



Contents lists available at ScienceDirect

Research Policy

journal homepage: www.elsevier.com/locate/respol



Contextualizing entrepreneurial innovation: A narrative perspective

Raghu Garud^{a,*}, Joel Gehman^b, Antonio Paco Giuliani^c

^a Smeal College of Business, Pennsylvania State University, United States

^b Alberta School of Business, University of Alberta, Canada

^c College of Business Administration, University of Illinois at Chicago, United States

ARTICLE INFO

Article history:

Received 31 March 2013
Accepted 31 January 2014
Available online xxx

Keywords:

Entrepreneurship
Discovery
Creation
Stories
Process
Performativity

ABSTRACT

We review literatures that inform entrepreneurial innovation, paying particular attention to different conceptualizations of contexts. Early research explored micro and macro approaches with some scholars taking an actor-centric perspective and others a context-centric perspective. Bridging these perspectives, different scholars proposed multilevel approaches, arguing that opportunities are “found” or “made” by entrepreneurs whose efforts are moderated by contexts. More recent constitutive approaches, such as those informed by structuration, complexity and disequilibrium theories, have viewed entrepreneurial innovation as a process wherein actors and contexts are co-created. We add to constitutive approaches by examining how entrepreneurs contextualize innovation through narratives. A narrative perspective considers entrepreneurial innovation as an ongoing process involving embedded actors who contextualize innovation through performative efforts. We discuss the implications of this perspective for policy, entrepreneurs, and research.

© 2014 Elsevier B.V. All rights reserved.

1. Introduction

Entrepreneurial innovation, by which we mean the emergence of new business opportunities (Schumpeter, 1939), is important to diverse stakeholders, including entrepreneurs, investors, policymakers, and the public at large. Over the years, considerable research has emerged that informs this topic. For instance, some scholars have taken a micro approach to studying how entrepreneurs and their teams (both henceforth referred to as “entrepreneurs”) are able to successfully innovate (Baum and Locke, 2004; Mitchell et al., 2002). In contrast to this agent-centric perspective, others have taken a context-centric perspective. Such a macro approach offers insights on the role of national, regional, and industrial contexts in inducing entrepreneurial innovation (Freeman, 1987; Saxenian, 1996; Van de Ven and Garud, 1989).

Several multilevel approaches have attempted to bridge the micro-macro divide. For instance, individual-opportunity nexus theory (Shane and Venkataraman, 2000) suggests that opportunities are preexisting features of contexts, and thus, awaiting discovery by alert entrepreneurs (Kirzner, 1997) or those in brokerage positions (Hargadon and Sutton, 1997; Obstfeld, 2005). In contrast, opportunity creation theory (Alvarez and Barney, 2007) suggests that entrepreneurs create new opportunities, with

contexts selecting certain outcomes over others. Other creation-oriented research has highlighted processes such as bricolage (Baker and Nelson, 2005) and effectuation (Saravathy, 2001).

Despite their differences, these multilevel approaches typically retain a view of individuals as atomistic actors working within established contexts. Namely, both consider contexts to be exogenous, serving either as *ex ante* sources of opportunities in the “discovery” school, or as *post hoc* arbiters of creative efforts in the “creation” school (Alvarez et al., 2013; Shane, 2012). In other words, whether opportunities are found or made, contexts are key moderators of success or failure, dictating the availability or the viability of entrepreneurial innovation, respectively.

More recently, different scholars have attempted to avoid the discovery-creation dichotomy. For instance, the literatures on structuration theory (Chiasson and Saunders, 2005; Sarason et al., 2006), complexity theory (Lichtenstein, 2011), and disequilibrium theory (Chiles et al., 2010) have offered constitutive approaches on entrepreneurial innovation, drawing attention to how actors and contexts are co-created through an interactive and emergent process. However, these literatures stop short of exploring how entrepreneurs contextualize by translating, shaping and infusing innovation with meaning (Callon, 1986; Garud and Giuliani, 2013; Hargadon and Douglas, 2001).

We review the diverse literatures that inform the progression of ideas on entrepreneurial innovation, paying particular attention to different conceptualizations of contexts. Although these literatures are far richer than can be fully captured within any organizing

* Corresponding author.

E-mail address: rgarud@psu.edu (R. Garud).

Table 1
Different perspectives on entrepreneurial innovation.

Approach	Micro-macro approaches		Multilevel approaches		Constitutive approaches	
Analytic focus	<i>Antecedents</i> : Factors that explain entrepreneurial innovation		<i>Events</i> : Episodes when entrepreneurial innovation is “found” or “made”		<i>Journeys</i> : Dynamics whereby entrepreneurial innovation emerges	
Perspective	Agent-centric	Context-centric	Discovery	Creation	Co-creation	Narrative
Emphasis	Emphasis on entrepreneurial agency	Emphasis on entrepreneurial contexts	Emphasis on opportunity discovery	Emphasis on opportunity creation	Emphasis on dynamic equilibrium and ongoing change	Emphasis on meaning making through interplay of entrepreneurs and environments
Locus and nature of agency	Agency established by actor attributes	Agency prescribed by institutional structures	Agency cultivated by being alert or by spanning structural holes	Agency derived from capacity to bricolage and effectuate	Agency located in ecology of interactions	Agency “translated” through social and material networks
Role of context	Contexts are not explicitly considered	Contexts explain entrepreneurial innovation	Contexts moderate availability of opportunities	Contexts moderate viability of creations	Contexts are both the medium and outcome of action	Contexts are constituted through performative efforts
Notable research streams	Personality; Cognition; Teams	Nations; Regions; Industries	Alertness; Brokerage	Bricolage; Effectuation	Structuration; Complexity; Disequilibrium	Actor-network theory; Path creation

scheme, our analysis (see Table 1 for a summary) suggests a movement from micro-macro approaches to multilevel approaches, and more recently to constitutive approaches. The narrative perspective offers a distinctive constitutive approach (Gartner, 2007; Garud and Giuliani, 2013; Lounsbury and Glynn, 2001; Martens et al., 2007; Zott and Huy, 2007), wherein entrepreneurs contextualize innovation through their relational, temporal and performative efforts. We conclude the paper by drawing out some important implications of the narrative perspective for policy, entrepreneurs, and research.

2. Micro-macro approaches on entrepreneurial innovation

Early scholars of entrepreneurial innovation generally took either an actor-centric perspective, or a context-centric perspective. Among others, the actor-centric perspective highlights entrepreneurial personality, cognition, and teams. The context-centric perspective highlights national, regional and industrial factors that drive entrepreneurial innovation.

2.1. Agent-centric perspectives

Many scholars have focused on individual characteristics as the basis for why some people are more likely to exploit opportunities than others (Gartner, 1985; McMullen and Shepherd, 2006). Early work emphasized personality traits, such as locus of control, need for achievement, and risk-taking propensity (Begley and Boyd, 1987; Brockhaus, 1980; Low and MacMillan, 1988). Other work showed that self-efficacy (Bandura, 1977), or the belief in one’s capabilities to produce effects, is consequential to entrepreneurial innovation (Chen et al., 1998; Markman et al., 2002; Zhao et al., 2005). According to this literature, individuals who have self-efficacy will be more likely to take on risk, recognize opportunities, and improvise when required. In an interesting twist, research has also shown that fortune is likely to favor those people who consider themselves to be lucky (Dew, 2009; Wiseman, 2003). Such people are lucky because they are open to opportunities and can adapt to situations.

Despite the appeal of considering personality characteristics as the primary explanation for entrepreneurial innovation, the overall findings of this research stream are mixed. Whereas some studies have reported correlations between various personality traits and entrepreneurial innovation, others have found no significant

relationships, and even relationships that were contrary to expectations (Ciavarella et al., 2004; Hansemark, 2003). In an effort to sort through these apparent contradictions, a growing number of meta-analyses have been conducted, again with mixed results (see Brandstätter, 2011 for a review). Germane to this review are the comments of some researchers who have suggested that inconsistent findings may be a result of failing to consider the role of contexts (Hjorth et al., 2008).

Going beyond personality, scholars have studied entrepreneurial cognition, defined as “the knowledge structures that people use to make assessments, judgments, or decisions involving opportunity evaluation, venture creation, and growth” (Mitchell et al., 2002:97), as an explanation for entrepreneurial innovation. This work posits fundamental differences between entrepreneurs and others in terms of how they think (Baron and Ward, 2004; Grégoire et al., 2011). For instance, Busenitz and Barney (1997) showed that entrepreneurs tend to rely more on decision heuristics than managers of established companies. However, this research has been critiqued for not unpacking the reasons why entrepreneurs use heuristics, noting several possible explanations, including self-selection bias, environmental constraint selection, and dynamic learning processes (Grégoire et al., 2011). As a corrective, Grégoire et al. (2011) proposed exploring entrepreneurial cognition as a process (i.e., the development, transformation, and use of mental representations and constructs), in addition to investigating its multilevel dynamics.

Even as discussions around individual characteristics have unfolded, a parallel stream of research has emerged on entrepreneurial teams. For instance, informed by literatures on social networks, strategic management and organizational ambidexterity, researchers have investigated how team composition influences organizational dynamics, innovation strategies and firm performance (Beckman, 2006; Ensley and Hmieleski, 2005; Ruef et al., 2003). Despite coordination costs (Foo et al., 2006), entrepreneurial teams possess advantages over lone entrepreneurs, as evidenced in superior performance outcomes of ventures led by entrepreneurial teams (Vissa and Chacar, 2009). Internally, team member diversity offers ventures access to heterogeneous skills (Colombo and Grilli, 2005). Externally, ventures can draw resources from multiple networks to which team members belong (Florin et al., 2003). While the latter speaks to considerations of entrepreneurs embedded in larger social structures, for the most part the literature on entrepreneurial teams has focused on

Download English Version:

<https://daneshyari.com/en/article/10483054>

Download Persian Version:

<https://daneshyari.com/article/10483054>

[Daneshyari.com](https://daneshyari.com)