

DEFINING ENTREPRENEURSHIP

by J. Barton Cunningham and Joe Lischeron

We continue to know very little about entrepreneurs, even though there is much interest and many publications on the subject. Much of the material is fragmented and highly controversial. For example, self-employed individuals and business proprietors may be surprised to learn that some academics and researchers would suggest they are not really "entrepreneurs" but "small business owners." Indeed, many people who have long perceived themselves to be successful entrepreneurs would not fit some of the definitions which are now being proposed.

Selection of the appropriate basis for defining and understanding the entrepreneurial person creates a challenging problem for academic researchers and writers. The field of research has been described as young, at a formative stage, and still in its infancy (Paulin et al. 1982, Perryman 1982, Peterson and Horvath 1982, Sexton 1982). There is generally no accepted definition or model of what the entrepreneur is or does (Churchill and Lewis 1986). In the past decade, a number of trends have emerged which distinguish between individual entrepreneurship and corporate entrepreneurship (Wortman

1987), and entrepreneurs and small business owners (Carland et al. 1984). The literature abounds with criteria ranging from creativity and innovation to personal traits such as appearance and style. Models of the entrepreneurial leader are almost as plentiful as the number of authors who write about them.

A large literature has developed ranging from academic studies to prescriptive blueprints for setting up new ventures. The term "entrepreneur" has often been applied to the founder of a new business, or a person "who started a new business where there was none before" (Gartner 1985). In this view, anyone who inherits (Henry Ford II), or buys an existing enterprise (George Steinbrenner's purchase of the Yankees), or manages a turnaround as an employee (Lee Iacocca) is by definition not an entrepreneur. Others reserve the term to apply only to the creative activity of the innovator (Schumpeter 1934). With this last definition, the majority of those pursuing entrepreneurial and business activities would be excluded. Yet, others refer to the identification and exploitation of an opportunity as entrepreneurial (Peterson 1985). Those who develop a niche in the market or develop a strategy to satisfy some need are also, by some, called entrepreneurs (Garfield 1986).

There exist a number of schools of thought which view the notion of entrepreneurship from fundamentally

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different perspectives. The term has been used to define a wide range of activities such as creation, founding, adapting, and managing a venture. No single discipline provides the tools for managing an entrepreneurial venture (Stevenson 1988). With such a variation in viewpoints, it is not surprising that a consensus has not been reached about what entrepreneurship is.

This article describes six schools of thought and attempts to show how they may be useful for understanding the entrepreneurial process. These schools offer unique viewpoints to illustrate what the entrepreneur does and what functions and processes are key.

SCHOOLS OF THOUGHT ON ENTREPRENEURSHIP

Although an agreed-upon definition may serve to unite the field, research activity seems to fall within six schools of thought, each with its own underlying set of beliefs. Each of these schools can be categorized according to its interest in studying personal characteristics, opportunities, management, or the need for adapting an existing venture.

Assessing Personal Qualities

1. The "Great Person" School of Entrepreneurship
2. The Psychological Characteristics School of Entrepreneurship

Recognizing Opportunities

3. The Classical School of Entrepreneurship

Acting and Managing

4. The Management School of Entrepreneurship
5. The Leadership School of Entrepreneurship

Reassessing and Adapting

6. The Intrapreneurship School of Entrepreneurship

Different entrepreneurial situations of start-up, growth, and maturity of a venture may require different behaviors

or skills. The behaviors and skills of different schools of thought are presented in table 1 and described in the following paragraphs.

The "Great Person"

School of Entrepreneurship

Are entrepreneurs (like leaders) born, or are they made? Can one teach another or learn to be a manager, leader, or entrepreneur, or does the individual come into this world carrying the genes or the inborn natural capacity to perform these activities? As there is (or was) a school that believes in the charismatic leader, so there is (or was) a school that might be called the "great person" school of entrepreneurship.

Newspaper columnists of the day provide snippets of current "great people" ranging from the Fords or the Kennedys to a Lee Iacocca, an Enzo Ferrari, a Rockefeller, a Trump, or a Bronfman. Television stories depict fictional characters and biographies of this genre. Writers of magazines such as *Fortune* and *Business Week* offer documentaries, not on the daily lives of the hard-working, persevering entrepreneur, but on the exceptional flashy story of the successful "great people."

The picture presented is usually one of power, success, and wealth, the image of our business elite. To be inspirational, these individuals must be able to present ideas, concepts, and beliefs that others find interesting, intriguing, or stimulating. This suggests that they are endowed with certain traits or qualities that differentiate them from others (Garfield 1986, Hughes 1986, Silver 1985).

Biographies frequently identify the intuitive ability of the "great people" to recognize an opportunity and make the appropriate decision. They imply that, without this "inborn" faculty for intuition, the individual would be like the rest of us mortals who lack the instinct

Table 1
SUMMARY OF APPROACHES FOR DESCRIBING ENTREPRENEURSHIP

Entrepreneurial Model	Central Focus or Purpose	Assumption	Behaviors and Skills	Situation
"Great Person" School	The entrepreneur has an intuitive ability—a sixth sense—and traits and instincts he/she is born with.	Without this "inborn" intuition, the individual would be like the rest of us mortals who "lack what it takes."	Intuition, vigor, energy, persistence, and self-esteem.	Start-up
Psychological Characteristics School	Entrepreneurs have unique values, attitudes, and needs which drive them.	People behave in accordance with their values; behavior results from attempts to satisfy needs.	Personal values, risk taking, need for achievement, and others.	Start-up
Classical School	The central characteristic of entrepreneurial behavior is innovation.	The critical aspect of entrepreneurship is in the process of doing rather than owning.	Innovation, creativity, and discovery.	Start-up and early growth
Management School	Entrepreneurs are organizers of an economic venture; they are people who organize, own, manage, and assume the risk.	Entrepreneurs can be developed or trained in the technical functions of management.	Production planning, people organizing, capitalization, and budgeting.	Early growth and maturity
Leadership School	Entrepreneurs are leaders of people; they have the ability to adapt their style to the needs of people.	An entrepreneur cannot accomplish his/her goals alone, but depends on others.	Motivating, directing, and leading.	Early growth and maturity
Intrapreneurship School	Entrepreneurial skills can be useful in complex organizations; intrapreneurship is the development of independent units to create, market, and expand services.	Organizations need to adapt to survive; entrepreneurial activity leads to organizational building and entrepreneurs becoming managers.	Alertness to opportunities, maximizing decisions.	Maturity and change

that an Estee Lauder has for which fragrances will sell and which will not. The editors of *MAD Magazine* reported that they respond more to their instinct, feel, and intuition while other magazine editors respond to market forecasts and analyses. Iacocca described this as a feel for the problem and a decisive ability to make decisions when others are still looking for facts (Iacocca 1984).

The successful entrepreneur is also described as having strong drives for independence and success, with high levels of vigor, persistence, and self-esteem. This individual has, if nothing else, an exceptional belief in himself (herself) and his (her) abilities. The individual "is what he/she is" and significant change may not be possible (Roscoe 1973). Attention is paid to such traits as energy, perseverance, vision, and single-mindedness, or such abilities as being inspirational or motivational. Other traits frequently mentioned include physical attractiveness (including height, weight, and physique), popularity and sociability, intelligence, knowledge, judgment and fluency of speech; also tact, diplomacy, and decisiveness.

Which of these traits is most important? Are some important all of the time, or are all of them important some of the time? There is little evidence to suggest that certain traits are associated with successful entrepreneurs. Early leadership research, attempting to describe the "great people" by identifying inborn traits, came to a similar conclusion. Researchers did, however, conclude that traits will not totally describe the elements of leadership and that many situational elements influence who will be a successful leader and who will not (Yukl 1981).

The stories of many "great people" are widely read for several reasons: (1) the theory is simple and does not

depend upon elaborate concepts and jargonistic definitions; (2) the theory defines an entrepreneur by the concepts and traits most valued; and (3) the theory is commonly understood by others and contains common sense truths about people.

The Psychological Characteristics School of Entrepreneurship

It is widely thought that one's needs, drives, attitudes, beliefs, and values are primary determinants of behavior (i.e., what one does). People behave in accordance with their values far more often than not, despite variations in situations. Similarly, one's behavior results from attempts to satisfy needs, be they for power, recognition, achievement, or acceptance and love.

This psychological school, which focuses on personality factors, believes that entrepreneurs have unique values and attitudes toward work and life. These, along with certain dominant needs, propel the individual to behave in certain ways. Entrepreneurs can be differentiated from non-entrepreneurs by personality characteristics.

People who possess the same characteristics as entrepreneurs do, will have a higher tendency (or potential) to perform entrepreneurial acts, than do people who do not possess such characteristics (Lachman 1980).

Three personality characteristics have received considerable attention in the research: (1) the personal values such as honesty, duty, responsibility, and ethical behavior; (2) risk-taking propensity; and (3) the need for achievement.

Personal value system. Is it merely socially desirable for entrepreneurs to be honest and upright, have a sense of responsibility and duty to other people, be ethical, incorruptible, scrupulous, dependable, and conscientious? Are these values necessary for success? There are numerous portrayals—both

fictional and real-life—which present the entrepreneurs as unethical, unscrupulous, dishonest, and totally self-oriented. However, studies of entrepreneurs indicate that many are highly ethical and socially responsible, compared to the general population (Cunningham and Lischeron, forthcoming).

This school generally believes that entrepreneurs cannot be developed or trained in classroom situations. Much of the entrepreneur's ability relates to a personality or style of behavior which develops over time, primarily through relationships with parents and teachers early in life. Values and ideals, fostered in one's family, school, church, community, and even culture, stay with the individual and guide him or her for a lifetime. These values are learned and internalized, and reflect the process of socialization into a culture. Personal values are basic to the way an individual behaves and will be expressed regardless of the situation.

Risk-taking propensity. John Stuart Mill, in introducing the term "entrepreneurship" to the field of economics, suggested that risk-bearing is the key factor in distinguishing entrepreneurs from managers (Mill 1984). Some writers suggest that the entrepreneurial function primarily involves risk measurement and risk-taking (Palmer 1971). The risks involve not only financial success, but career opportunities, family relations, and psychic well-being (Liles 1974, Sarachek 1978). Schumpeter (1934) disagreed, avowing that risk-taking is inherent in ownership and that entrepreneurs, the combiners, are not necessarily owners. Nevertheless, three recent dictionary definitions of entrepreneurship (*Random House* 1967, *Webster's* 1966, *Funk and Wagnalls* 1968) all include the notion of assuming the risk of business.

As this school defines it, risk-taking is not a desire to try one's gambling

skills in Las Vegas. Instead, entrepreneurs prefer to take moderate risks in situations where they have some degree of control or skill in realizing a profit. They do not prefer situations which involve either extremes of risk or certainty (McClelland 1961, McClelland and Winter 1969).

Much of the entrepreneurial literature has included risk taking as a major characteristic of the entrepreneur. Practicing entrepreneurs and business managers have also felt it to be important. The current chairman of the Ford Motor Company provided the following statement on risk-taking in entrepreneurship:

We are allowing our managers to act more like entrepreneurs, like the owners of their own business—to let them know there are rewards for sensible risk-taking. When I say "risk-taking," I'm not talking about "seat-of-the-pants" adventurism. I'm not talking about a Las Vegas roll of the dice. I'm talking about a seasoned judgement that allows decisions to be made in a timely way—judgement that doesn't require every issue to be studied to the point of exhaustion (Gordon 1985).

Some writers (the Classical School) pointedly distinguish entrepreneurial activity from management activity by insisting that one is no longer an entrepreneur once the innovative/creative activity is completed. Yet, as early as the late seventeenth century, Cantillon described the entrepreneur as a rational decision-maker "who assumed the risk and provided the management of the firm" (Kilby 1971).

Need for Achievement. Industriousness and the need for achievement are specific values broadly held by many individuals in certain cultures. The individual who has learned the value of industriousness in the process of growing up is most likely to have a high need to work hard and achieve something meaningful. Weber's classic text on *The Protestant Ethic and the*

Theory of Capitalism concluded that some cultures achieve more than others because of the values of their people. The development of capitalism and entrepreneurial drive are largely due to the cultural values which are dominant in certain countries. Protestant values encourage the need for achievement since a person's life is to be judged by his or her accomplishments (Hagen 1962; McClelland 1961; McClelland and Winter 1969; McClelland, Atkinson, Clark, and Lowell 1976; Weber 1905, 1958).

The belief that entrepreneurs might have a distinctly higher need for achievement is widely held (McClelland 1965). However, the need for achievement, isolated from other variables, may be a weak predictor of an individual's tendency to start a business (Hull, Bosley, and Udell 1980). Having such a need and finding oneself blocked and frustrated by the bureaucracy of large organizations provides the conditions, according to this school, to propel the individual into an entrepreneurial venture.

In summary, the psychological school of entrepreneurship believes that certain individual values and needs are the necessary preconditions for entrepreneurship. Since these values are learned early in life and are well-established prior to adulthood, entrepreneurial characteristics are hard to inculcate in universities and schools. Characteristics which have received a great deal of attention include: need for achievement, locus of control, risk-taking, tolerance of ambiguity, and type A behavior (Begley and Boyd 1987; Brockhaus, Sr. and Horwitz 1986).

The Classical School of Entrepreneurship

An examination of the etiology of the term "entrepreneur" provides insight into the classical viewpoint which dis-

tinguishes between a "manager" and an "entrepreneur." The word derives from the French verb "entreprendre," meaning "to undertake" and was translated from the German verb "unternehmen" which also means "to undertake." In the early sixteenth century, entrepreneurs were thought of as Frenchmen who undertook to lead military expeditions. The term was broadened by 1700 to include contractors who undertook to build for the military: roads, bridges, harbors, fortifications, and the like. At that time, French economists also used the word to describe people who bore risk and uncertainty in order to make innovations (de Farcy 1973, Berthold 1951). These definitions encompass the notion of undertaking (or founding) a venture (or adventure) which has an element of risk and requires some creativity or innovativeness.

One might argue that the dilution of the term, and hence today's confusion, began around the turn of the century. In 1885, the *Oxford University Dictionary* used the term to describe "the director or manager of a public musical institution: one who gets up entertainments A contractor acting as intermediary between capital and labour." This definition reinforces the notion of innovation and organization of talent or people, but excludes the element of risk by an owner (i.e., a public institution is not owned by a single individual). Hence, the critical aspect of entrepreneurship appears to be the process of "doing" rather than "owning" a venture or business (Hebert and Link 1982).

Indeed, according to Schumpeter (1934), the key ingredient of entrepreneurship lies in the innovativeness of the individual and may not involve ownership at all. If the principal function of the entrepreneur is to carry out new combinations of means of pro-

duction, then, these "combiners" need not necessarily be owners.

Innovation, creativity, or discovery are the key factors underlying the classical body of thought and research. Entrepreneurship, in this view, refers to the process of creating an opportunity or, as a current writer suggests, "the opportunity-seeking style of management that sparks innovation" (Peterson 1985). As an entrepreneur explains it, "You have to be a creative dreamer, be able to visualize where you will be in x years from now" (Peterson 1985).

Frequently, creativity is associated with fervent individualism or independence bordering on nonconformity. It is sometimes perceived as antisocial behavior having an impact on established ways of thinking or behaving. The discoveries of Galileo, Newton, and Darwin, for instance, initially encountered more resistance than enthusiastic support.

Because every creative act overpasses the established order in some way and in some degree, it is likely at first to appear eccentric to most men. An inventor ordinarily must begin in isolation and draw the group to himself only as it is discovered, sometimes very slowly, that he has invented some part of what they are in need of (Ghiselin 1952).

Many innovative people, in describing their creative process, have emphasized its subjectivity and individualistic nature. The innovator is often motivated to satisfy personal needs, and sometimes has little regard for the interests of society or organizations. There is little concern for the reactions of others, as a statement from Picasso suggests:

How would you have a spectator live my picture as I have lived it? A picture comes to me from far off, I divined it, I saw it, I made it, and yet next day I myself don't see what I have done. How can one penetrate my dreams, my instincts, my

desires, my thoughts, which have taken a long time to elaborate themselves and bring themselves to the light, above all seize in them what I have brought about, perhaps, against my will? (Zervos 1952).

A more current example of creative and innovative behavior can be seen in the story of Apple Computer. Steve Jobs, one of the co-founders, is characterized as an innovative, energetic individual who was able to excite others and stimulate their creativity in order to launch what is essentially a new industry. One wonders if Schumpeter would have predicted Jobs' demise once the venture was up and running. The same energy which drives an entrepreneur might sow the seeds for the destruction of effective management and administration, if the case of Steve Jobs is a representative example.

The Management School of Entrepreneurship

As in most fields of organizational study, entrepreneurship draws heavily from management theory. The initial definitions of management gained acceptance because they seemed intuitively logical and were thus acceptable. These definitions, many of which might parallel the initial tradition of Henri Fayol, suggest that managers perform a number of functions such as planning, organizing, staffing, budgeting, coordinating, and controlling (Fayol 1916, 1950; Follett 1942; Gulick 1937; Mooney and Reiley 1931; Taylor 1911; Urwick 1933).

The management school suggests that an entrepreneur is "a person who organizes or manages a business undertaking, assuming the risk for the sake of profit" (Webster's 1966). John Stuart Mill, in describing the entrepreneur, noted that in addition to risk-taking, the functions of an entrepreneur include supervision, control, and providing direction to a firm (Mill 1984).

Some of the textbooks on entrepreneurship deal with functions which

relate to start-up: strategizing, developing the business plan, getting started, and managing development and growth (Good 1989, Kao 1989). Other writers define the transition of moving from entrepreneurial to professional management as a strategy of coordination which includes the manner in which responsibilities are delegated and the degree of formality with which those tasks are controlled (Roberts 1987). Certain functions might include developing formal business plans, analyzing opportunities, acquiring resources, and working toward goals (Bird 1988). Many university and college courses offered to entrepreneurs use the material gleaned from textbooks written for managers of large organizations. There may not be substantial differences between entrepreneurial marketing and other marketing courses, or between venture capital and other finance courses, or at least not enough to warrant separate courses (Vesper 1985).

This management school deals with the technical aspects of management and seems to be based on the belief that entrepreneurs can be developed or trained in the classroom. Since many entrepreneurial ventures fail each year, a significant proportion of these failures might be traced to poor managing and decision making, as well as to financing and marketing weaknesses. According to this school, entrepreneurship is a series of learned activities which focus on the central functions of managing a firm. The management school is directed at improving a person's management capability through developing his or her rational, analytic, and cause-and-effect orientation. Since, according to this school, entrepreneurship can be taught, a central aim is to identify the specific functions involved and provide training to existing and hopeful entrepreneurs. Courses such as new venture marketing and new ven-

ture finance are quite appropriate (Boberg 1988). Training in these management functions can, it is hoped, help reduce the number of business failures.

The Leadership School of Entrepreneurship

An entrepreneur is often a leader who relies on people to accomplish purposes and objectives. The leadership school of entrepreneurship is a non-technical side of the management school, which suggests that entrepreneurs need to be skilled in appealing to others to "join the cause." A successful entrepreneur must also be a "people manager" or an effective leader/mentor who plays a major role in motivating, directing, and leading people. "Thus, the entrepreneur must be a leader, able to define a vision of what is possible, and attract people to rally around that vision and transform it into reality" (Kao 1989).

There are two "streams" of writings concerning entrepreneurial leadership. The first stream of development has been grouped within the "great person" school, and describes the writings which suggest that certain traits and personal characteristics are important for success. The "great person" school follows early leadership research which suggests that traits such as adaptability to situations, cooperativeness, energy, and willingness to take responsibility are important aspects of success (Stogdill and Suttell 1948, Stogdill 1974, Bass 1981).

The most pervasive stream of the leadership school is concerned with how a leader gets tasks accomplished and responds to the needs of people (Hemphill 1959). Two dimensions are important for the management of an enterprise—a concern for getting the task accomplished and a concern for the people doing the work. These two dimensions grow out of previous re-

search which tried to describe the essential aspects of leadership (Hemphill 1959).

More recently, there have been suggestions that leaders should adjust their leadership style based on the situations facing them (Fiedler 1966). Entrepreneurial leadership involves more than personal traits or style in relating to others. The role can be a focal point for change and inculcating values, and it can involve the skills of setting clear goals and creating opportunities. These include the skills of empowering people, preserving organizational intimacy, and developing a human resource system (Kao 1989). This school describes a leader as the "social architect" (Bennis and Nanus 1985), or as one that is "primarily an expert in the promotion and protection of values" (Peters and Waterman, Jr. 1982). These values might be like those of IBM's Watson, who emphasized "respect for the individual," and Tiffany's Walter Hoving, who suggested that we should "be true to our own aesthetic."

Certain writers make the distinction between leading and exerting managerial control over people. The entrepreneur is embedded in a complex social network that can inhibit or enhance venture development. The network can provide ideas, access to needed resources, the commitment and assistance to carry out a task, and the skills of involved employees. It has been proposed that more effective leaders are those who can create a vision, develop commitment to that vision, and institutionalize it (Bennis and Nanus 1985).

This school implies that leaders must be effective in developing and mentoring people (Levinson et al. 1978). The leader is an experienced mentor by whom the protege is taught the "critical trade secrets." Because of the importance of the mentoring process, the

entrepreneur is more than a manager, but also a leader of people (Carstedt et al. 1986).

The Intrapreneurship School of Entrepreneurship

The intrapreneurship school evolved in response to the lack of innovativeness and competitiveness within organizations. Intrapreneurs, to the limited extent that they possess discretionary freedom of action, are able to act as entrepreneurs and implement their ideas without themselves becoming owners. Alertness to opportunities is one dimension of intrapreneurial activity. Such strategic behavior provides the means for extending the organization's activities and discovering opportunities (Ellis and Taylor 1987). This allows existing organizations to develop and diversify their activities in other areas (Burgelman 1983). Intrapreneurship involves the development of independent units designed to create, market, and expand innovative services, technologies, or methods within the organization (Nielsen et al. 1985).

Some question arises as to why the intrapreneurship school should be considered a school of entrepreneurship. Entrepreneurial and administered (bureaucratic) activity have long been considered as polar opposites, although Schumpeter noted that successful entrepreneurial activity often leads to organization building and to entrepreneurs becoming managers (Schumpeter 1934).

The intrapreneurial school generally assumes that innovation can be achieved in existing organizations by encouraging people to work as entrepreneurs in semi-autonomous units. However, there are indications that large corporations have been unsuccessful in creating intrapreneurs or an entrepreneurial climate. Many managers involved in intrapreneurial ven-

tures often leave the company, sometimes in frustration, to start their own entrepreneurial venture (Knight 1988). Their departure may indicate that entrepreneurial forces might be at odds with normal managerial activity, or that conventional organizations have not been able to use the intrapreneurship model to their best advantage. The success of the intrapreneurial model seems to depend on the abilities of operational level participants to exploit entrepreneurial opportunities. It also depends on whether or not managers in the overall corporate structure see the need to exploit these opportunities.

The intrapreneurial school does not just provide a model for encouraging bureaucratic creativity. As a school, it is not merely an attempt to give freedom to a group of people so that they can be entrepreneurial. It also requires individuals to work with others in teams, much more than entrepreneurs do. When individuals work together in groups, they are better able to recognize the importance of political needs and understand how to implement their ideas. In this sense, intrapreneurship is a "team" model whereby individuals are asked to work together in solving problems and creating opportunities. Building a balanced "team" (Echert et al. 1987) requires the ability to use people effectively in groups, where tasks require different input from team members. For some tasks, intrapreneurial activities may require the input of professionals, while in others the support and assistance of operational workers may be needed.

Intrapreneurial activities can focus on strategic redirection, organizational duplication, product development, and operational efficiency, as illustrated in figure 1. Strategic intrapreneurship may require the involvement of key professionals and managers who have an understanding of market conditions. The goal is to develop new markets by

adding to the existing corporate facilities. Organizational intrapreneurship may require the commitment of a cross section of people as they take responsibility for duplicating the organization's tasks in other regions or divisions. Product intrapreneurship might involve people who are familiar with product development and market conditions. The goal is to develop new products by capitalizing on existing corporate facilities. Operational strategies focus on improving the quality and efficiency of the services offered.

SELECTING AN APPROPRIATE ENTREPRENEURIAL MODEL

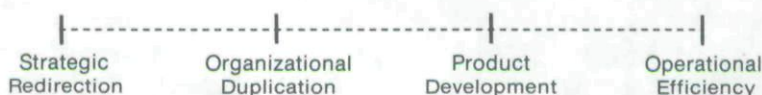
There is a need to reconcile these various schools of entrepreneurship by recognizing the importance of all of them. Each school provides different insights about the many facets of entrepreneurial behavior (Woo et al. 1988) (see table 2).

One facet of entrepreneurial behavior has been described by personal qualities or values while another indicates that anticipating the future and finding and recognizing opportunities are key attributes. A third facet suggests that the success of an entrepreneur might be improved by technical and non-technical managerial skills. A fourth facet recognizes the need to change the direction of a venture.

Each of the models is based on certain assumptions about behavior. Each set of criteria, including past events, perceptions, traits, or personal principles and characteristics, provides different types of insight. For example, success in the future might be better understood by understanding the past history and principles of successful entrepreneurs. Success might be explained by understanding entrepreneurs' ways of managing people or knowing how they set out plans and management procedures.

Trying to suggest that one school of thought or set of criteria is more

Figure 1
FOCUS ON INTRAPRENEURIAL ACTIVITIES



important than another is like trying to say that one religion is more godly than another. The definitions and criteria of each school in table 2 are based on their own traditions and have their own assumptions and implications for research, training, and education. Definitions of entrepreneurship vary widely and involve creating, finding opportunities, managing, controlling, and changing. They are based on criteria ranging from decision making, creativity, technical expertise/knowledge, experiences, and values to the way in which entrepreneurs lead and develop groups of employees to work for them.

The criteria of each school provide an example of the type of research and training emphasized by that school. The classical school emphasizes criteria such as creativity and decision making and focuses on seeing opportunities and getting the venture started. The histories, principles, and life stories of successful people offer valuable examples and may, in some cases, provide valuable personal guidance. The research and training provided by the psychological school suggests that certain values and behaviors are important, such as risk-taking, the need for achievement, and others. The technical knowledge of the management school provides tools for managing, ranging from planning to accounting; the leadership school offers suggestions for leading and motivating people. Finally, the intrapreneurship school encourages entrepreneurial activity within established organiza-

tions and emphasizes the development of teams for creative problem solving.

These schools of entrepreneurship address a range of entrepreneurial perspectives such as evaluating one's personal values, identifying opportunities, planning and acting, and reassessing. Figure 2 suggests that entrepreneurship might be viewed as a reiterative process and that each of the schools might provide insights into different aspects of the phenomenon.

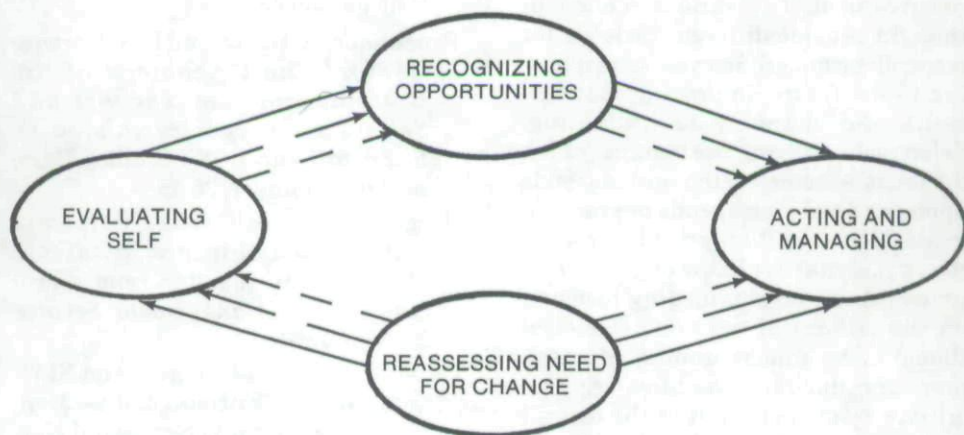
The psychological and great person schools might be very helpful in a personal assessment of one's entrepreneurial values and a questioning of which values are most useful for success. This should not imply that there is a need to search for personal psychological "laws" of entrepreneurial effectiveness. Conceivably, one can learn a great deal about oneself by understanding one's values and drives, in addition to those that describe successful entrepreneurs. Rather, what are one's values, behaviors, and attitudes toward work? How do they compare with those held by successful entrepreneurs? Judging from this comparison, what are one's strengths and weaknesses?

Other schools provide important insights about the process of recognizing and creating an opportunity. The classical school has described the process for identifying opportunities and taking action. The management and leadership schools might be very helpful for understanding the range of technical and interpersonal skills necessary for making an operation

Table 2
SUMMARY OF DEFINITIONS AND CRITERIA OF EACH ENTREPRENEURIAL SCHOOL

Entrepreneurial Model	Definition	Measures	Questions
"Great Person"	"Extraordinary Achievers"	Personal principles Personal histories Experiences	What principles do you have? What are your achievements?
Psychological Characteristics	Founder Control over the means of production	Locus of control Tolerance of ambiguity Need for achievement	What are your values?
Classical	People who make innovations bearing risk and uncertainty "Creative destruction"	Decision making Abilities to see opportunities Creativity	What are the opportunities? What was your vision? How did you respond?
Management	Creating value through the recognition of business opportunity, the manage- ment of risk taking . . . through the communi- cative and management skills to mobilize . . .	Expertise Technical knowledge Technical plans	What are your plans? What are your capabilities? What are your credentials?
Leadership	"Social architect" Promotion and protection of values	Attitudes, style Management of people	How do you manage people?
Intrapreneurship	Those who pull together to promote innovation	Decision making	How do you change and adapt?

Figure 2
THE ENTREPRENEURIAL PROCESS



efficient and for motivating people. These skills involve technical tasks such as planning and financing and the human relations know-how necessary for dealing with employees.

Every entrepreneurial venture, at some stage, must question its present operation and future direction. In this regard, the intrapreneurship school can assist in redirecting present operations.

The foregoing conception of the entrepreneurial process does not attempt to mix the assumptions and philosophies of the different schools. Rather, entrepreneurship is seen as a reiterative process of personal evaluating, planning, acting, and reassessing which encourages people to take on responsibility for creation and innovation. This process involves creating the idea, assessing one's personal abilities, and taking actions now and in the future. It assumes that entrepreneurs have the responsibility for the venture, or share some of the risks and rewards of it.

CONCLUSION

This article has presented six different schools of thought important in describing entrepreneurial activity. It

has sought to avoid the debate over which school or set of criteria is most useful. The judgment concerning each model's appropriateness depends upon the researcher's assessment of its facility for explaining and improving certain aspects of the entrepreneurial process. The selection of an entrepreneurial model depends on the information the researcher or educator wishes to emphasize in focusing on different aspects of the entrepreneurial process.

The psychological and great person schools might be helpful in a personal assessment of an entrepreneur's values, while the classical school might provide insights about the process of creating an opportunity. The management and leadership schools might be helpful for understanding the range of technical and interpersonal skills necessary for making an operation efficient and for motivating people. The intrapreneurship school might assist in redirecting the present operations.

The entrepreneurial process is reiterative and emphasizes personal evaluating, planning, acting, and reassess-

ing. It assumes people have the responsibility for the venture, or that they assume some of the risk and rewards of it. The various schools of thought provide different insights for recognizing underlying values, responding to the future, improving management, and changing and adapting. Selectively utilizing the insights of the different schools of thought depends upon one's research agenda or practical goals. However, it may not be prudent to suggest that our knowledge of entrepreneurs can be obtained by focusing on the criteria of only one school of thought. An understanding of entrepreneurs and their ventures requires criteria from each facet of the overall process: entrepreneurs' personal perspective, their ways of identifying opportunities, their methods of acting and managing, and their mechanisms for adapting and reassessing.

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