

# Designing the role of the entrepreneur – using a norm constructionist approach at the interface of research, learning and innovation

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## Abstract

This paper deals with the role of the entrepreneur. The focus is on the constructive interaction between university training, research and commercial practice. We will analyze how education and research in entrepreneurship are elements in a structural design process – a process where we internalize and externalize the conceptual existence of commercial reality. Through this analysis we will show how a theoretical understanding of structures, institutions, intellectual capital etc., as phenomena that do not exist in themselves, are necessary in order to acknowledge the “reality constructive” dimension in entrepreneurship as well as in research and university training. An improved understanding of what is descriptive versus normative will open the boundaries between education, theory and practice. Our premise is that the entrepreneurial practice cannot be separated from educational internalization processes or conceptualizations of entrepreneurship in research. Thus we attempt to explain how this understanding leads us to a norm constructionist approach in entrepreneurial practice, in the training of entrepreneurs and also in entrepreneurship research. We will argue the importance of a constantly present design as well as deconstruction process. Thus there is a need to constantly alter between accepting the structural (illusory) existence of companies, property, assets, capital etc on the one hand and the real internalization/externalization, normative claims and façade creation, power and learning processes etc. on the other. In this constructionist approach we argue the importance of recognizing the entrepreneurial role as a common normative design project between practice, research and university training – a project where we strive to operationalize and instrumentalize “creative destruction” and structural transformation.

## 1. Operationalizing a norm constructionist approach to entrepreneurship – a normative ambition

The starting point of this article is the more or less self evident and since long recognized fact that roles are social constructions – constructions that are intertwined with the experienced existence of other social constructions, such as the firm, associations, innovations & business concepts, different forms of capital, properties, markets etc. Berger and Luckmann (1966) explain that “the origins of any institutional order lie in the typification of one’s own and others’ performances”. They continue to describe how typifications result in a linguistic objectification and an experience of roles.<sup>1</sup> For Berger & Luckmann roles represent an institutional order in

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<sup>1</sup> Berger, Peter & Luckmann, Thomas. The Social Construction of Reality – A Treatise in the Sociology of Knowledge p. 90.

itself.<sup>2</sup> Institutions are embodied in individual experience by means of roles. The roles objectified linguistically, are an essential ingredient of the objectively available world of any society. By playing roles, the individual participates in a social world. By internalizing these roles, the same world becomes subjectively real to him.<sup>3</sup> Thus they argue that this is especially the case for some roles more so than others. Some roles, for example the judge and politician, represent the societal order in its totality more than others and also represent the integration of all institutions in a meaningful world.<sup>4</sup>

From this starting point we will show how the socially constructed entrepreneurial role, through communicative typification and objectification efforts, is growing into one of the most fundamental roles, if not the fundamental role, in the construction of commercial and societal modernity. The focus on the role of the entrepreneur, in a more "knowledge and network based era" will clarify how roles not only are necessary to represent institutional order, but also can be used to instrumentally capture and represent "creative destruction" and structural transformation. The focus is in itself an expression for the normative desire to create, reconstruct and manage innovations, patent portfolios, companies, standards, markets, information infrastructures etc. as the illusive phenomena they actually are. We will, in this article, argue the normative importance of why the future role of the entrepreneur not only represents the ability to govern structural/ideological complexity and transformation, but also makes this governance possible.

In recent decades there has been a widespread shift in attitude towards entrepreneurship. The strong and historically dominant image of the exceptional but rather unique entrepreneur has been complemented with other images of entrepreneurship. New influences have come from different sources including best practices in large firms struggling with renewal, from society's increasing interest in small firms and new venture creation as a main source of employment and welfare, and – most recently – from research and insights about the importance of networks and in managing knowledge. Today, entrepreneurship is encouraged in almost all sectors of society. That is, entrepreneurship is playing a key role in developing new and existing businesses, municipalities, governments, international institutions, clusters, innovation systems, schools, universities, etc. Thus we can see how the changing attitude towards entrepreneurship reflects the transformation of institutions and activities. It reflects a transformation where innovations become knowledge-based, or rather as we present it, based on structural control of knowledge processes. The increased interest in firms and other commercial phenomena as cognitive processes is in itself an expression of an ambition to capture the structural complexity in a new era, in so far as they have abandoned a positivistic understanding of knowledge. In this regard, Latour is one of the more important contributors in this development where we try to understand the realities behind social constructions. "As accustomed as we have become to the idea of a science that 'constructs', 'fashions', or 'produces' its objects, the fact still remains that, after all the controversies, the

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<sup>2</sup> Berger, Peter & Luckmann, Thomas. *The Social Construction of Reality – A Treatise in the Sociology of Knowledge* p. 92.

<sup>3</sup> Berger, Peter & Luckmann, Thomas. *The Social Construction of Reality – A Treatise in the Sociology of Knowledge* p. 91.

<sup>4</sup> Berger, Peter & Luckmann, Thomas. *The Social Construction of Reality – A Treatise in the Sociology of Knowledge* p. 93.

sciences seem to have discovered a world that came into being without men and without sciences” (Latour 1996: 23). The insights of Latour and others clarify the fact that it is not possible to describe firms, companies, properties, rights, entrepreneurial roles etc. They are only individual and collectively shared concepts/beliefs and there will always exist a normative element in the objectification of the structural/institutional phenomena (i.e. descriptions of such “reality” are either descriptions of individual and collectively shared concepts or normative statements).

One conclusion that could be drawn based on the actual extent of complexity is that it is not possible to operationalize the insights of the cognitive character of the firm into management or entrepreneurship. Therefore management cannot abandon an ontological approach to the company as a subject/object (i.e. the innovation as an object, the patent portfolio as an object etc.) that it is possible to govern and control. Spender, who elaborates on a cognitive approach in management and discusses the implications of Latours’ theory, concludes: “it is difficult to imagine how we might operationalize it, or even whether Latour would consider this important or useful” (Spender 1996:57). This is also a common conclusion among recognized scholars in sociology and philosophy, who are well aware of socially constructed reality, for example Luhmann (1985) and Habermas (1996). Luhmann explains how societal and structural reality on one hand is the result of cognitive openness and on the other the result of normative closure. The implication of Luhmann’s reasoning is that the experienced existence of institutions, systems and structures – i.e. society in itself – is the result of normative closure. If we want systems, structures, institutions etc. to exist we must have normative closure, according to Luhmann. This is because they do not exist in themselves and thus cannot be described. The implicit conclusion is that without normative closure, we will have no institutional order resulting in a structural collapse in business as well as in society at large. Spender who reaches the same conclusion as Luhmann states: “Closure mechanisms are those aspects of the firm’s or industry’s internal processes which generate its autonomy and self-regulation facility, define its boundaries and interactions with others and help attenuate consideration of its endless externalities” (Spender 1996:56)

We do recognize that concern for society and business is a reason why scholars, who have understood the cognitive character of reality, tend to consent to an approach of normative closure in the operative constitution of institutions and structures. However, we assert that it is possible and even sensible to operationalize the insights of cognitive openness, that is, to operationalize the illusive nature of all structural phenomena. We contend that both the positivistic approach as well as the operational acceptance of normative closure approaches unnecessarily blind us. Our standpoint is that if we are not normatively aware of and operationally competent to govern cognitive openness, we are to be captured in the uncontrolled turmoil of structural transformation, resulting in escalating globalization where we will be forced to pledge our allegiance and trust in the “invisible hand” of the markets. At the same time we recognize the fundamental importance of institutions and structural phenomena. We therefore argue the importance of entrepreneurs, but of course also researchers and teachers, operationally recognizing that structural/institutional phenomena do not have any existence in themselves. This means constantly alternating between an approach where one is loyal to institutions/structures and an approach where they strive to see and govern the cognitive reality behind. With this approach business plans, innovation concepts, contracts, license-structures, patents etc. become

normative instruments, even though they do not exist in them selves, but communicatively/cognitively can be used to design commercial reality and govern structural transformation. Normative closure and normative openness will with this approach always be present. These insights will lead us to a norm constructionistic approach. An approach which will make it possible to internalize an entrepreneurial role where deconstruction skills and design skills are operationalized.

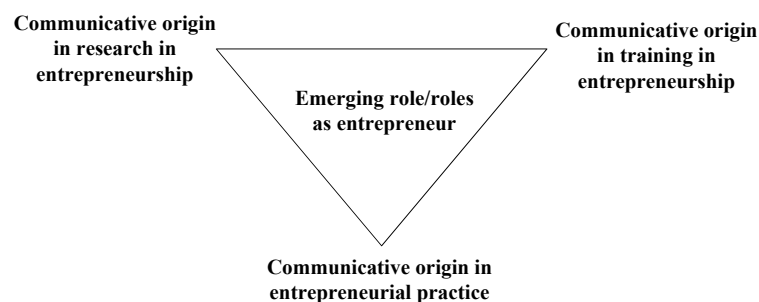
From a descriptive point of view the purpose in this article is to analyze how research and education interact with practice in the objectification of a role as entrepreneur and the typification of the entrepreneurial skills, responsibilities etc. Interesting then is to analyze how the understanding of entrepreneurship has emerged in research and university training and how these processes normatively affect the role as entrepreneur. From a normative point of view the purpose is to contribute to the communicative development of a role as entrepreneur, which makes it possible to govern cognitive openness and the structural transformation – a role where entrepreneurs have a potential to design reality with open eyes. A second normative ambition, which is actually a precondition for the first normative ambition, is to contribute to a collective communicative development where we with open eyes are designing roles and shaping entrepreneurial identities. When researchers and lecturers in entrepreneurship are able to identify themselves as norm constructionists they also have the potential to transform this insight in internalized entrepreneurial identities among students and others involved in societal reality creation.

## **2. Conceptual understandings of the entrepreneur and its normative impact – a role construction process**

A statement that most people could agree upon is that a role as entrepreneur is a result of both practice and theory. Skills can be gained both through analyzing what others have done, through part taking in teaching situations and of course through experience. However, we want to go further than this self evident conclusion. We will explain how research, university training and commercial practice interact in a communicative construction process where roles as entrepreneur emerge. Recapitulating an understanding of roles as normative constructions that do not exist in them selves, we will on the one hand describe different existing concepts regarding the entrepreneur and on the other we analyze cognitive openness. Our ambition is to deconstruct the entrepreneurial role as a structural phenomena, or rather to contribute to this development – a development (1) where we collectively unveil the character of the internalization and externalization processes, (2) where we unveil how descriptions of entrepreneurs and entrepreneurship are normative claims used as a facade in the strive to support different interests, and especially (3) where we unveil how the communicative construction of roles as entrepreneur are intertwined with the construction of commercial/societal reality.

The role of the entrepreneur is, as pointed out above, nothing more than individual concepts, that is, communicatively shared concepts and concepts that are implemented in actions. This is of course also the case regarding the concept of the role itself. Concepts cannot be separated from the communicative action where they are internalized. The linguistic objectification of the role of the entrepreneur can consequently not be separated from the normative claims put forward by different

actors. Neither can the typification of entrepreneurial occupations, obligations, responsibilities etc. be separated from the originators normative interests. However through the linguistic objectification – the normatively closed argumentation – the actor will make it appear as if the role and all other structural/institutional phenomena for that matter have an ontological status. The actors *reify* the phenomena in that “the basic ‘recipe’ for the reification of institutions, is to bestow on them an ontological status independent of human activity and signification” (Berger & Luckmann 1966: 107). The normative claim, that is, the linguistic objectification, creates a higher or lower normative pressure on others to internalize. The result of this pressure, as is the case regarding all power processes, is dependent on communicative strength as well as the willingness to internalize. The more communicatively recognized the concept is, the easier it will be for others to see the objectified entrepreneur as a reified role we should take for granted and try to understand. When researchers and teachers as well as the practicing entrepreneurs have a clear picture of the differences between entrepreneurs, innovators, different managers etc. the feeling of permanence will grow stronger (see figure 1). Thus the more communicated the idea the less normative space there is in the objectification; of course it is always possible to create pressure to internalize a conceptual transformation of the role. It will, however, take more communicative strength to transform concepts that are collectively reified and recognized as permanent. Communicative strengths can be gained through a platform as researcher as well as provider of university training.



*Figure 1. The communicative origins of an emerging role of the entrepreneur.*

In some cases the collective process to reify roles are more intellectually sophisticated as well as structurally complex. The role of the entrepreneur is such a case. To understand the communicative creation and transformation of the role of the entrepreneur we have to deconstruct not only claims objectifying the concept of the entrepreneur and claims of the entrepreneurial activities and responsibilities, but also claims of a research discipline in entrepreneurship and claims of a university subject in entrepreneurship (see figure 2). A communicative development of an objectified entrepreneur, entrepreneurial skills and obligations, entrepreneurial qualities etc. are in these sophisticated situations the result of a number of discourses. Still many contributions are based on a naïve, positivistic approach, i.e. some researchers as well as lecturers actually seem to believe that they are describing the content in a subject, the frames of a research discipline, the actual qualities of the entrepreneur etc. Most are however, at least intuitively aware of the cognitive openness.

Both positivists and those with an approach of normative closure based on awareness may of course question the claims of the role of the entrepreneur and the claims of a research discipline and a university subject. A positivist could e.g. post a counter claim that there is no research discipline in entrepreneurship. The same actor could also claim that entrepreneurship is a sub-discipline in organization, management, business etc. It is also common for the positivistic actor to put forward claims of their own, with different content, scope etc, which they do as if they were describing ontological phenomena. A person that recognizes the cognitive openness but at the same time underlines the normative closure, could e.g. conclude that entrepreneurship has not yet matured into a research discipline or an university subject. For those of us that argue for the alternation between normative openness and closure, the question is to what extent have concepts been communicatively internalized resulting in an entrepreneurial identification among people involved in business, and having created a notion of permanence and been reified.

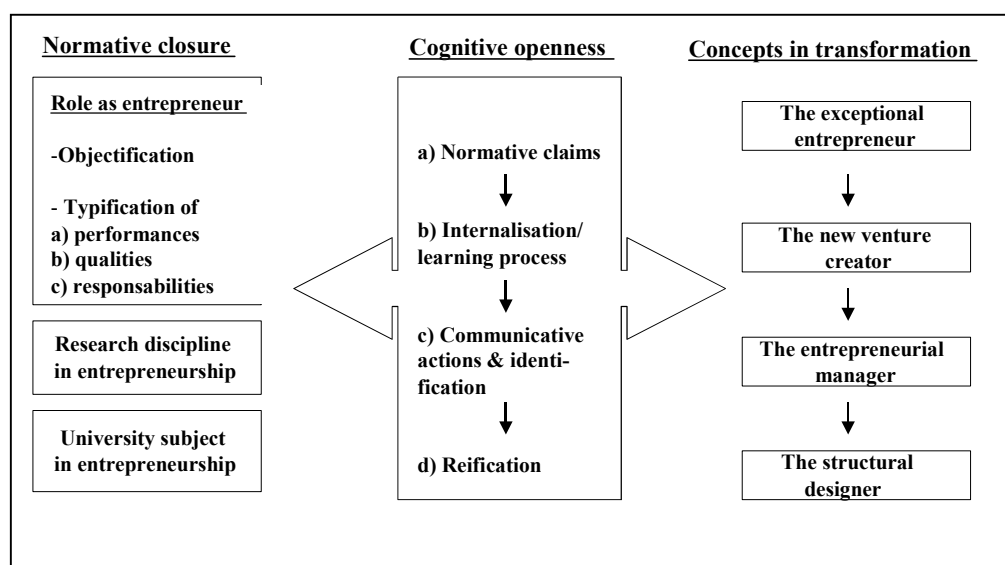


Figure 2. Elements to understand the communicative creation and transformation of the role of the entrepreneur

Absurd, but still consistent, is that the more positivistic approach a researcher has, the more time she tends to spend figuring out how to claim a research discipline, that is, to claim what the content in the discipline should be, which methods should be allowed, which different subjects have to be covered by the students etc. For many positivists it is their main daily occupation to use their position and communicative strength to construct and reconstruct facts and artifacts (Latour 1987:26). For some it is could even be seen as rare that they are actually involved in learning processes. Even though the desire for a normative impact in practice and teaching as well as on research dominates, the positivists are still not willing to acknowledge the real character of their work, on the contrary, they use the positivistic approach to create a platform to foster academic authority and gain communicative strength. Researchers that argue for the importance of normative closure, tend to be normatively open when it comes to their own research. They actually deconstruct structural phenomena at the same time as they claim new structural phenomena. The normative closure seem for them with deep insight primarily be an approach managers, entrepreneurs, lawyers and others responsible for societal practice should apply. Implicitly they are saying

that managers, entrepreneurs and lawyers are not able to alternate between normative closure and normative openness in the same way as Spender, Luhmann and other scholars. Researchers that are actively taking part in commercial practice often describe the cognitive openness, but on the other hand lack the ability to see or at least explain the structural and institutional implications.

To a large extent we can argue that the situation is the same regarding teachers in entrepreneurship. We can hear positivistic professors and lecturers argue that entrepreneurship is not a University subject, entrepreneurship is not on a MBA-level, entrepreneurship is to be sorted under the industrial organization program etc. We can also meet lecturers that express their experiences through cognitive openness. Especially interesting is that programs in entrepreneurship often have their own practice, that is, the students are involved in real business projects. This makes the communicative processes even more sophisticated. The normative impact of teaching and research thus turns into a local process.

The importance of entrepreneurial practice is obvious. When experiencing the role of the entrepreneur we identify ourselves with this role in that “in the course of action there is an identification of the self with the objective sense of the action; the action that is going on determines, for that moment, the self-apprehension of the actor” (Berger & Luckmann 1966: 90). The actor thus gains an identity as an entrepreneur, where conceptual roles are translated into self experience (compare Latour 1996:85). These experiences and identifications, expressed in communicative action, will have at least a cognitive impact on researchers and teachers. If there are obstacles even in the cognitive openness there is of course an increased risk for the development of a number of different discourses – discourses that could be strictly research based or practice based, or discourses that could be the result of diverged interests, for example, to claim research disciplines and to claim practical skills. Even strictly positivistic researchers are aware of the importance of cognitive openness, displayed through their attempt to sense changes in the experience of practitioners. If they are successful in this, they can use these insights when they, through normative closure, claim a reconstructed entrepreneurial role.

Our ambition is to start to deconstruct and shed some light on the actual emergence and transformation of the conceptual understanding of the role of the entrepreneur. However we want to underline that it is only a beginning. There are several conceptualizations of the entrepreneur and entrepreneurship today that can be claimed to have normative impact. Also the development regarding structural phenomena such as innovation management, strategic management, knowledge management, intellectual capital management, technology management, industrial organization, evolutionary economics etc. have a normative impact. A discourse might have a normative impact despite that it has another disciplinary focus. We will allow ourselves a simplification in our deconstructive ambition and therefore use four different conceptual approaches to the role of the entrepreneur: the exceptional entrepreneur, the new venture creator, the entrepreneurial manager, the structural designer. The reason for this simplification is primarily to show a development in the cognitive openness towards an entrepreneurial understanding, which makes it possible to operationalize normative openness. We are however aware of the risk of using a large brush when painting a picture of the role-creation-process. The positivistic ghost



will always be around the corner, trying to achieve a condensed presentation of the endless cognitive complexity.

### **3. The exceptional entrepreneur**

A long-lived conception regarding entrepreneurship is one that lifts up the exceptional character and achievements of entrepreneurs. In simplified terms entrepreneurship in this conception is about being an exceptional entrepreneur, who is distinguishable through his or her special traits, such as the need for achievement and locus of control, and special accomplishment, in terms of organizing resources in innovatively new ways.

The origin of the exceptional entrepreneur can be found in economic writings as well as in psychologically oriented studies. The image is also constantly reproduced in business press and in biographies. Economists have contributed to the image of the exceptional entrepreneur since the 18<sup>th</sup> century (Cantillon, 1755). Most significant are of course the early works of Schumpeter where the entrepreneur is key in organizing productive resources in new and innovative way, thereby constituting the core of the creative destruction of society (Schumpeter, 1934). Schumpeter has had a large effect upon the image of the entrepreneur as someone different from others (i.e. from managers, professionals, etc.), although his definition of an entrepreneur was purely functional – if you organize new industry then you are an entrepreneur – and aimed at striking at neo-classical economics' unwillingness to recognize the importance of creative destruction. Most psychological studies, ranging from McLelland's (1961) seminal work, investigate entrepreneurial traits and characteristics. Through their focus on the individual – the entrepreneur – rather than on the process, the venture, the environment, etc., these studies, in a similar way to those in economics, reinforce the image of the exceptional entrepreneur. Their main purpose is to distinguish entrepreneurs from other “non-entrepreneurs”, although this has proven to be highly problematic throughout the years.

The image of the exceptional entrepreneur thus seems to have found a basis both in certain entrepreneurship theory as well as in practice, and that is perhaps why this conception is sustained despite research for years that has tried to point at the problems with this image. Added to this, most business schools and entrepreneurship programs contribute to this image by inviting successful entrepreneurs to lecture. This conception of entrepreneurship emphasizes values such as individuality, personality, exclusiveness, uniqueness and success. Strong communicated images of successful entrepreneurs, such as Bill Gates and Ingvar Kamprad, add to the conception.

The image of the exceptional entrepreneur is also associated with problems. Due to this image there have been considerable uphill problems for researchers wanting to capture, describe and promote systematic and manageable ingredients in entrepreneurship as well as difficulties in legitimizing entrepreneurship education. Attempts to professionalize entrepreneurship also have had to struggle with this image, since exceptionality is difficult concept to build a joint identity upon. In the last decades, primarily due to the need for legitimizing entrepreneurship research and education, the image of the exceptional entrepreneur has lost ground and opened up new ways of conceptualizing entrepreneurship (Gartner, 1988). The future of the exceptional entrepreneur is perhaps trembling. Considering the differences found in

Cantillon's mercantilist entrepreneur and Schumpeter's industrial entrepreneur, there is reason to be cautious about what attributes and traits to associate with the entrepreneurs of the emerging knowledge economy. One critique is that the image of the exceptional entrepreneur does not fit as well with the often highly collective and network based processes resulting in new innovation projects.

#### **4. The new venture creator**

In the 1980s an image of entrepreneurship as a behavior rather than a trait started to gain ground. Linked to the societal discussion of the importance of having new and small firms, a focus came upon (new) venture creators, rather than just on exceptional entrepreneurs and their rather unique achievements. For the new venture creator, entrepreneurship was to be seen more as a (analyzable) process (Gartner, 1985) rather than something unique and exceptionable. Much research focusing on venture creation has attempted to describe what the process looks like and how it should be managed. Initial founding conditions, initial choices of strategy, environmental characteristic, venture financing, etc., are all examples of issues investigated in order to offer general advice (Vesper, 1990).

New venture creation studies and small business research have opened up new opportunities for the role of entrepreneurship. The question "who is an entrepreneur" became complemented with the question concerning what an entrepreneur does (Gartner, 1988). For teaching and entrepreneurial practice a discussion around repertoires of "solid" tools and building blocks – significant for professional communities – became relevant. The new venture creator could now be anyone who pursued the different tasks of building a company. Entrepreneurship did not need to be something exceptional and idiosyncratic. Instead it could be seen as a set of techniques and procedures systematically "discovered" through research and practice. Entrepreneurship training could, due to this image of entrepreneurship, draw heavily on established management theory such as agency theory, industrial organization economics and resource based theory (Fiet, 2000). Entrepreneurship research focusing on new venture creation and small business gained strong ground, to the extent that many today would say that this is the core of a field of entrepreneurship<sup>5</sup>; a field that has been defined as the scholarly examination of how, by whom, and with what are opportunities to create future goods and services are discovered, evaluated and exploited (Venkataraman, 1997).

However, the image of the new venture creator, despite its strong legitimacy in research and education, also has suffered from its communicative origin. Society's new interest in small firms and venture creation, in the 1980s, was to a large extent the result of an insight that welfare could not be sustained by large firms. What was "discovered" then, was not only new venture creation but also the importance of established small businesses. Thus, new venture creation and small business management became synonymous for many – something that still today can be

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<sup>5</sup> The Babson/Kauffman Conference's Frontiers of Entrepreneurship Research Proceedings 1981 and onwards is one central research arena for entrepreneurship research. Having initially a focus on the characteristics of entrepreneurs (1981-1985), the development up until today have turned more towards at strategic perspective on venture creation and on entering the resource-based perspective on strategy (Gregoire, et als., 2001).

reflected in conferences, journals and policies. As a result, the role of the new venture creator has been influenced a lot by research and practice stemming from established small business environments, where new venture creation to a large extent is a non-issue. The image of the new venture creator, has therefore contributed to an entrepreneurial role more concerned with running established small businesses rather than creating new ones.

Today, with governments focusing on innovation systems, seed and venture capital and on high-profile areas such as nano- och biotechnology, it is fair to say that the role of the new venture creator is being refined and distinguished from the role of running established small enterprises. The contribution to an entrepreneurial role is therefore moving towards accomplishing exceptional high-potential ventures. This development shows closer resemblance with the exceptional entrepreneur by sharing the commitment to a tough challenge. It also, as we shall see, shows similarity with the entrepreneurial manager in the large firm, in that it focuses on innovation and on the creation of new large businesses.

## **5. The entrepreneurial manager**

In the 1980s, management research and management best sellers started to emphasize best practices that promoted the importance of entrepreneurial behavior within organizations as a means to reap the benefits from change, innovation and renewal. Research into corporate entrepreneurship (Burgelman, 1983) and intrapreneurship (Pinchot, 1985) were pioneering works in a discourse that promoted what we here call the entrepreneurial manager. Dominant initial voices came from the writings of Peters and Waterman (1982) and Kanter (1983). They had in common the advocacy of actions, roles and cultures, that should help companies grow and sustain. A parallel development occurred in the area of product development and innovation management, where product developers were expected to pursue challenging targets with a high degree of autonomy (Quinn, 1985; Imai et al., 1985). Since then we have witnessed a vast amount of literature promoting new holistic management concepts that embrace human enterprise, whether it be Total Quality Management, Integrated Product Development, Business Process Engineering, Knowledge Management, etc. Among the common denominators in this type of literature are personal initiative and responsibility, teamwork, process and cultural management and diffusion of best practices. Best practice examples from all over the world, indicated the need for strong championing of ideas, personal commitment and engagements outside the box of the formal organization.

On one hand, entrepreneurial management literature more or less explicitly has included entrepreneurial behavior into a management field where the importance of personal initiative and enterprise almost had disappeared up until the 1980s. On the other hand, a large and strong field of management has also affected conceptions of entrepreneurship. A dominant management discourse created the image of an entrepreneurial manager as a deviant but necessary behavior in a managerial setting, where order, planning and strategies are assumed part of the reality (Hjorth, 2001). The entrepreneurial manager thus was communicated as an added feature in a strong management discourse, rather than something idiosyncratic and more radical, causing creative destruction in a Schumpeterian sense. Entrepreneurship in the role of the

entrepreneurial manager became “dragged” into a dominant management discourse, which, in turn, needs to be deconstructed in order to understand entrepreneurship.

Management discourse, with its roots in the beginning of the 20<sup>th</sup>, has since its process of constitution into universities, education and practice also undergone transformations towards scientification. Central works in the constitution of the field of management are of course those of Weber, Fayol, Taylor and Barnard. Common for these and many other early writers were their close understanding and description of practical problems. The style of writing was anecdotal, case-oriented and often intertwined with strong normative statements. Entrepreneurship to a large extent was a non-issue in these constituting writings, in which the focus basically was on managing large and complex organizations. The constitutive works were also biased towards obtaining efficiency, control and stability within given frames. This bias can to a large extent be linked to the need for (hierarchical) control over physical resources and labor in an industrial setting (Hjorth, 2001).

Key actors in what has been labeled the scientification of the management field are without doubt Herbert Simon and James March. Their ideas of the administrative man, with bounded rationality (Simon, 1945), and their theories for systematic organizational design, have had a large effect on both research and teaching practice. Through their and others emphasis on universal, decomposable and (from context and history) detachable organizing principles (March and Simon, 1958), an agenda was set in which management science was studied and taught in almost similar ways to that of natural sciences. One effect from the scientification of management was a more distinct role-division between research and training on one hand, and application and practice on the other. Thus, a great deal of the management teaching did not show much concern for the applicability and implementation of the knowledge it presented. Another effect from scientification, is that of positivistic knowledge aspirations being relatively unquestioned in prevalent management and entrepreneurship studies. That is, internal structures, firms, markets, etc. are treated as something existing, real and “out there”, just as if they were natural (positive) phenomena.

In light of these developments, the rise of entrepreneurial management can be seen as an evolutionary (rather than revolutionary) attempt to develop a dominant management discourse. There are probably several interests behind the reproduction of an entrepreneurial manager continuously pursuing new techniques and best practices in the established setting of the large firm. There is a whole industry of management consultants and executive training programs that depend on revenue from large firms. Rationalizing the role of entrepreneurship into one of many roles that a large firm needs, preserves these interest as well as the large firm’s interests to sustain and contain innovation. However, just as in the case of the new venture creator being associated with small business management, the entrepreneurial manager became associated with the management of large firms, and the preconception these firms often have towards efficiency at the expense of innovation (Magnusson, 2000). The entrepreneurial manager could most often be found in front-line or middle-level roles, such as project manager, change manager, product developer, and process manager, more or less explicitly giving the task of control and governance by top management. Less often has top management been associated with the characteristics of an entrepreneurial manager, which to some extent confirms the dominance of management discourse over entrepreneurship.

Current trends in (large firm) management tend to increasingly transcend the image of the entrepreneurial manager as operating within an established management system. More recent literature on corporate venturing and on organizational renewal and strategic change, recognizes a role that is more free to build new structures, rather than being innovative within established structures. This implies some role-convergence between the exceptional entrepreneur, the new venture creator and the entrepreneurial manager. However, since all these images of entrepreneurship have different communicative origins and biases, i.e. there is no commonly accepted role that is experienced as permanent, there is still room for new conceptualizations of the entrepreneurial role.

## 6. The structural designer

The last development that we would like to capture, using the somewhat innovative role description “the structural designer”, is the merger of the cognitive understanding of firms, markets etc. and the understanding of knowledge and other intellectual phenomena as the most important assets of the firm. A cognitive understanding is at least possible to trace back to Marx’ theory of the economy as a base and a superstructure, and how structures are based upon ideologies. Schumpeter, Hayek and others build upon this fundamental understanding. Schumpeter (1934) developed an understanding of creative destruction in structural transformation. Hayek (1945) developed an understanding of markets as selective information processes that generate spontaneous order. More recently, Nelson and Winter (1982) provided the bridge for a more operative understanding of how cognitive processes – in their words organizational routines and “genetic material” rooted in a specific historical and economic reality – are central in shaping and constraining choices.

In the recent decade a stream of management studies has promoted a more knowledge-based understanding of the firm – often captured in naïve positivistic knowledge perspectives – where they underline the importance of categorizing knowledge as different form of assets, capital etc. Many argue that knowledge and intellectual capital are not being given enough attention among managers, accountants, capitalists, market analysts etc. (Sveiby 1997, 1999; Edvinsson and Malone, 1997; Kaplan and Norton, 1997). New disciplines are normatively conceptualized, e.g. knowledge management, IT-management, intellectual capital management, intellectual property management. Some also try to develop new models etc. for management, e.g. balance scorecards, intellectual capital monitoring systems. The development can to a large extent be described as a response to the changes in the economy at large, as the industrial age gives way to the information age. With a focus on the entrepreneurial role we can see the development as a response to a practical need to transform individual and collective implicit knowledge into objectified and capitalized knowledge. The emergence of a new entrepreneurial role, here conceptualized as structural designer, is the representation for the profound (not to say paradigmatic) shifts in entrepreneurial behavior that need to occur as business goes from control over physical resources (mercantilism), through (hierarchical) control over physical resources and labor (industrialism), to structural control over “network-based” knowledge processes. From a practical entrepreneurial horizon this means that the typified actions more and more are oriented towards creating license-structures in

science and high tech cultures, in content-provider constructions, in e-business cultures etc.

The potential for the development of the entrepreneurial role is especially revealed by those theorists that have abandoned a positivist approach to knowledge and institutional phenomena and by those practical entrepreneurs that try, at least for themselves, to explain the cognitive character of their innovations, innovation projects, firms and other commercial structures. Latour is one of the important contributors to an understanding of the innovation and innovation projects as cognitive construction processes. Latour explains how research results, techniques, innovations, projects etc. are not autonomous objects and are not part of an existing ontology. They are cognitive processes that sometimes give themselves a context and some times do not. According to Latour we can have the word "context" replaced by the more friendly word "network" (Latour 1996: 135). Latour claims that technological projects are "deployed in a variable-ontology world". This world is a result of the inter-definition of partakers and other actors (Latour 1996: 173). The project becomes a contextual and network-based translation and negotiation process.

Spender is another important theorist in the field of management, entrepreneurship, evolutionary economics etc. that combines the earlier insights in sociology/economics about the cognitive quasi-character of the firm etc., with a more modern tradition where economists and management scholars try to capture the importance of privatizing knowledge as intellectual and virtual products/services etc. Spender underlines the importance of recognizing the cognitive openness when he says "as an individual's skills are institutionalized into organizational routines, they become systemic. Contrarily, when new charismatic leadership succeeds in reinventing the firm's sense of itself, culture is privatized into the 'cult of the individual'. At the same time, remembering Latour's quasi objects, a system's processes are also shaped and delimited by the physical artifacts and objectified knowledge which it has embraced." (Spender 1996:58). Spender is at the same time anxious to find ways to handle in his words the "mechanisms of a quasi-object's closure, boundary establishment and stability"(Spender 1996:56). He uses four categories of knowledge when he tries to capture the interaction between cognitive openness and normative closure: a) individual implicit and automatic knowledge b) social implicit and collective knowledge c) individual explicit and conscious knowledge d) social explicit and objectified knowledge. His ambition is to open up an understanding of how the more cognitive open categories 'a' and 'b' transform into the more normative closed category 'd'.

The more the concepts of Latour, Spender and others are operationalized in a entrepreneurial role the closer we will get to a situation where we can with open eyes govern change processes, structural design and transformation processes etc. We can already see the beginning of a role-development where the entrepreneur on the one hand governs cognitive openness, that is, contextual/net-work-based and on the other hand has the skills to control the transformation into wealth creating structural and institutional phenomena. We also know that practical experience results in intuitive skills in this matter. This is of course especially the case the more business becomes dependant on these skills. If firms are not able to transform individual implicit and explicit knowledge into socially objectified knowledge, they are not going to be able to survive in a knowledge economy. Our conclusion however is that we so far have

lacked a sufficient theory that will enable the transformation of the objectified entrepreneurial role into “a structural designer”. Both Latour’s and Spender’s approaches represents the difficulties in achieving such a normative implication from the theoretical discussion. They seem to still both be struggling with the operative interaction of what somewhat simplistically can be described as material artifacts, social phenomena and institutional/structural phenomena, e.g. the cognitive interaction between the experienced material object as invention, the experienced invention as claimed functions/utilities etc, the experienced invention as a property and the experienced patent rights in invention (compare Searle (1995)).

## **7. Operationalizing normative openness – a new entrepreneurial agenda**

Communicative action regarding the entrepreneurial role is developing towards the – for us – inevitable conclusion that entrepreneurs, as partakers in collective and cognitive societal processes, have to increasingly be able to govern the structural creation of innovation projects and the transformation of commercial and societal reality. We see a development where the role of the entrepreneur more and more is going to represent the transformation of institutional order and where the role of the entrepreneur makes it possible for individuals to identify themselves as responsible for creative destruction and structural transformation. We see a future where entrepreneurs, as structural designers, have the skill to deconstruct institutional/structural phenomena and to design as well as implement the same.

However a major obstacle, if not the obstacle, that has to be handled is the theoretical as well as practical dilemma of normative closure versus normative openness. We must handle this dilemma in research and in teaching as well as in entrepreneurial practice. Normative openness is, as we see it, a necessity as well as a representation for a development where researchers, teachers and entrepreneurs are aware of and also willing to openly declare their own cognitive partaking in the creation of the experience of societal reality. First if researchers and teachers and actors responsible for internalization processes are willing to openly recognize and explain the cognitive character of reality and their normative role, we can free ourselves from a situation where students, employees etc. are forced to take social and institutional constructions for granted. Important contributions, are as stated above, Latour’s analysis of innovation projects as translation and negotiation processes and Spender’s analysis of firms as activity systems transforming individual knowledge to social knowledge and implicit knowledge to explicit knowledge. Their contributions become especially important when we put them up against each other.

The theoretical standpoint that companies, systems, structures, innovations, patents etc. have to be based on normative closure is, as stated above, a result of abandoning a positivistic approach – the abandoning of an approach where, in one of its naive versions, ”all tenable knowledge (justified true belief) is the result of systematic (scientific) analysis of our sensory experience of a knowledge external reality” (Spender 1996:47). The standpoint on normative closure is also a result of a belief that a full recognition of the cognitive openness will result in societal destruction. If we do not even see the firm as a normatively close “activity system”, it will cease to exist. This is the reason for why Spender questions the possibilities to operationalize

the insights of Latour. From a descriptive point of view he is willing to acknowledge Latour's critic of the ontological understanding of inventions, innovation projects, firms, markets and other institutional/structural phenomena in business. His normative position however leads him into a situation where he still is at risk to be captured by the critique of Latour: "There are two major sociologies; one classical, the other relativist (or rather, relationist). Only the second allows us to follow the realization of the derealization of technological projects. Classical sociology knows more than the "actors"; it sees right through them to the social structure or the destiny of which they are the patients. ...Classical sociology knows what constitutes society, knows the rules and laws of the social context within which the patients cannot help but be inserted. For classical sociology, there are classes, socio professional categories, fields, roles, cultures, structures, interests, consensuses, and goals. Classical sociology is at home in social physics, and it chooses an ontology that allows it to define once and for all the nature of the power relations and interest pursued by the strategy of social groups...." (Latour 1996: 199) Spender who is aware of the positivistic problem, seemingly sensing the problem with normative closure, tries to explain that his theory "is not a theory in its positivist sense, telling us about an immutable reality out there" (Spender 1996:58). Instead, he claims, that the theory is a "diagnostic and explanatory probe, a method of unpacking the complexity of the evolved quasi-objects which constitute our world." The purpose, he says, is to help us see how "individual creativity interacts with the background collective knowledge that gives each system its meaning and identity" (Spender 1996:58).

However, both Latour and Spender seem to struggle with the normative impact of their own cognitive insights. When Spender, as well as Luhmann and others, are discussing closure, they only do it in some specific contexts, especially in the system-context. Spender talks about the firm as a closed activity system, while he does not seem to regard culture as a closed phenomenon. It is difficult to say whether he regards, for example, a patent as an ontological object, a normative closed phenomena or a normative open phenomena. Also Latour seems to have a more contextual approach to which phenomena we should treat as normatively open. He discusses the problems of old sociology, while he does not seem to have any problem with discussing the existence of norms, patents, administrative councils etc. The conclusion that has to be drawn is that we, in our role as researchers as well as entrepreneurs, have to adopt a normative approach where we regard all social and institutional phenomena as constantly alternating between closure and openness. On the one hand we accept firms, systems, patents, roles, societies, states as in themselves not existing objects/persons (quasi objects/persons) and on the other hand we explicitly try to see the reality - that is we do not except the linguistic façade of the objectification. We always translate structural phenomena into real communicative actions, learning and internalization processes, repression and use of power, hidden agendas and self interests etc.

However it is important that we separate institutional/structural phenomena from other social constructs. There is a major difference between a technical product and a patent. The identification, functions, utilities, property claims etc. are social constructs regarding both phenomena. The fundamental difference is that even if there is no loyalty to, willingness to internalize and trust in the technological product, it still is possible to use it – at least as a material artifact. That is not the case regarding the patent. Institutional phenomena only exist through communicative action, loyalty and



trust etc. The material artifact, that is the patent letter, is not of much use to you. The situation is the same regarding all institutional phenomena as states, universities, firms, networks, contractual relations, money and other financial instruments, property concepts, rights, theoretical concepts, theories, roles, subjects, disciplines etc.

The recognition of the necessity to alternate between concepts will result in what can be described as a normative, constructionistic approach. When the entrepreneur acknowledges that institutional phenomena have no existence in themselves, she will realize that they are not possible to describe. The closest she can get is to describe a common and communicatively accepted understanding. However there is always a normative space. When the entrepreneur describes a role, a research field, a specific financial instrument, a patent, a business plan, a innovation etc. there always a possibility to objectify her own interests and values to some extent. When the entrepreneur uses this normative space, she will have a normative impact on others. Others could take it for granted or they might accept it because of the communicative strength or use of repression. However they might also be loyal to it because they share the values and interests in that they accept the result of a democratic process or they are not willing to take the consequences of not accepting the phenomena. The entrepreneur that alternates and tries to see the reality realizes that she can design institutional reality through governing the cognitive processes. Human capital (individual implicit and explicit knowledge, social implicit knowledge) can be translated into structural capital (social explicit knowledge). She realizes that she is a norm constructionist when she uses the normative space. The normative impact can always be described as norms for the individual.

An especially important insight is that an entrepreneur that alternates can do so openly. She does not have to be afraid that structures and institutions will destruct and collapse. The only obvious result will be that people will stop taking them for granted, but instead they will start to deconstruct and see through the linguistic objectification. This is for us the path for the future entrepreneur as well as for researchers and teachers – a path where the will to deconstruct is constantly present as well as the will to see the design implication, i.e. the normative impact of the structural claims and cognitive communicative actions. An open approach opens up for a democratic responsibility as well a collective desire to fulfill common values. In teaching situations we should avoid internalization processes based on a normative pressure where students etc. are obliged to internalize. The role of the entrepreneur then represents a process where we free ourselves from structural captivity. Economics, sociology, and entrepreneurship are thus no longer a discipline or subject that you can describe and learn. Subjects, disciplines, teaching situation, etc. instead become cognitive processes that you must be part of.

The collective understanding of the role construction process will lead to an understanding of how researchers and teachers are creating an intellectual infrastructure. Discussions regarding business plans, patent constructs and strategies, license constructs and strategies, shareholder contracts and strategies, venture capital strategies, valuation models etc. become structural tools for entrepreneurs when designing commercial and societal reality. Entrepreneurs will implement the tools/conceptualized skills in actual business plans, patent strategies etc. From an institutional perspective the entrepreneur on the one hand is internalizing inter-

subjective concepts (structural tools) and on the other translating these concepts into externalized concepts in a specific situation (structural bricks). Alternating the cognitive reality is of course so much more complex. The awareness and openness in the structural claims – on a tool level as well as on a brick level – are essential. It also becomes obvious that researchers and lecturers in entrepreneurship must have an entrepreneurial role – a role where they accept the responsibility for the design, reconstruction and creative destruction of an intellectual infrastructure and societal reality.

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