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Special Issue – Entrepreneurship as an European Experience

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Recent Trends in Leading Entrepreneurship Research: The Challenge for European Researchers

Abstract: Recent researchers have noted differences in the culture of entrepreneurship research between the USA and Europe, with European researchers being more policy orientated, more methodologically open, more inclined to favour multidisciplinary approaches and less preoccupied with “grand theories”. The leading entrepreneurship journals are US based, and increasingly becoming dominated by theory-driven approaches to research. As the US journals are edited and reviewed by international academics, including many European ones, this apparent culture difference cannot be accounted by national culture alone. This paper discusses the notion that the drive for setting rigorous standards for achieving elite status for the journals mainly through championing rigorous theory development is driven by the needs for setting benchmarks for research selectivity in Universities in both sides of the Atlantic. This results in a disturbing mismatch between academic and applied research, as most of the funding comes from governments who need answers to important policies rather than academic questions. This is particularly a serious challenge for a majority of European researchers who depend largely on policy sources for funding.

Keywords: Entrepreneurship, Research, Europe, Theory, Practice

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1 Introduction

Entrepreneurship research, once mainly a specialised interest of Austrian economists, has grown substantially since the 1950s and is now considered an important business discipline (Katz 2003; Kuratko 2005). In recent years, entrepreneurship researchers have drawn upon a rich diversity of theory and

methodologies from social sciences and scholarly traditions from many countries. This diversity has been a notable feature of entrepreneurship research in Europe, which has expanded in volume and quality since the 1980s (Welter and Lasch 2008). Entrepreneurship research is no longer primarily the product of North American researchers. Although the two highest ranked journals (Journal of Business Venturing (JBV) and Entrepreneurship Theory and Practice (ETP)) are US based, an examination of the editorial boards and lists of reviewers reveal that a vibrant international community, with scholars of European affiliation or recent origin, plays leading roles in many subject areas. There has also been a rise in the number of European-based journals, and two, Entrepreneurship and Regional Development (ERD), and the International Small Business Journal (ISBJ), are approaching “elite” status.

In their detailed review of European entrepreneurship research, Welter and Lash (2008) summarised the differences between US and European research, a theme that has attracted the attention of a number of scholars since the 1990s. There is a consensus that European research has been more open to qualitative and exploratory methodological approaches, has displayed greater multidisciplinary and has been more contextual, particularly being more policy focused. The special issue that Welter and Lasch (2008) edited in ETP further stresses the diversity of European research, with different countries having their own methodological preferences and theoretical and policy traditions, and in the length of time entrepreneurship has been researched. This is illustrated in depth by the authors of the special issue for different countries: the UK (Blackburn and Smallbone 2008), the Nordic countries (Hjorth 2008), Germany (Schmude, Welter, and Heumann 2008) and France (Lasch and Yami 2008). In general, the Nordic countries, the UK and Germany have a longer tradition of entrepreneurship research than that of the Mediterranean countries, reflecting differences not only in policy priorities but also in the number of scholars trained in academic English.

Blackburn and Smallbone (2008) make two further important observations in the context of UK research, which is also applicable to Europe. There is, firstly, a tendency to regard entrepreneurship research as a subject for study, rather than an object for promotion (that is, entrepreneurship is less ideological than in the USA). Secondly, there is more stress on “pre-paradigmatic and middle range theory development, somewhere between grand theory and empirical findings” (Blackburn and Smallbone 2008, 267).

It is natural to compare research by cross-country traditions, but this can detract from understanding fundamental differences in research approaches which are not country based, but aligned in other more important ways. For example, the difference between Austrian and Neoclassical economic traditions is fundamental in the study of economics, but this difference is theoretical not

one of region. Austrian economists today are mostly from the USA, not from Europe. Hence, the illuminating paper of Brush, Manolova, and Edelman (2008) especially reveals that they compared not European and North American researchers, but European and North American Journals. The North American journals are not dominated by US scholars, but an international mix of scholars, in which Europe is well represented by researchers who are resident of Europe, or European research stars who have migrated to North America.

How far does the difference in output between US and European journals reported by these authors really reflect differences in national cultures? Publication in the elite US journals has perceived (not least by researchers themselves) as the benchmark for elite achievement in University Schools and Departments in both sides of the Atlantic. Research selectivity exercises, which disburse Government research money for academics, are being selectively disbursed on the basis of “research excellence” measured not only on whether a publication appears in an international journal but also on whether the journal is elite or not. High-quality social science research is increasingly being interpreted as theory driven rather than empirical or exploratory. Hence, this is the kind of research that dominates the research journals. Research on policy and practice is increasingly being relegated to more sympathetic but less elite journals. In so far as the elite journals are in the USA, there will naturally be a difference in perceived rigour and academic priorities between US and European journals. European researchers thus face a challenge no different from those in other countries, how to meet the requirements of what could be termed “theory-driven purity”, which is less relevant to the policy agendas in Europe which provide most of the Government research funding.

2 Policy-, practice- and theory-driven research

The entrepreneurship field since the 1970s has been eclectic and fragmented. The most basic challenge, how to achieve a consensus in defining entrepreneurship, has eluded and still eludes the field. There is no single theory of entrepreneurship, but many competing theories borrowed from economics, psychology and sociology. Nor is entrepreneurship as a subject confined to business schools, but is increasingly taught and researched in other subjects such as education, sociology and social policy, economic development, economics and social psychology. Yet despite this diversity, the aspiration remains strong in many entrepreneurship researchers to develop a more cohesive and unitary discipline, to legitimise entrepreneurship as a discipline and to attain levels of academic maturity reached by other business disciplines (Davidsson 2003; Wiklund et al. 2011).

Davidsson (2003) and Welter (2011) distinguish entrepreneurship as a “scholarly domain”, with a stress on understanding what it is about, and a “societal phenomenon”, with an emphasis on the consequences and outcomes of entrepreneurial behaviour. The scholarly domain could be equated with “pure theoretical” research and the “societal phenomenon” with applied research. Both have their place, but the desirability for establishing a cohesive unitary discipline is greater in the former. Entrepreneurship theory-driven research seeks to understand entrepreneurship as a concept which requires explaining with its own distinctive body of theory and assumptions. Theoretical insights from other disciplines are a stepping stone to develop better and more distinctive theory, which can eventually be integrated to form one grand theory of entrepreneurship. Applied research, however, tends to be more empirical and exploratory, with research focused on practical problems often identified or even commissioned by non-academic practitioners and policy makers. In order to progress understanding, interdisciplinary approaches may be necessary, but no grand theory of entrepreneurship is envisaged as necessary or even desirable. In one camp, there is a perceived inadequacy or even lack of theory, and the need to develop it is the most urgent priority. In the other, the social sciences abound in potentially relevant theory to inform the quest for solution and explanations to more applied entrepreneurship questions and problems. Theory in this camp needs applying rather than developing.

Entrepreneurship is not a subject that naturally invites theorising. Academic interest in entrepreneurship has existed since the 18th century, but has tended to be low-key and marginal in the development of mainstream subjects such as economics, psychology and sociology. Its spectacular rise as an academic subject since the 1950s (Katz 2003; Kuratko 2005) is due to its perceived policy importance and to a recognition that entrepreneurship plays an important role in facilitating economic and social change, in times where political, social and technological progress is accelerating rapidly (Drucker 1985). Entrepreneurs in such dynamic economic and social conditions are commonly regarded as essential to economic growth, being adept at matching opportunities and resources, and by creating new enterprises are an important source of jobs and poverty alleviation. Hence, entrepreneurship has become an “object” of research interest, driven not only by academic curiosity but also by policy and practitioner needs.

Since the 1970s, the number of policy needs that entrepreneurship contributes to has been proliferating (Table 1). Each new policy context is additional rather than a substitute for its predecessors. The need for entrepreneurs to create jobs, for example, is still paramount, and interest in entrepreneurship and job creation has not receded just because social entrepreneurship is now heavily promoted as well. Secondly, the rate of diversification of new policy contexts

Table 1: Major policy contexts for entrepreneurship research since the 1970s.

Era	Policy context/needs	Entrepreneurship outcomes	Regional importance
1970/1980s	Industrial restructuring in developed countries	New firms for jobs/new high-growth, wealth-creating firms	The USA and Europe
1980s–present	Gender and ethnic minority marginalisation	Boosting female and ethnic entrepreneurs, lessening discrimination	All developed countries, particularly, the USA and Europe
1990s	Converting command economies to market economies	New entrepreneurs and better environments for entrepreneurs	Eastern Europe, EU, development agencies
1990s–present	Need to commercialise science innovations more effectively	High technology entrepreneurs, science and innovation clusters	Across the USA and Europe, particularly strongly promoted in peripheral economies, recently Asia
1950s–present	Need to alleviate poverty in developing countries	Develop entrepreneurship capacity and small and medium enterprise (SME) sector	Developing countries, especially Africa since Millennium
1990s–present	Need for non-government solutions to welfare problems	Growth in the numbers of social entrepreneurs	World wide
2000s–present	Need to rehabilitate marginalised indigenous communities	Empowerment of indigenous communities through entrepreneurship	Canada, Australia, New Zealand
2000s–present	Need for sustainable use of resources in the face of climate change and world population growth	Development of sustainable and “green” entrepreneurship	

where entrepreneurship has a role is accelerating. Most of the agendas listed earlier have emerged strongly since the 1990s. As each new economic or social crisis or problem emerges, entrepreneurship is now routinely evaluated as a potential contributor to the development of understanding and solutions.

From this analysis, we might expect policy- and practitioner-driven research to dominate the field, but this has not happened. As Brush, Manolova, and Edelman (2008, 261) remark, “progress according to a pragmatic approach suggests that research theory and methods would take a secondary role, and that the research would focus on topical questions”. Each new “topical” policy area given in Table 1 (and the list is not comprehensive), on emergence, has generated a great deal of funding for academic researchers from policy sources (international, national and local), but since the Millennium increasingly little of this policy-funded research has percolated as publications into the top entrepreneurship journals. Instead of rigorous funded empirical research focused on policy or practitioner problems being published, there has been a dramatic rise in theory-driven academic publications in which theoretical problems dominate the agenda.

As each new policy area emerges, it tends to be regarded as pre-paradigmatic, largely unexplored or yet to be developed theoretically. Research focuses on developing theory in that area, and intensive theory development becomes the main benchmark of progress. The ultimate goal is to achieve paradigmatic status with coherent theory capable of significant prediction and explanation. There is a desire to achieve paradigmatic status not only for entrepreneurship as a whole but also for each new sub-area of entrepreneurship, such as “international entrepreneurship”, “strategic entrepreneurship”, “social entrepreneurship” and “sustainable entrepreneurship”. Each new sub-area is regarded as involving a process of theory development, and empirical research taking secondary importance to the paramount need to enhance theory.

The increasing dominance of this “theory” tradition can be deduced from examining publications in the two leading journals in the entrepreneurship field, the *JBV* and *ETP*. The number of recent articles which are policy driven, practice driven, empirical and exploratory has declined since the 1990s (Brush, Manolova, and Edelman 2008). In “*ETP*”, for example, the word “practice”, though in the title, has mostly disappeared as a criterion for inclusion. The space for “regular” freelance articles is also being restricted. Instead there has been a rise in “special issues”, which now dominate the journals, with at least three a year in *ETP*, and at least one in *JBV*.

Table 2 lists the special issues since 2008–2012 in *ETP*. There have been 17 special issues out of 36 issues of the journal since and including 2008, nearly a half. All the editing authors of these issues justify the significance of their issue by the need to develop theory. There is, surprisingly, hardly any reference to policy or practice as a justification for including the field as an important area to develop. Of 86 articles between 2010 and 2012 in the special issues, only three attempted (though only fleetingly) to justify the significance of the research from

Table 2: List of special issues in entrepreneurship: theory and practice 2008–2012.

Special issue	ETP reference
Social Entrepreneurs' Behavior	Volume 36, Issue 5, September 2012
Extending Women's Entrepreneurship in New Directions	Volume 36, Issue 3, May 2012
The Heart of Entrepreneurship	Volume 36, Issue 1, January 2012
Theory of the Family Enterprise	Volume 35, Issue 6, November 2011
New Directions in Franchising Research	Volume 35, Issue 3, May 2011
Future of Entrepreneurship	Volume 35, Issue 1, January 2011
Theory of the Family Enterprise	Volume 34, Issue 6, November 2010
Social Entrepreneurship	Volume 34, Issue 4, July 2010
Institutional Theory & Entrepreneurship	Volume 34, Issue 3, May 2010
Entrepreneurial and Business Growth	Volume 34, Issue 2, March 2010
Transnational Entrepreneurship	Volume 33, Issue 5, September 2009
Strategic Entrepreneurship	Volume 33, Issue 1, January 2009
Theory of Family Enterprising	Volume 32, Issue 6, November 2008
Government and Entrepreneurial Activity	Volume 32, Issue 5, September 2008
Entrepreneurship Research in Europe	Volume 32, Issue 2, March 2008
Entrepreneurship in Emerging Economies	Volume 32, Issue 1, January 2008

a policy or practitioner perspective, and less than 20 articles contained some discussion (though usually less than two paragraphs) on policy and practitioner implications of their research. The policy and practitioner agenda are not seriously addressed.

The development of a cohesive academic community and theory agenda has only been possible by accessing funding less directly tied to policy and practice – usually by competing for that portion of research funding that is allocated for individual academics to freely pursue research within Universities as part of the overall University budget. Every country has its own system of selectivity to ensure that most scarce of resources – funding for research with no policy strings attached – augmented by general research funds stemming from investments and endowments. The competition for this kind of government money is intense and highly competitive between Universities. Differential allocation on the basis of research assessment exercises has tended to polarise these funds into a small number of “elite” universities. The basis for this is that excellence in research is defined mainly by publication in leading international journals. In turn, the criteria for acceptance in the leading entrepreneurship journals have increasingly tended to favour academic theory-driven research and not empirical policy-driven studies. This is causing a disturbing mismatch between the needs of policy, the main drivers of entrepreneurship and the aspirations of academics, largely focused on improving their standing on research league tables.

3 Conclusions

This problem is increasingly widespread in developed countries, most of whom now have some form of research selectivity. It could be argued that it is especially a problem for Europe. The criteria for research excellence are set by an elite body of international academics who also tend to edit and control the leading entrepreneurship journals. They face intense pressure as the number of articles submitted has escalated as research selectivity has gained momentum. They have far more articles than they have space for, and therefore, perceptions of excellence become paramount in deciding which have priority. The need for “rigorous” theory-driven, mostly deductive research is becoming the primary criterion for publication, and this sets up a vicious circle of intensification of these criteria. Even qualitative inductive research is becoming structured and its major role of exploration and discovery is perhaps being undermined. Finally, as the “big” questions are now increasingly perceived as academic rather than policy driven, this is posing questions of relevance and value for money in the minds of senior policy makers and practitioners. For many European entrepreneurship researchers, whose funding is tied up with policy projects and policy agendas, their ability to convert this research to “theory-driven” international research is increasingly problematic. Not only is there a mismatch between policy versus theory, but also the fact that many of the policy contexts that Europeans engage in can be regarded as too parochial to engage the interest of more international audiences.

Thus, there is a challenge that the entrepreneurship community faces, how to address the decline of “policy and practice” as a criterion for publication in its leading journals, and at the same time become more relevant to the needs of a proliferating agenda of policy contexts. As Welter (2011, 178) observes, “it may well be time for entrepreneurship scholars to combine both dimensions in order to successfully contextualise the field and the phenomenon”. The field of medicine illustrates well how rigorous but vitally relevant applied empirical research can have an elite status in its leading journals, such as the *Lancet* and the *British Medical Journal*. Most medical research published in these journals is very rigorous but not directly driven by the need for theoretical development, and a few contain explicit “theory” sections, yet people are alive now because of the outcomes of this research. In perhaps revising the priorities of excellence, medical research and other mature applied disciplines could serve as a model for a new generation of European entrepreneurship journals.

The launch of new journals such as the *Entrepreneurship Research Journal* provides opportunities to balance the picture by allowing a greater variety of

research to be published and by developing a publication model closer to medicine, where rigorous research can be blended more closely with policy and practitioner relevance.

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