Entrepreneurship as a Socially Constructed Phenomenon: Importance of Alternate Paradigms Research
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Abstract
This conceptual study posits that the debate about lack of agreed upon definition of entrepreneurship is rooted in the varied assumptions about knowledge claims. Entrepreneurship research is dominated by the functionalist paradigm which uses an objectivist stance with a view of regulation. Functionalism prevents the humanistic perspectives and is incapable of appreciating and enacting a 'heterogeneous view of entrepreneur (ship)'. Thus, there is a need to embrace new ways of generating knowledge that would lead to the development and enactment of an indigenous view of entrepreneurship in developing countries. However, acknowledging multiple paradigms can lead to 'incommensurability' rooted in debate about uniformity or variation of 'value(s)' across contexts. This paper argues that the methodological choice must be understood along with their overarching philosophies. It exhibits the value of using social construction to make a holistic sense of various definitions of entrepreneurship. It contributes to research and practice by advocating the adoption of clear philosophical stance and considering alternate paradigms of inquiry.

Keywords: Definition of entrepreneurship; Methodological issues; multidisciplinarity; Knowledge generation; Paradigm incommensurability; value pluralism: Social constructionism

Introduction
Entrepreneurship is considered as a key to economic progress of nations today (Baumol et al. 2007). It creates jobs, increases the overall efficiency of the economy by utilizing human resource for creation of value. Despite the agreement on the importance of entrepreneurship, researchers have been unable to offer a globally acceptable single definition. Consequently, the eclectic nature of research on
entrepreneurship poses a formidable challenge to survey. One reason for this 'divergence' lies in the multidisciplinary nature of entrepreneurship as researchers from different academic areas employ a variety of philosophical assumptions and diverse interest to generate scientific knowledge. In other words, methodologically, entrepreneurship literature has borrowed from various social science disciplines. Thus, multidisciplinarity, generally considered progressive as it draws on variety of methodologies, has turned into a disadvantage for entrepreneurship. It is necessary to examine this issue in-depth before finding possible solutions. Understanding the historical and philosophical roots will allow the entrepreneurship researchers to generate beneficial knowledge with clearly understood assumptions. Moreover, it generally contributes to the global theory, practice and policy of entrepreneurship by proposing a coherent lens for making sense of entrepreneurship research.

Entrepreneurship through philosophical paradigms: Tip of the ‘Iceberg’

The lack of common conceptual framework in entrepreneurship research results in the lack of agreed upon definition and a dispersed body of knowledge (Shane and Venkataraman, 2000). Perhaps it can be justified by considering entrepreneurship as a ‘nascent’ (Wickham, 2006) or ‘adolescent’ (Low, 2001) discipline. It cannot be compared with the coherence of ‘mature’ social science such as Psychology and Sociology. The ever increasing debate (Gartner, 1990) on this ‘definitional dilemma’ of entrepreneurship is not merely a classification issue but has deeper philosophical roots. It casts an overarching effect on the research process by influencing the research questions asked, the framing of used and the methodological choices made. Thus, it is imperative to undertake the explication of hidden (‘and not so hidden’) assumptions behind various interpretations of entrepreneurship.

Shane and Venkaraman (2000) succinctly point to three overarching roles of entrepreneurship. Firstly, it is a mechanism to transform technical information into value added products and services (Arrow, 1962). Secondly, it removes spatial and temporal inefficiencies in the market place and moves it towards equilibrium (Kirzner, 1997). Finally, entrepreneurial innovation in products and services is the source of change in capitalist economies thus creating the necessary disequilibrium in the marketplace to progress the economy (Schumpeter, 1934). The three roles, though located in the social context, emphasize the marketplace, value addition and the economic sphere. Thus, rendering entrepreneurship as an economic phenomenon. It can be argued that historically entrepreneurship was first observed by early economists as a marketplace action taken by an individual. Some of the
early definitions of entrepreneurship, from economists clearly indicates this Cantollin (risk taker appropriating legitimate profits), Turgot & Say (uncertainty bearer creating value from factors of production) and Schumpeter (creative destructor enhancing efficiency of factors of production) (Bruyat, 2000). Porter (1998) argues that many sectors of a society use economics and the marketplace for valuing worth as well as balancing resource need and availability. Despite this fact, restricting entrepreneurship as a purely economic phenomenon has been accepted as a ‘taken for granted convention’ (Kuhn, 1970) among researchers. Consequently, entrepreneurship theory and methodology has been dominated by economics.

Burrell and Morgan’s four paradigm model can be used a philosophical framework (Perren and Lew, 2002; Jennings et al, 2005) for understanding the dominance of economic theory in entrepreneurship literature.

Figure 1: Four Paradigms for the Analysis of Social Theory (Burrell and Morgan, 2003, p. 22 Cited in Jennigs et al, 2005)

Functionalist paradigm (in figure 1) has dominated entrepreneurship research (Ogbor, 2000; Chell & Pittaway, 1998; Grant & Perren, 2002; Jennings, 2005). It assumes an objectivist stance and theorizes entrepreneur (ship) with the view of ‘regulation’ towards achievement of such objectives as ‘economic growth’. Objectivism emphasizes practical, result oriented but a reductionist approach towards harnessing the power of entrepreneurship. Methodologies with clear answers to enhancing economic gains are favoured and accumulation of higher dollar value is considered to be a role model for the rest. Thus, it can be concluded economic theory and methodology has deeply influenced entrepreneurship literature in terms of philosophical assumptions about world views (ontologically), what considers as knowledge
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(epistemologically) and suppositions about human nature (i.e. rationality) (Jennings, et al., 2005). The dominance of functionalism has not gone unchallenged and there is an increasing realization for a more balanced view.

Scholars have made a variety of suggestions. Steyaert and Katz (2004) argue in favour of reclaiming the space for entrepreneurship in society by expanding its horizons with reference to ‘geographical, discursive and social dimensions. Jennings et al. (2005) suggest that the lack of regard for individual subjectivity can be answered through interpretive, radical humanist stance. Ogbor (2000) provide a critical review of meta-theoretical assumptions and discourse of entrepreneurship literature and labels it as ‘discriminatory, gender-biased, ethnocentrically determined and ideologically controlled’ (p.605). Similar assertions have been made by Steyaert and Hjorth (2006), Davidson (2004) and Steyaert and Bouwen (1997). The dominance of functionalist paradigm means an overemphasis on answering the ‘how’ question about the state of entrepreneurship research but a neglect of ‘why’ question. Bygrave (1989) has analysed historical trends in entrepreneurship research and concluded that it ‘suffers’ from ‘Physics envy’. Entrepreneurship researchers have adopted methodologies with a view of producing results that match the coherence and mathematical precision of physical sciences like physics. Bygrave (Ibid) argues against approaching entrepreneurship research through assumptions based on physical sciences because matching the coherence and rigour of Physics leads to reductionism and narrowing down of research frameworks that do not serve entrepreneurship as a social science.

This discussion has illustrated that entrepreneurship research, though dominated by objectivist-functionalist paradigm, has a new growing and balancing trend of competing paradigms. However, objectivist research is labelled mainstream while others are termed as alternate or non-mainstream approaches. A radical difference between philosophical underpinnings compels researchers to choose one over the other. There is clear need for adopting non-mainstream approaches, especially in the context of under-researched and developing context as they are better suited to conceptualize the informal and unorganized issues. This cannot happen by neglecting the historically significant and dominant functionalist research on entrepreneurship. Thus, it is necessary to realize the problems arising from adopting multi (and potentially) conflicting paradigms and suggest a philosophical approach that can make possible the progress of entrepreneurship research in a coherent manner.
Dealing with Multiple Paradigm and Incommensurability

Paradigms have solidly drawn boundaries with entirely different philosophical basis and knowledge (Pittaway, 2009). This effect has increased with the rise of specializations. The use of multiple paradigms can promote an inclusive agenda for entrepreneurship research but it also leads to problem of incommensurability (Welsch and Liao, 2003) – having no common measure (Oberheim and Hoyningen-Huene, 2009) or logical incompatibility of theories (Down, 2010: 76) and paradigms. Philosophers have distinguished between various types of incommensurability. Kuhn believes in three types of incommensurability-methodological, perceptual/observational and semantic (Bird, 2004). Chang (1997) argues in favour of two generic types, firstly, the Pythagorean idea ....that items cannot be measured by a single scale of units of value and secondly Incomparability (p.1). The use of multiple paradigms in entrepreneurship illustrated as incomparability raises the questions that how can things be valued in terms of trade-offs between costs and benefits if costs and benefits are incomparable (Ibid; 2).

Incomparability can lead to imposition of dominant view especially where issues related to economic value are compared to social values. The former is tangible and calculable while the latter constitutes both tangible and intangible elements. For instance, the world’s third largest hydroelectric dam in Brazil is supposed to provide electricity to 20 million home and nearly 100,000 jobs. However, the indigenous population, effected and displaced by the project demand ‘Justice’ and ‘respect’ as they insist on protecting their land and its ‘flora and fauna’ (Aljazeera, 2010). Clearly, it is impossible to compare and choose between the alternative choices because the Brazilian government is using economic value as a yardstick while the indigenous population is employing their indigenous value framework (e.g. cultural values). In other words, a vastly distinct interpretation of the term ‘value’ (that lies at the heart of entrepreneurship) is actually rooted incomparable meanings attributed to it. But should there be uniform values around the world?

Two approaches, value monism and value pluralism, can be found in the debate surrounding uniformity or variation of ‘value(s)’ across contexts. The former advocates universality of values and believes that some value(s) (e.g. economic value) must take precedence, while the later contend that values are subjectively manifested and preferred although some values have wider scope than others (Westall, 2009). It can be postulated that value monism tends to suit functionalism and control perspectives while value pluralism promote diversity and inclusiveness and is a favourable approach for alternate view of entrepreneurship. Value pluralism can acknowledge and address
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incomparability and could possibly provide a requisite space to reach some form of broad consensus. In political debate we can observe value monism when the ‘otherness’ of value system(s) is recognized but rejected on the basis of being declared as inferior to one’s own values. This strategy is unsuccessful in case of non-negotiable issues such as moral values (Mason, 2006).

Value pluralism can become major impediment in scientific studies of entrepreneurial action in varied contexts and cultures e.g. theorizing indigenous entrepreneurship. Indigenous entrepreneurs are population that have persisted in a geographical location before it was colonized or integrated within a nation-state and use local knowledge for self-employment (Dana, 2005). In advocating value pluralism, Hindle and Lansdowne (cited in Dana and Andreson, 2007) argue that indigenous entrepreneurship cannot be understood through ‘value theory’ (economic singular) alone as it require an overarching view through theory of value (Human Plural) (p.10). Thus, focusing on human values allows for a range of contexts where economic value might not be the first preference in all cases.

This view can be challenged on the premise that knowledge produced while recognizing plural values can create a highly disintegrated body of literature which is understandable in their native contexts only. However, if science is to be understood as a social practice then its fundamental assumptions are to be based on everyday life (Burrel and Morgan 1979 cited in Edwards, James Skinner, 2009) with shared and unique aspects. Focusing on human values assume the presence of shared elements at some level which can be used to draw commonalities and they can ‘act as a bridge’ to understand unique elements. This approach allows for questioning the taken for granted assumption and corresponds to Ogbor’s (2000) reference to Schumpeter’s (1949) call for elevating ‘ideological delusions’. He recommends that entrepreneurship research can be progressed by understandings

‘how and why particular ideational systems, institutions and belief systems produce and shape the pattern of entrepreneurship ... how the prevailing social, historical, political and ideological systems and norms in contemporary society foster or inhibit the ‘spirit’ of entrepreneurship among particular societal groups’. (p. 630).

These questions can be answered by adopting one of the alternate philosophies- the social constructionist approach.
A Social Constructionist definition of entrepreneurship

Down (2010) has argued that a 'strong view of incommensurability over-concretises the purposes of theory building’ however, it is not a problem if ‘polarization of positions’ is avoided and theories are perceived as only partial guides to a ‘messy’ world (p.76). In other, the claim of objective knowledge is given up. Only by accepting theories as partial depictions of reality, researchers can ask if entrepreneurship is based on innovation, change and uncertainty and if entrepreneurs need to be ‘controlled’ or ‘harnessed and unleashed’? Are they to be viewed ‘as cogs in economic machine’ (to be fine-tuned through policy) or proponents of ‘change for betterment in society’ to be understood and allocated towards most productive sectors? In this respect, a balanced view of social constructionism can be adopting through the ontological position of embedded entrepreneur (Chell, 2000) which can potentially ‘form a bridge’ ‘between positivist and phenomenological paradigms’ (Chell, 2000: 69). In other words, the entrepreneurship researcher would be able to benefit from the vast body of positivistic literature while making new and more beneficial contributions.

Entrepreneurship literature is already experiencing a profusion of studies based on social constructionist view (see Fletcher, 2006, 2007; Down, 2006; Downing, 2005; Chell, 2000; Aldrich & Martinez, 2005). Furthermore, a useful definition of entrepreneur has been proposed by Hindle (2010) by combining the process oriented definitions offered by Gartner (1985), Shane and Venkataraman (2000), Shane (2003), Venkataraman(1997) and Sarasvathy (1999, 2001). ‘Entrepreneurship is the process of evaluating, committing to and achieving, under contextual constraints, the creation of new value from new knowledge for the benefit of defined stakeholders’ (Hindle, 2010: 100). This definition takes account of the issues relating to context of the study while remaining globally compatible and a remaining strongly grounded in the intentional literature on entrepreneurship.

Conclusion

The persistence with functionalism as a relevant way of doing research in Pakistan and many other developing countries can be attributed to adherence with tradition or mainstream or to a singular conception of meaning of research without understanding its depth. It has been exhibited here that the dominant paradigm may not represent a suitable choice in all circumstances. This study illustrates the value of using alternative philosophies of inquiry to make sense of entrepreneurship while remaining contextually grounded and internationally relevant. The paper shows the value of questioning the assumptions made during any study and explicitly framing and ontological and epistemological issues. Without making clear
connections between the worldview, the preferred ways of knowing and methods applied to data collection and analysis it may not be possible to generate beneficial knowledge that contributes to international theory and practice through scientifically study of the local phenomenon. This illustrative case of entrepreneurship research can be used in any of the social sciences academic discipline for understanding the philosophical roots of arguments.
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