute very much to our understanding, for each of the aspects described above focuses upon one important factor of entrepreneurship. Generally speaking, it does not appear useful, *in managerial terms*, to delimit entrepreneurship by definining some economic functions as 'entrepreneurial' and others as non-entrepreneurial. Nor does it appear particularly helpful to base the decision of what an entrepreneur is upon studies of personality or character. The first exercise appears to be rather more semantic than practical. The second appears to be equally fruitless, for individuals in our society may attempt entrepreneurship and often succeed even if they do not fit the standards of academic judges as to their entrepreneurial personality or sociological background. In sum, neither function nor character provide a useful basis for understanding entrepreneurship in managerial terms.

Defining entrepreneurship is, nevertheless, an important question, albeit semantic, because a definition too narrow may render much useful research inapplicable to important areas, such as corporate entrepreneurship. On the other hand, too broad a definition may make entrepreneurship equivalent to good management, thus effectively dissolving it as a specialized field of study.

The following view of entrepreneurship is then proposed to help take advantage of previous research on entrepreneurship for the strengthening of the corporate entrepreneurship field: *entrepreneurship is a process by which individuals-either on their own or inside organizations-pursue opportunities without regard to the resources they currently control* (Stevenson, Roberts, and Grousbeck, 1989). ‘Opportunity’ is defined here as a ‘future situation which is deemed desirable and feasible.’ Thus opportunity is a relativistic concept; opportunities vary among individuals and for individuals over time, because individuals have different desires and they perceive themselves with different capabilities. Desires vary with current position and future expectations. Capabilities vary depending upon innate skills, training, and the competitive environment. Perceptions of both desires and capabilities are only loosely connected to reality. But, in any case, the essence of entrepreneurship is the willingness to pursue opportunity, regardless of the resources under control. It is typical of the entrepreneur ‘to find a way.’ Those ways are arrayed on a spectrum from the behavior of a pure promotor to those of stodgy trustees (Stevenson and Gumpert, 1985).

This purely behavioral, situational definition fits well with the common experience that the level of ‘entrepreneurship,’ however defined, often varies across the life of an individual, or even across the different activities of an individual in a given moment. This approach overcomes the dilemma posed by the question of whether or not entrepreneurs are to be found only in start-up companies; we assume that we are seeing the entrepreneurial phenomenon whenever opportunity which requires resources beyond those controlled is being pursued. The final advantage of this point of view is that it concentrates on practice, thus leading us to study and then teach basic entrepreneurial skills. We understand these skills not as traits of character (hardly transmittable in a class room), but as knowledge that results from training and experience that has been accumulated over the years and that will assist in problem-solving (Simon, 1984). Thus, by concentrating on entrepreneurial behavior-by trying to understand the ‘entrepreneurial process’-we may be able to make use of findings of previous research, while gaining insights on a crucial issue: how to foster entrepreneurship, by learning the nature of the entrepreneurial process.

This approach also allows us to deal with both individual and organizational entrepreneurship, thus providing the necessary link between many of the findings mentioned in the literature review (need for innovation; influence of personal characteristics and motivation upon the outcome of entrepreneurial ventures;

objective (although contingent) predictors of success, etc.) and the field of corporate entrepreneurship.

In the remainder of this paper, specific propositions, relevant to corporate entrepreneurship research, practice and teaching, are derived from this view of entrepreneurship, following some ideas found in Stevenson and Jarillo (1986).

Towards the Entrepreneurial Organization

Our definition of entrepreneurship can easily be applied to a corporation, and this application can be summarized in six logical propositions concerning corporate entrepreneurship. Thus the field of corporate entrepreneurship would not limit itself to the study of internal venturing, but also to the ability of corporations to act entrepreneurially. The first proposition is purely definitional. Together with proposition 2, they set the stage for the rest, more testable and research oriented:

> *Proposition 1: An entrepreneurial organization is that which pursues opportunity, regardless of resources currently controlled.*

As has been argued in the previous review of the literature, it is important to distinguish between individuals and organizations. At least in the case of entrepreneurial behavior, this cannot be avoided by equating an organization's direction to the wishes of its top managers: an opportunity is, by definition, something beyond the current activities of the firm, and it is very hard for top managers to 'force' that pursuit through the normal managerial mechanisms of planning and control: it has to come from below. Therefore:

> *Proposition 2: The level of entrepreneurship within the firm (i.e. the pursuit of opportunities) is critically dependent on the attitude of individuals within the firm, below the ranks of top management.*

The crux of corporate entrepreneurship is, then, that opportunity *for the firm* has to be pursued by *individuals* within it, who may have perceptions of personal opportunity more or less at variance with opportunity for the firm. In addition, an opportunity can hardly be pursued, of course, if it has not been spotted. But spotting opportunities is certainly a function of the individual's abilities: his/her intimate knowledge of the market, the technologies involved, customer's needs, etc. As a consequence, the kind of jobs and positions the firm designs, the effort it puts into developing generalists, able to make the necessary mental connections to detect the opportunity, should have a measurable impact. Thus:

> *Proposition 3: The entrepreneurial behavior exhibited by a firm will be positively correlated with its efforts to put individuals in a position to detect opportunities; to train them to be able to do so and to reward them for doing so.*

But, as we have learned from the studies of the 'causes' of entrepreneurship, the individual's motivations are decisive to the emergence of entrepreneurial behavior. By definition, nobody will pursue an opportunity if he/she does not want to, and we have seen argued that the very exceptional nature of pursuing opportunities without adequate resources makes it very difficult for top management to 'force' that pursuit through the typical managerial mechanisms by prespecifying task goals.

There is a large body of literature on motivation, not only in the field of entrepreneurship (the 'why' question) but also in organization theory and psychology. It is not redundant to remark how important motivation is for the emergence of entrepreneurial behavior within the corporation. In most cases the individuals who must exhibit that behavior if the firm is to succeed have already satisifed most of their basic needs, since they are on a company's payroll. Thus the positive inducements necessary to break the *status quo* may have to be stronger (Baker, 1986). Indeed, several of the studies mentioned above on the background of individual entrepreneurs point out that many of them come from relatively dispossessed families.

But that extra inducement is hard to develop within an organization. For that reason it may be more efficient to lessen the impact of deterrents to entrepreneurial behavior, particularly that of fear of the consequences of failure to the career of the corporate entrepreneur. Given that the would-be entrepreneurs enjoy an acceptable status within the firm, the treatment of failure would appear to be a critical component of the necessary motivation to pursue opportunity. Thus:

> *Proposition 4: Firms which make a conscious effort to lessen negative consequences of failure when opportunity is pursued will exhibit a higher degree of entrepreneurial behavior.*

The third element in the pursuit of opportunity, after its detection and the willingness to pursue it, is the belief that it can, at least with some likelihood, be successfully exploited. Thus:

> *Proposition 5: Not only the success rate, but the very amount of entrepreneurial behavior will be a function of the employees' (subjective) ability to exploit opportunities.*

How is that ability increased? The findings of the ow-to' stream of research in entrepreneurship offer insights. These include the importance of investing the venture with enough managerial and technical ability from the beginning, found in the studies for venture capital-funded start-ups success. Widespread research suggests that different stages in the life of a venture may require different managers. The importance of teams in successful entrepreneurships also follows.

Directly deriving from the above definition of entrepreneurship, a specific skill would appear to be particularly important: that of making use of resources that are outside the entrepreneur's control (Stevenson, 1983; Jarillo, 1989), since entrepreneurial behavior implies pursuing opportunities regardless of the resources under control.

The vast amount of literature on networks can be applied here, from studies that show the usefulness of a social network in order to sustain the new venture (Birley, 1986), to those that analyze how an efficient network can be sustained over the long-term (Jarillo and Ricart, 1987; Birley, 1989; Lawrence, 1988). This literature now can be seen as relevant to corporate entrepreneurship, for the ability to obtain access to resources widely scattered throughout the organization, with no need to set up a previous, rigorous appropriations procedure, greatly facilitates the pursuit of opportunities. Thus:

> *Proposition 6: Organizations which facilitate the emergence of informal internal and external networks, and allow the gradual allocation and sharing of resources, will exhibit a higher degree of entrepreneurial behavior.*

Conclusions

This paper shows how a particular conception of entrepreneurship, based on the notion of opportunity, may help link the vast and varied research on that topic with the emerging field of corporate entrepreneurship. The proposed view understands corporate entrepreneurship as something wider than just 'corporate venturing,' or setting-up intra-firm 'venture capital' processes. Entrepreneurial behavior would be, following the economists' tradition started by Schumpeter, the quest for growth through innovation, be this technological or purely mangerial. But pursuing opportunity, whether through specific company structures of not, constitutes the core of entrepreneurship, both individuals and corporate.

More research is needed, at all levels, on how that process develops, and on successfully exploiting opportunity. Certainly, the three aspects discussed above-namely detection of the opportunity, willingness to pursue it, and confidence and the possibilities of succeeding-are key components in the process. Much research, from many different fields, can shed light on those issues, but there are still plenty of unanswered questions.

The implications for teaching are quite clear: entrepreneurship is more than just starting up new businesses. It is a process for which some skills are highly relevant. Many of those skills are teachable. In fact, the implications for teaching may well go beyond the field of entrepreneurship, for entrepreneurial management may be seen as a 'mode of management' different from traditional management, with different requirements of control and rewards systems, for instance.

Practitioners of corporate entrepreneurship would be well advised, following the proposed approach, to address all three key parameters of entrepreneurial behavior. Without an environment that fosters the detection of opportunities, no entrepreneurship will emerge. Equally, the motivation to pursue opportunity, and its facilitation, influence the final outcome. And there is much evidence on at least some of the factors that influence these three parameters. The fact, moreover, that they are not strictly independent but, rather, reinforce each other (someone who is willing to pursue opportunities will 'see more' of them, someone who is confident in his/her ability to succeed will be more willing to pursue them; etc.) points out the need for an, entrepreneurial culture' within the firm, i.e. a 'track record' of fair treatment to internal entrepreneurs.

Evidently, it is debatable whether entrepreneurship should be viewed as the pursuit of opportunity or as something else. After all, that is a matter of definitions.

But it is believed that, by taking that approach, much of the previous, separate research on entrepreneurship can be useful for both individual and corporate practice, and that specific avenues for research and teaching are opened.

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