ENTREPRENEURIAL MANAGEMENT PRACTICES: AN EMPIRICAL INVESTIGATION OF ALERTNESS TO OPPORTUNITY (SUMMARY)

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SUMMARY

ENTREPRENEURIAL MANAGEMENT PRACTICES: AN EMPIRICAL INVESTIGATION OF ALERTNESS TO OPPORTUNITY

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Principal Topic

Contemporary definitions of entrepreneurship tend to center around the pursuit of an opportunity (e.g., Brazael, 1999; Shane and Venkataraman, 2000; Venkataraman, 1997). In fact, Howard Stevenson (1983) conceptualized corporate entrepreneurship as a management approach for the pursuit and exploitation of an opportunity without regard to resources currently controlled by the firm. That opportunity-based conceptualization of entrepreneurship echoed the classical definitions such as Kirzner’s (1973) “alertness to opportunity”. Entrepreneurial management consequently may be seen as a ‘mode of management’ and consequently, an organization is entrepreneurial, when its management acts entrepreneurially (Stevenson and Jarillo, 1990:25). Despite its relatively old conceptualization, the opportunity-based entrepreneurship research is still lacks solid, testable theory (Sexton and Landström, 2000).

The purpose of our study is to fill the gap identified in the literature through empirically testing the behavior of Stevenson’s concept of opportunity seeking manager on a large sample of firms. Consequently, the central question of our research is what can we learn about entrepreneurial opportunity seeking behavior that has application to professional management?

Method

From a random sample of 1000 SMEs, only 600 non-agricultural firms with at least 3 years of existence were selected and invited to fill our online survey. The response rate was above 25%. The data was analyzed using descriptive analysis as well as Multi Dimensional Scaling. The use of MDS was an effort to develop the field further, since in their review, Chandler and Lyon (2001) pointed out that scholars increasingly tend to employ sophisticated methodology in entrepreneurship research, however, only 20% of the 416 articles reviewed used no statistical analysis beyond simple descriptive statistics. Arriving to similar conclusion, Oviatt & McDougall (2005:540) argued that entrepreneurship research calls for the application of state-of-the-art statistical techniques.

Implications

We believe that our study improves theoretical understanding and empirical generalization of entrepreneurial management with three important insights. First, it provides an empirical testing of opportunity-based entrepreneurship. Second, findings have implication for practitioners by highlighting what distinguish the work of entrepreneurial management, why those relationships exist, and what they imply. Third, the analysis of constructs is made in a comprehensive and methodologically grounded manner upon a European database.

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