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Review Article

Entrepreneurial Management (EM) As a Fulcrum for Women Entrepreneurs' Business Performance's Uplift: A Review

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Abstract

Entrepreneurial Management (EM) remains a vitally needed 'fulcrum' and catalytic women business performance's uplift! Entrepreneurial management by definition is opportunity driven without regards of availability of resources and potential obstacles, which requires a great level of propensity to change. Business organizations are now entrepreneurially inclined because their environment has become highly competitive, dynamic, and heterogenic. Therefore, there is an emergency in terms of business sustained profitability and survival. The entrepreneurship literature suggests that EM improves firm performance which sounds as a good omen to the policy makers, practitioners and scholars who had been hitherto been bothered about the growth and survival rate of the businesses run by the entrepreneurs. Objectives of the study include to explain and understand the importance of EM, as a construct in entrepreneurship research, to reveal and also explain the main and leading variables of as posited by Stevenson and Brown in 1983 and to explain and understand the contributions and roles of EM in up scaling the performance of women entrepreneurs. The study adopted a conceptual approach. The use of systematic literature review the justification for the adoption of this approach is because the study is exploratory in nature anchored on discovery of ideas and insights. Materials were generated via internet, textbooks and other documents relevant to this study. EM comprises of dimensions that can be empirically measured. Today, EM remains a rarely and sparsely research construct in the field of entrepreneurship.

Keywords: ***Women Business Performance, Entrepreneurship, Entrepreneurial Management, Small and Medium Enterprises.***

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Introduction

Entrepreneurial Management

Stevenson's view of Entrepreneurial Management (EM), puts opportunity-based behaviour at the centre (Brown et al., 2001) since these behaviours may be "critical to the long term vitality of our economy" (Brown et al., 2001) and thus, it is important to facilitate the study of them (Mahmood, 2016). The essence of the concept of Entrepreneurial Management (EM), is the definition of entrepreneurship as 'an approach to management i.e. a process by which individuals – either on their own or inside organisations – pursue opportunities without regard to the resources they currently control (Brown et al., 2001), where 'opportunity' is defined as a 'future situation which is deemed desirable and feasible' (Brown et al. 2001; Brown, 2001). Entrepreneurial management by definition is opportunity driven without regards of availability of resources and potential obstacles, which requires a great level of propensity to change (Hortoványi, 2012).

Entrepreneurial Management, as proposed by Brown et al. (2001) assumes that entrepreneurial firms are driven and motivated by the opportunity, seize it regardless of the resources they have and if necessary, prefer to rent these resources (Kuhn et al., 2010). Stevenson (1983) then holds that EM practices can help firms remain vital and contribute to firm and societal level value creation. In order to achieve these, they develop supporting mechanisms like structure, culture and people (Mahmood, 2016).

It assumes that entrepreneurship is an opportunity-centered process that enables people to realize the high potential venture regardless of the resources currently controlled, the applicable approach for the proper stream of thinking would be the idea of entrepreneurial management on the organizational level developed by Stevenson and Jarillo. This approach suggests that value creation can take place in every organization, and describes entrepreneurship as the question of strategic management; a quality of the enterprise that protects it from going under due to lack of strategic competencies; an issue representing an entrepreneurial mode of strategic management (Mahmood, 2016).

Based on these assumptions, entrepreneurship is further defined as strategic management approach, as well as process, within which opportunities are sought, regardless of resources under direct control. This idea places, entrepreneurship within broad frames of strategic management and emphasizes opportunity seeking, thus making an entrepreneur independent of the organizational context (Mahmood 2016; Dyduch (2008).

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The essence of the concept of EM is the definition of entrepreneurship as 'an approach to management i.e. a process by which individuals – either on their own or inside organisations – pursue opportunities without regard to the resources they currently control' (Stevenson and Jarillo 1990), where 'opportunity' is defined as a 'future situation which is deemed desirable and feasible' (Mahmood (2016); Stevenson (1990); Stevenson and Jarillo, 1990).

Stevenson's original description of EM consists of six different dimensions: Strategic orientation, commitment to opportunity, commitment to resources, control of resources, management structure and reward philosophy. Brown (2001), discovered later that Stevenson had explicitly included two more dimensions with his earlier thoughts, which were entrepreneurial culture and growth orientation. The conclusion derived by Brown et al. (2001) is that they have successfully isolated six empirically distinct factors (out of the original eight) that represent important dimensions of Stevenson's conceptualisation of entrepreneurship as opportunity-based business behaviour) (Mahmood, 2016).

Problem Statement

Entrepreneurial Management, EM is an important construct of entrepreneurship that determines performance and survival of business organizations yet it is not factored into relevance by the entrepreneurs in the developing economies especially in Nigeria. This ignorance has led to the death of some businesses which has also served as a major disincentive to so many aspiring and prospective entrepreneurs. The resultant effect of this ugly trend is economic depression, massive unemployment, an unprecedented levels of crimes and other social vices.

Objectives of the Study

These include:

- To explain and understand the importance of Entrepreneurial Management, EM as a construct in business research.
- To reveal and also explain the main and leading variables of Entrepreneurial Management, EM as posited by Steveson in 1983.
- To explain and understand the contributions and roles of Entrepreneurial Entrepreneurial Management, EM in up scaling the performance of business organizations**.**

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Research Methodology

The study adopted a conceptual approach. The use of systematic literature review. The justification for the adoption of this approach is because the study is exploratory in nature anchored on discovery of ideas and insights. Materials were generated via internet, textbooks and other documents relevant to this study.

Review of Literature

EM is therefore suggested to consist of six subs dimensional namely Strategic Orientation (SO), Management Structure (MS), Growth Orientation (GO), Entrepreneurial Culture (EC), Resource Orientation (RO) and lastly, Reward Philosophy (RP) (Mahmood, 2016).

It is Stevenson's conceptualization of entrepreneurship as opportunity-based management behaviour. EM focuses upon opportunity-seeking and a promoter-type behavior as promulgated by Stevenson (1983). It is a tendency to exploit opportunities irrespective of resources controlled and it differs from traditional management i.e. trustee-type behavior that primarily stresses upon efficient utilization of the resources under management control. Stevenson describes entrepreneurial behaviour and administrative behaviour as the two extreme opposites of an entrepreneurship continuum. This continuum describes the entire spectrum of possible firm behaviours with the promoter firms placed at the entrepreneurial end and the trustees at the administrative end. Whereas the promoter intent to pursue and exploit new opportunities regardless of resources controlled, the trustee strives to use his or her resource pool in the most efficient way on given purposes (Mahmood, 2016)..

Measures of Entrepreneurial Management

The conceptual dimensions of entrepreneurial management include::

Strategic Orientation

The ability to identify and commit oneself to new opportunities has been seen as key entrepreneurial feature of individuals (Eliasson, 2003; Eliasson and Davidson 2003; Casson, 1982; Kirzner 1973) and firm (Eliasson, 2003; Zahra, 1993). Stevenson's suggests that entrepreneurial firms base their strategies solely on opportunities that exist in the environment, using opportunities as a starting point for developing strategies. Opportunities are used by an entrepreneurial firm as a starting point to develop their business strategies, while an administrative firm, on the other hand, is perceived to rely on the resources they already control when developing their business strategies (Mahmood, 2016; Majid, 2006).

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It is the firm's philosophy that effects every decision about strategy. The opportunities that exist and not limited by the resources that may be required to exploit them in the pure promoter' strategy. This is based on the fact that strategy is opportunity-driven and any opportunity is relevant to the firm. When an opportunity is identified by the firm, a secondary step that follows has to do with the acquisition and deployment of resources of the vitally needed resources. The efficient utilization of the firm's resources is the concern of pure trustee's strategy which is the other extreme of the continuum. In any firm strategy is resource driven, therefore, the opportunities must be relevant to resource availability even though the trustee is in the know (Mahmood, 2016).

Resource Orientation

The traditional view of resources in entrepreneurship has been on resource ownership. Building a new business requires resources. Covin and Slevin (1988) and Eliasson (2003) have suggested that: "an organization's entrepreneurial capacity will be, to some extent, limited by its resource base," which implies that direct ownership of resources should stimulate entrepreneurial behaviour and financial performance. Previous research has also focused on the difficulty in obtaining resources and especially financial capital for future expansion. However, some research has started to emphasize that firms can gain flexibility by striving not to accumulate resources, since they may have a constraining effect one entrepreneurial activities (Stevenson, 1983; Mahmood, 2016).

Maximization of resources is the concern of the promoter through value creation by minimizing resources making the commitment of resources to be multistage with a minimum exposure at each stage or decision point that allows the promoter to stop and change direction rapidly, if and when circumstances change. The flexibility of the promoter allows it to take new information about the opportunity or the environment into account and to change his strategy accordingly very quickly. Resources must be minimized in order to initially pursue an opportunity, the amount of resources at risk that could turn out to be sunk costs is also minimized but the accumulation of resources creates an organizational pressure, (e.g. capital allocation system, formal planning systems, certain) that makes it difficult to maintain this type of resources commitment. The trustee's commitment of resources is about advance analyses coupled with a large single stage investments. It involves the minimization of the resources invested at once with the intent to minimize risk through an investigative in – depth analyses of all available information before deciding to act. It should be noted that the investment of resources is not easily reversed once the decision to pursue an opportunity is made (Mahmood, 2016).

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The ownership or employment of resources and the accumulation of further resources is the concern of the trustee leveraging on immediate access to owned resources without being depended on markets as a potent tool coupled with its ability to use the resources he or she owns more effectively as he or she is familiar with them (Mahmood, 2016).

Management Structure

Stevenson (1983) suggests that the management structure of an entrepreneurial firm is organized with multiple informal networks while administrative firms are typically are organized as formalized hierarchies with clearly defined lines of authority (Stevenson & Jarillo, 1990). An entrepreneurial management structure is designed to access resources within the firm as well as through collaborative network relationships. It is suggested to be flexible and to create an environment where employees are free to create and seek new opportunities (Mahmood, 2016; Eliasson, 2003).

The promoter and trustee have different managerial dispositions in accordance to their employment and deployment of resources while the management structure of the entrepreneurially managed firm (promoter) is organic with multiple informal networks, the 'traditional' managed firm's structure (trustee side) is more formalized with a complex hierarchy. A formal organization cannot allow the promoter to manage the resources it doesn't own thereby creating the need for a nontraditional means of organization consequently the promoter's management structure is designed to coordinate key non controlled resources as well as to be flexible and to create an environment where employees are encouraged to create and seek opportunity (Mahmood, 2016).

Internal efficiencies in allocating own resources is the concern of the management structure of the trustee. Therefore, there are clear roles and responsibilities, highly regimented work, and a layer of middle management to manage the use of the firm's resources. Its organogram is focused more on efficiency and good administration rather than detecting and rapidly acting on changes in the environment (Mahmood, 2016).

Reward Philosophy

Entrepreneurial firms tend to base rewards and compensations on value creation, while administrative firms base it on an individual's position in the hierarchy (Stevenson and Jarillo, 1990). Schumpeter (1950) argued that it is extremely important to reward change by allowing the people who for example, create a new product or process to capture some of the benefits of their creations. Stevenson (1983) suggests that managers in administrative firms are getting rewarded according to how much responsibility (assets or resources they have under control) and their decisions are therefore often guided by

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the desire to protect their own positions and security. Because of that they tend to make smaller strategic experiments that show little result at the bottom line (Mahmood, 2016; Stevenson and Jarillo, 1990).

It is focused towards compensations based on contributions towards the discovery and exploitation of opportunities, therefore, employees often have the freedom to experiment with potential opportunities and are rewarded according to their value creation exploiting their intrapreneurial skills. Based on the fact that management structure of independent action of the employees and accountability enhances an evaluation. An entrepreneurial managed firm is comfortable in rewarding teams especially if the success of creating new value is related to a team (Mahmood, 2016).

However, rewards are responsibilities based in a firm that is administratively inclined leveraging on the resources that are assigned and also owned by an employee therefore employees are rewarded with promotion, which provides a higher level of responsibility and therefore further scope of rewards. In addition, the trustee's measure of performance is more related to short term profit targets in contrast to the creation of new value requires a longer term view which is what a promoter's view encapsulates (Mahmood, 2016).

Growth Orientation
There are many arguments and debates in the literature on how growth is perceived and expected amongst entrepreneurs (Majid, 2006). However, as far as this research is concerned, growth orientation of a firm is referred to the suggestion made by the EM approach which assumes that it is normatively accepted throughout an entrepreneurial firm that growth is its top objective and rapid growth is very much intended (Mahmood, 2016).

Growth takes different forms, patterns and pace in different in entrepreneurial and traditional managed firms. Rapid growth is the passion of the promoter while the trustee prefers a slower growth at a steady pace, because anything faster could be unsettling for the firm arising from the fact that their management structure is inflexible consequently they prefer a more manageable pace of growth risking the exploitation of opportunities within a given window of opportunity, however not the jobs and the power of top management (Mahmood, 2016; Stevenson and Jarillo, 1990).

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Entrepreneurial Culture

The culture of an organization is one of the key factors fostering entrepreneurial activities in organizations ((Majid, 2006; Brown et al., 2001; Covin and Slevin, 1991; Zahra, 1993). It is an invisible aspect of an organization, which influences everything that people do (Covin and Slevin, 1988). By encouraging new ideas, experimentation and creativity, managers' help to create an entrepreneurial culture with norms that support entrepreneurial behavior (Mahmood, 2016; Covin and Slevin, 1988).

The firm's culture to generate and value new ideas is the concern of Entrepreneurial Culture. Employees are motivated and also encouraged to generate ideas, experiment, and engage in other tasks that might produce creative output in line with the principles of intrapreneurship considering the fact that opportunity is the starting point and creative output is highly valued which serves as the launch pad of opportunities for new entries consequently a broader range of ideas are worth seeking and considering (Mahmood, 2016; Stevenson and Jarillo 1990).

However, the trustee begins with an assessment of the resources under control. It uses the currently controlled resources as a starting point, only ideas that relate to these resources are relevant, hence, the flow of ideas judged worthy of considering automatically is much smaller. Promoters therefore create a work environment full of ideas as compared to trustees that create a work environment that confines them to the ideas to match the controlled and owned resources (Mahmood, 2016).

Commitment to Opportunity

This has to do with the pursuit of opportunities and it is also related to strategic issues while strategic orientation concerns itself with the identification and election of opportunities. .Action orientation is important to a promoter and always willing to act swiftly in any situation. He or she can therefore chase an opportunity quickly (Stevenson 1983). He is therefore able to commit and reverse its actions rapidly while stand – still characterizes the trustee with its attendant time wasting decision making therefore administrative behaviour tends to be slow and inflexible as a result of multiple decision constituents, negotiated strategies, and an eye towards risk reduction (Brown, 2001).The trustee is unlikely to pursue a given opportunity like the promoter because once the trustee decides to pursue an opportunity however, it has to be with a much larger initial investment and with an intention to remain in this line of business for considerable time (Mahmood, 2016).

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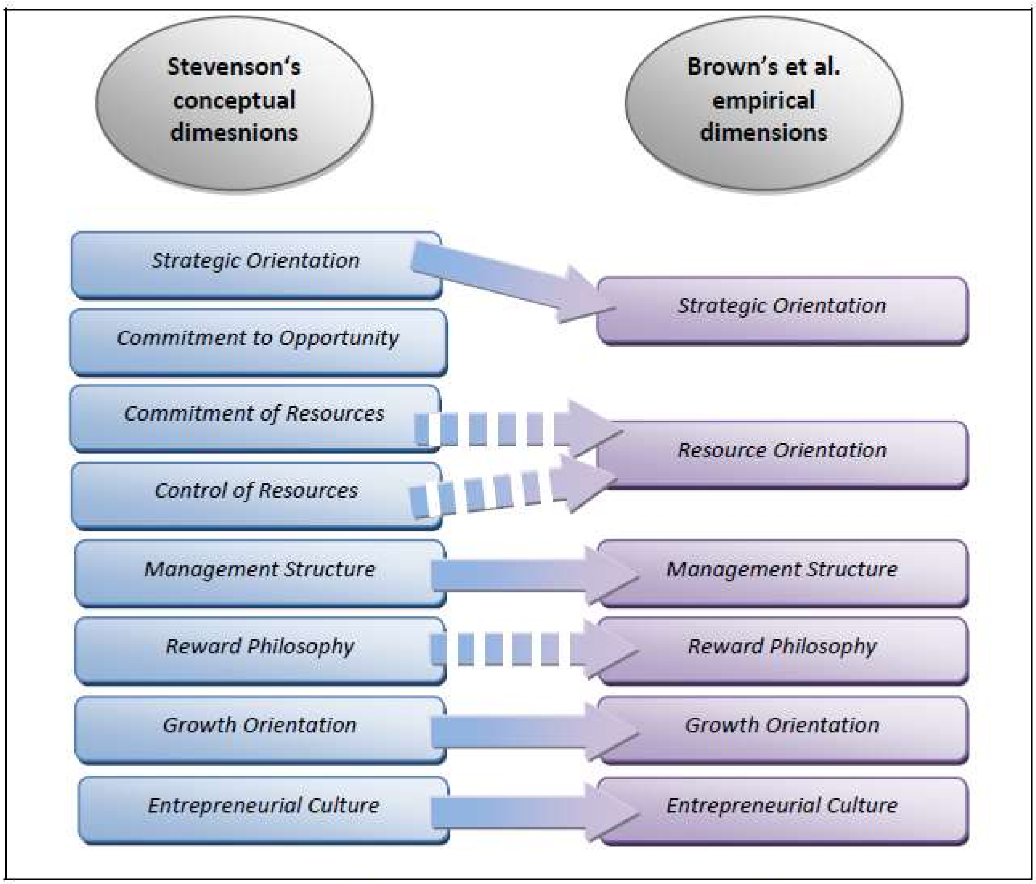

Figure 1: Stevenson's conceptual dimensions and Brown's et al. empirical dimensions

Entrepreneurial Management and Business Performance

Figure 1 depicts Measures of EM. According to Stevenson (2000) entrepreneurship is a cohesive pattern of entrepreneurial behaviours that are measurable. Stevenson's theory suggests that entrepreneurial management practices should result in entrepreneurial activities (Chenuos, 2015).

It has been suggested that entrepreneurship leads to success (Covin and Slevin 1988; Harms and Ehrmann 2003). Stevenson (2000) considers entrepreneurship as a cohesive pattern of entrepreneurial behaviours that are measurable. Stevenson's theory suggests that entrepreneurial management practices should result in entrepreneurial activities. Harms and Ehrman (2003) found a significant, positive relationship between opportunity-based management (EM) and firm growth.

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According to Chenuos, 2015, Harms and Ehrman (2003) found a significant, positive relationship between opportunity-based management (EM) and firm growth. However, they only include three dimensions of EM (out of six) in their study i.e. Strategic Orientation, Management Structure, and Entrepreneurial Culture. Eliasson and Davidsson (2003) study of 818 independent companies in Sweden provides support to this theory where entrepreneurial management practice was interpreted as a propensity to create new combinations of resources that may lead to the introduction of new products or services or the exploration of new markets. They also argue that management practices facilitate entrepreneurial activities and are applicable across several different types of firms. Therefore, knowledge about the management practices that facilitate entrepreneurship may be transferred across firms and taught to managers who intend to make their organisations more entrepreneurial regardless of industry (Chenuos, 2015).

Companies with a high level of EM are focussed on "the pursuit of opportunity regardless of resources currently controlled" (Stevenson, 2000), it can be expected that those companies will be highly leveraged, resulting in high performance and effectiveness (Harms and Ehrmann, 2003). It is also argued that from a practical standpoint, interest in entrepreneurship stems from the perception that entrepreneurship leads to business success (Covin and Slevin 1988).

Entrepreneurial Management and Women-Owned SMES Business Performance Relationship

Current studies on EM practices revealed that EM can help firms remain vital and contribute to firm and societal level value creation (Stevenson, 1983).

There is lack of studies that have examined the effects of EM on the relationship towards women-owned SMEs business performance although women were identified to be weaker compared to their male counterparts in terms of performance, including profits and management practices (Mahmood, 2016; Knotts et al., 2004). Empirical studies on EM have been done by numerous researchers and results revealed the significant relationships between EM and firm growth and thus suggested that the firms tend to be more entrepreneurial with regard to the EM's dimensions, namely entrepreneurial culture, growth orientation, management structure, resource orientation, reward philosophy, and strategic orientation (Mahmood, 2016).

Study has managed to extend the geographical coverage of the investigation, and by establishing a significant association between EM and performance, it has lent additional credence to previous findings.

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Conclusion

Being entrepreneurial can be instrumental to achieving firm success. However, the exhibition of an EM – as reflected in its various sub-dimensions; management structure, strategic orientation, entrepreneurial culture, growth orientation, reward philosophy, and entrepreneurial culture – will place firms in positions of potentially great uncertainty and vulnerability as a function of the inherently exploratory nature of entrepreneurship because entrepreneurial firms' actions result in their entry into novel and sometimes poorly understood business domains, these firms will commonly experience strategic "missteps." That is, intended outcomes will not materialize due to, for example, unanticipated competitive response, miscalculated market demand, or underestimation of a new product's technological challenges. When such missteps are made, entrepreneurial firms must take corrective action by realigning their strategies with the realities of their environments. The realignment of strategy with environmental exigencies occurs via strategic reactiveness, herein defined as a firm's ability to adjust its business practices and competitive tactics in response to the perceived efficacy of its strategic actions. In short, strategic reactiveness represents a corrective mechanism through which entrepreneurial firms can minimize the downside risks inherent to their operations

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