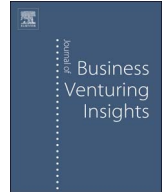




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Beyond bridging rigor and relevance: The three-body problem in entrepreneurship



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“Simplicity before understanding is simplistic; simplicity after understanding is simple.”-Eduard de Bono

1. Introduction

If we have two bodies that interact gravitationally, and we know their positions and velocities at a given point in time, it is possible to predict all their future positions. However, the introduction of a third body surprisingly leads to a problem that is analytically unsolvable. This suggests that if we have a system of two bodies that are unsettled with respect to one another, there may be a hidden third body lurking around that, if identified and understood, could help us make better sense of the system as a whole. While metaphors should be used with care, the three-body problem can help illuminate a pressing epistemological issue within our own discipline.

In the entrepreneurship field and indeed the broader field of management, the two main bodies in play are theory and practice. Compared to more internally oriented disciplines such as physics, psychology, and sociology, scholars in professional fields such as engineering, medicine, management and entrepreneurship have an imperative to not only be scientifically rigorous but also develop knowledge that can inform practice (Romme, 2016). However, since theory and practice are quite different, managing these dual demands is challenging, both epistemologically and organizationally. The epistemological focus of theory is typically true and generalizable representations of reality developed through appropriate methods,¹ whereas the world of entrepreneurial practice is propelled by knowledge of how to deal with specific problematic situations as they arise (Kieser and Leiner, 2009). Organizationally, scholars in professional schools have also shown a tendency to separate into two groups over time (Gulati, 2007; Simon, 1967). Theory-oriented scholars risk shielding themselves from practice and may gradually begin to nurture an intra-disciplinary culture where goals, values, and approval are sought only among academic peers. In contrast, practitioner-oriented scholars risk seeing theory as esoteric and irrelevant and by doing so may end up as “slightly out-of-date purveyor[s] of almost-current business practice” (Simon, 1967: 12).

While this description is an exaggeration, it nevertheless highlights a real tension. The entrepreneurship field is quite internally and theoretically oriented, but its scholars also feel a strong “gravitational” pull from the world of practice through demands for experiential entrepreneurship courses, proof of how research results have practical impact, and the formulations of “Executive

¹ There is of course a range of more relativist positions, but so long as truth is seen as relative to institutional or personal frameworks for assessment, and not explicitly to practical utility, this diversity of theories does not undermine our distinction between theory, practice, and design.

Summaries” in otherwise research oriented journals such as the Journal of Business Venturing. Similarly, practitioners are attracted by actionable knowledge that can inform their situated judgments and actions. Unfortunately, scholars have a hard time squaring theoretical ambitions with the concerns of practitioners, which are often considered to be theoretically uninteresting. As a result, entrepreneurship teachers often rely on books like “The Lean Startup” (Ries, 2011) or “The Startup Owners-Manual” (Blank and Dorf, 2012), which are not grounded in research, precisely because they provide the kinds of hands-on and prescriptive advice that students and entrepreneurs want.

Our experiences as teachers as well as consultants thus point to the existence and desirability of a third body of such pragmatically oriented design knowledge that cannot be reduced to either general theoretical principles or the situated knowledge of practicing entrepreneurs (Dimov, 2016). This practical intuition is echoed by established theoretical typologies (Flyvbjerg, 2001). Aristotle famously spoke of three approaches² to knowledge: *episteme*, which denotes context-independent and value-free ‘know why’ theories about the world that are universally true; *techné*, which denotes context-dependent, pragmatic and goal-oriented ‘know how’ techniques for effectively doing things in light of given goals; and *phronesis*, which denotes the capacity for judgmental and wise action performed in real time under uncertain conditions. The world of theory arguably maps quite well onto the Aristotelian concept of *episteme*, whereas *phronetic* knowledge is clearly needed in the uncertain world of entrepreneurial practice. This leaves *techné* as a natural candidate for our missing third body of knowledge—not least since its emphasis on ‘know how’ and pragmatic validity clearly resembles the prescriptive techniques outlined in practitioner-oriented entrepreneurship-books.

The purpose of this special issue is therefore to outline a distinct third body of knowledge in the form of pragmatically oriented *entrepreneurial design principles*,³ to discuss whether it deserves a position on par with theory and practice, and to explore its interfaces with both the causal mechanisms of entrepreneurship theory and the complex realities of entrepreneurial practice (c.f. Romme and Endenburg, 2006; Van Burg et al., 2008). By design principles we mean context specific and pragmatic heuristics that prescribe actions often with the following syntax: ‘to achieve X in situation Y, something like Z will help’ (Van Aken, 2004: 227). By highlighting design as a valuable third body of knowledge, in this virtual special issue we depart from the commonly proposed way to bridge the rigor-relevance gap that simply encourages closer collaboration and more intimate involvement of practitioners in the research process (e.g. Shapiro et al., 2007; Starkey and Madan, 2001). While such closeness may very well be valuable, we submit that interlocking theory and practice is not the best option to produce a stable system. Instead, we follow Simon (1996) who argued for a science of design whose purpose is not to produce descriptive theories of the world as it is, but rather to develop pragmatic tools “in the service of action” (Romme, 2003, p. 562).

2. Entrepreneurship Scholarship as a two and three-body problem

Most entrepreneurship research is premised on the very basic assumption that there are regularities in the world that underlie phenomena such as new venture creation and that the purpose of theory development is to identify and explain those regularities, preferably in the form of causal mechanisms (e.g. Busenitz et al., 2003; Carlsson et al., 2013; Davidsson, 2004; Shane, 2003; Venkataraman, 1997). Such enquiry is generally underpinned by philosophical realism, where the central criterion for good theory is whether it is true in the sense of accurately representing reality and explaining how specific phenomena come about (Berglund and Korsgaard, 2017; Hedström and Wennberg, 2017; Hedström and Ylikoski, 2010; Kim et al., 2016). The two major activities of research in this tradition are generation and testing of theory against observed practical phenomena. These are outlined in Fig. 1 below and capture the currently dominant focus of journal papers.

As discussed above, the gravitational pull that exists between the two appear insufficient to provide a stable bridge between theoretical rigor and practical relevance. This is in no small part due to the inherent difficulties one faces when attempting to capture the details and idiosyncrasies of entrepreneurial judgment and practice in theoretical formulae, and similarly when attempting to apply universal theories in situations that require situated judgment (Berglund, 2015). The two-body system of theory and practice is not stable and people struggle to make sense of it (Kieser and Leiner, 2009).

The solution we propose is to acknowledge design as a third body of knowledge that can complement and mediate between theoretical and practical knowledge by providing prescriptive design principles (cf. Van Aken, 2004). Such a focus on pragmatically valid and managerially relevant design principles is not entirely new to the entrepreneurship field (see Romme, 2016 and the overview in Mansoori, 2018). A number of scholars have sought to develop practically useful theories of entrepreneurship, e.g. in the form of experimental approaches and tools to guide iterative planning in the face of uncertainty (e.g. McGrath and MacMillan, 2000) and heuristics for transformation with an eye to the future as created rather than discovered (Sarasvathy, 2009). However, to date this role has primarily been filled by reflective practitioners who have turned their tacit knowledge and practical experiences into explicit and prescriptive theories of how to develop new businesses under uncertain conditions (Blank, 2013; Ries, 2011; Savoia, 2011). Whether practitioners and academics call their theories customer development (Blank and Dorf, 2012) or lean startup (Ries, 2011), effectuation (Sarasvathy, 2009) or discovery-driven planning (McGrath and MacMillan, 1995), they all share an action-oriented view of entrepreneurship and embrace the pragmatic notion that theories are tools for business design, whose validity is related to their ability to help get things done (Berglund and Wennberg, 2016).

² While Aristotle also spoke about *sophia* and *nous* (wisdom and intellect) as two other approaches to knowledge, most contemporary philosophy of science treats these as beyond the domain of science.

³ While “design principles” will be elaborated throughout the text, we already here want to emphasize that it should not be confused with the more specific concept “design thinking”. To clarify, design thinking is but one instance of the broader category or body of knowledge that sometimes emphasizes pragmatic design principles.

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