Entrepreneurial Drivers and Entrepreneurial Abilities: A Conceptual and Integrative Framework

Jyotsna Mukherji, Texas A&M International University
Ananda Mukherji, Texas A&M International University

EXECUTIVE SUMMARY

Entrepreneurship research has been undertaken from three different perspectives. The first view is the "what" question from an economics perspective. We do not address the economics view in our research. The second and third views, the "why" and the "how" of entrepreneurship, have been of great interest to researchers, but they have invariably been addressed in isolation. The two streams, in spite of the obvious interrelationship, have been researched separately from each other for the most part. Our principal contribution in writing this paper is to integrate these two streams. There is little prior research that has combined the why and the how of entrepreneurship. We present a model in two parts. The first part looks at entrepreneurial drivers (the why question) and the second part looks at entrepreneurial abilities (the how question), and the impact of both of these on performance. Entrepreneurial drivers constitute the necessary condition of entrepreneurship. However, merely possessing the necessary condition is not a guarantee for eventual success. Entrepreneurial abilities constitute the sufficient condition of entrepreneurship. Again, the mere possession of the sufficient condition, managerial competence, is not a guarantee for eventual success. In order to be a successful entrepreneur, a person needs to have both the necessary condition and the sufficient condition. The drive to become an entrepreneur combined with the ability to be managerially competent, in terms of understanding the business and being able to run it effectively is, we believe, a key to success.

Keywords: Entrepreneurship, Entrepreneurial drivers, Entrepreneurial abilities, Integrative framework

INTRODUCTION

Research on entrepreneurs and entrepreneurship has been of great interest to scholars and researchers. It is well known that entrepreneurs play a central role in the growth of the economy, innovation, and the creation of jobs. New ventures and their entrepreneurs are the primary movers in modern economic development (Schumpeter, 1934). They foster technological innovations of industries (Tushman & Anderson, 1986), create new jobs, and generate new wealth for society (Kao, 1995). It is widely accepted that "entrepreneurship carried on in the pursuit of business opportunities spurs business expansion, technological progress, and value creation" (Lumpkin & Dess, 1996, p. 135). Before we proceed further with this paper, we would like to make one important clarification, and that is to highlight the difference between entrepreneurs and entrepreneurial employees. This is an important distinction that is either glossed over by researchers or deliberately conflated to make the two appear similar. Schumpeter (1934) makes this important distinction between entrepreneurship as a function and the entrepreneur as a person. While an entrepreneur can be anyone who creates an innovation – an independent businessperson, an employee or manager of a firm, and so on (Hult, Snow, & Kandemir, 2003, p. 403), we emphasize that bearing risk is central to our definition. While this is not to diminish the role of employees who are entrepreneurial but clearly bear relatively little or no risk, our focus is the entrepreneur who bears risk if the venture were to fail. It is not uncommon for academic articles to start with the concept of entrepreneurs and then include employees of organizations who exhibit entrepreneurial abilities. The distinction between entrepreneurs who assume both risk and reward and paid employees who do not assume risk is an important one and for scholars to conflate the two adds more confusion than clarity. Both categories of people, entrepreneurs (who bear risk) and paid employees (who are entrepreneurial but do not necessarily bear risk) should be studied separately otherwise we may end up being unable to separate principals from agents. It is worthwhile to remember that entrepreneurs are principals who assume risk and entrepreneurial employees are agents who