Towards an Integrated Theory of Entrepreneurship

C. Benjamin\textsuperscript{a} and N. Béchervaise\textsuperscript{b}

\textsuperscript{a}Life Be In It International, 15/461 Bourke Street, 3000 Melbourne, Australia
\textsuperscript{b}The Open Polytechnic of New Zealand, Box 218, 3122 Hawthorn, New Zealand
colbenj@lifebeinit.org

Principal Topic
Previous research into entrepreneurship offers stepping-stones for managers who are ready, able and willing to discover, explore and evaluate opportunity. This paper argues that many of the approaches have been oversimplified in pursuit of singular and frequently systems-driven approaches. The paper proposes entrepreneurship as a complex set of strategic decisions enabling increased decision-making freedom at individual and organisational levels.

In developing the central thesis of the paper, it is proposed that innovative, creative and entrepreneurial decision-makers inevitably offer their organisation the potential to become more flexible, adaptive and responsible as it identifies and seeks to exploit emerging opportunities.

Methodology/Key Propositions
Existing theories of entrepreneurship readily support several underlying patterns of strategic thinking. These variations enable consideration of the constructs of ‘entrepreneur’, ‘entrepreneurship’ and ‘entrepreneurism’. In pursuit of an integrated theory of responsible entrepreneurship, the study informing this paper adopted entrepreneurial behaviour patterns as the unit of study to examine variations in entrepreneurship literature and applied these to the practices reported in nine case profiles involving small-business owners, national and trans-national organizations and individually initiated family-developed corporations with global reach.

In challenging the individualist orientation of Shane’s (2003) individual-opportunity nexus and the lack of accountability proposed by Stevenson and Jarillo (1989) who would “pursue opportunities without regard to the resources they currently control”, this paper presents an integrated definition of entrepreneurship. The definition is supported with five propositions and instruments designed to quantify key dimensions substantiating the operational approach taken to developing this integrated theory of entrepreneurship at individual, organisational and societal levels. Proposition 1: All persons demonstrate a variable capacity for innovative, creative and entrepreneurial (ICE) behaviours and seek to improve their level of wellbeing and standard of living Proposition 2: Decisions to acquire and organise resources to exploit an opportunity reflect variable levels of flexibility, adaptiveness and responsibleness (FAR) of people and organisations to ‘creatively destroy’ predictable equilibrium outcomes in order to discover, explore and exploit unpredictable opportunities to improve their standard of living and/or level of satisfaction with life as a whole. Proposition 3. Individuals have different levels of readiness, ability and willingness (raW) to discover, explore, evaluate and exploit opportunities. From these levels, they tend to arrive at points of equilibrium that balance the resources they have with an outcome that satisfies their level of satisfaction with life. Proposition 4. Entrepreneurship requires an independent belief system that enables an individual to break away from the status quo in undertaking the strategic thinking required to find a Nash equilibrium outcome that exceeds the Pareto optimal outcome from the discovery, exploration and exploitation of their identified opportunity. Proposition 5. Entrepreneurship as the production of a new sustainable and viable market space is a function that can be expressed as \( f(ICE, FAR, raW) \) where ICE represents the dimension of Innovation, Creativity and Entrepreneurism, FAR represents the dimension of Flexibility, Adaptiveness and Responsibleness and raW represents the dimension of readiness, ability and Willingness to evolve and maintain new market spaces while promoting the wwealth of both individuals and society. *The term ‘wwealth’ is introduced to incorporate a key additional but essential element of entrepreneurship, the potential of an opportunity to improve the standard of living and life satisfaction of both the individual and society by adding value to the health and wealth of both interests.
Results and Implications

Based on a review of nine case studies, this paper introduces a series of conceptual models of the relationship between three key variables as set out in a revised definition of the essence of responsible entrepreneurship as the creation of a new market space under conditions of Pareto Optimality with Nash Equilibria incorporating:
(i) readiness, ability and willingness to focus on uncertainty and turbulence
(ii) flexibility, adaptiveness and responsibleness of key agents
(iii) innovation, creativity and entrepreneurism as drivers of change

In conclusion, this paper provides evidence to support the potential of the following formula to quantify the complex which represents effective entrepreneurship at local, trans-national and global levels for both individual and organisational entrepreneurs:

\[ \tau = f(ICE + FAR - raW^*) \]

where \( \tau \) = Entrepreneurship
I = innovation
F = flexibility
r = readiness
C = creativity
A = adaptiveness
a = ability
E = entrepreneurism
R = responsibleness
W = willingness

Contact

Neil Béchervaise. The Open Polytechnic of New Zealand, Box 218, 3122 Hawthorn, New Zealand.
(T) +644 569 4300, (F) , Email: neil@bechervaise.com