

Entrepreneurial Management

What

Entrepreneurial Management

The entrepreneurial theme woven throughout the Leadership in the City course, continues to focus on opportunity exploration and value-creation. While distinctions between leadership and management are often debated, the connection and importance of both remain evident throughout the work of urban Extension. This summary brings together management theory and practice from multiple perspectives.

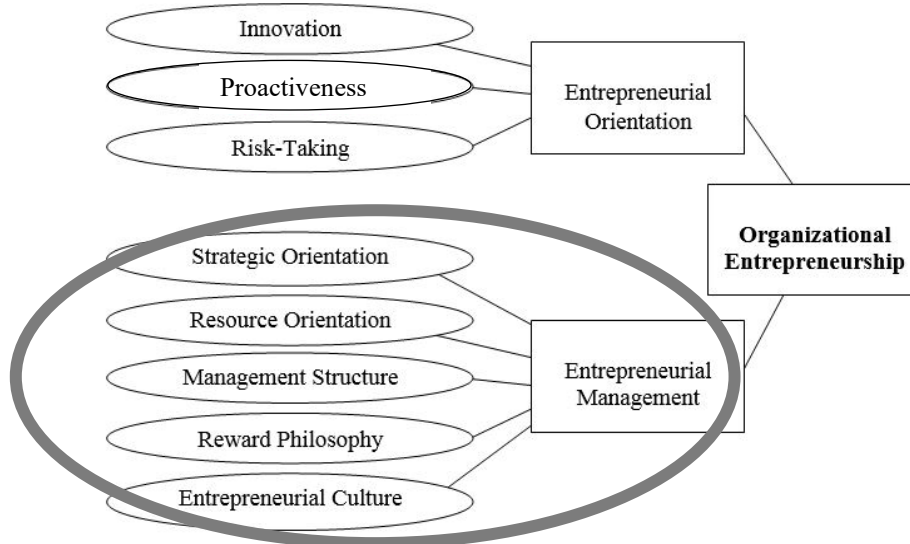
Entrepreneurial Management

a set of opportunity-based management practices that help organizations remain vital and contribute to value creation for society and the organization.

Stevenson (1983)

- **Entrepreneurial Management**

Among the management practices believed to facilitate entrepreneurial behavior are an organization's strategic orientation and strategic management practices (Covin & Slevin, 1991; Murray, 1984).



Within Entrepreneurial Management, **Strategic Orientation** involves a dynamic process of navigating interactive influences in a continuously changing environment. This continuum summarizes terms used to reflect an entrepreneurial approach to strategy. Mechanistic and organic forms are polar types at the opposite end of a continuum and, in some organizations, a mixture of both types can be found (Burns & Stalker, 1961).

Authors	Strategic Orientation Continuum			
Burns & Stalker, 1971	Mechanistic		Organic	
Cornwall & Perlman, 1990	Traditional Protect status quo		Entrepreneurial Actively seek new value	
Miles & Snow, 1978	Reactor	Defender	Analyzer	Prospector
	Protect core business		Proactive external focus	
Stevenson, 1983	Trustee Resource-driven		Promoter Opportunity-driven	



Resource Orientation

Entrepreneurial organizations create new resources or obtain and combine existing resources in unique ways (Schumpeter, 1934), acting as if all they need from resources is the ability to use them rather than always owning them. Entrepreneurs become skilled at the use of other people's resources such as financial, intellectual, social, and other capital. (Starr & MacMillan, 1990).

Management Structure

The context of university Extension influences formal structures and informal networks relevant to Extension in urban communities. This image illustrates the university structure and Extension networks in communities.

Organizational structure can enhance entrepreneurial activity within organizations (Bird, 1988; Zahra, 1993). Different types of structures are good for accomplishing particular outcomes under particular circumstances (Morris & Kuratko, 2002). Miller (1996) suggested that the strategy-structure linkage could be categorized into four types, including

- simple structure, which is highly informal and works well in small, rapid-growth ventures;
- machine bureaucracy, which focuses on standardization and works well in achieving production efficiencies in predictable environments;
- organic, which is flexible, collaborative, and accommodating to innovation; and
- divisional, which operates with formal independent teams and sophisticated management information systems.

Organizational theory has long held that external change leads to internal adjustments in structure, strategy, and operational methods (Lawrence & Lorsch, 1967).

Reward Philosophy

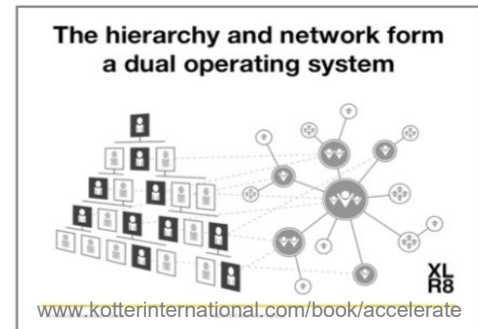
Compensation, according to Milkovich and Newman (1999), can be grouped into categories such as

- indirect pay in the form of benefits and services;
- direct pay, including base pay, merit pay, and incentives;
- relational forms through recognition, challenging work, and learning opportunities.

A mixture of variable pay or incentives results in a more significant effect on organizational performance than does any single compensation source (Gomez-Mejia & Balkin, 1992). Appropriate use of rewards enhances entrepreneurial activity within organizations (Barringer & Milkovich, 1998; Kanter, 1985; Sykes, 1992). Reward systems in public agencies and higher education present structured and often inflexible situations that support a more mechanistic organization, but public and nonprofit organizations are beginning to explore degrees of flexibility (Miller, 2005; Morris & Kuratko, 2002).

Entrepreneurial Culture

Culture, a concept borrowed originally from the fields of sociology and anthropology, can be defined as an organization's basic beliefs and assumptions about what the organization is about, how its members should behave, and how it defines itself in relation to its external environment (Cornwall & Perlman, 1990). Culture consists of substance such as shared systems of values, beliefs, and norms as well as forms, such as vocabulary, myths, rituals, ways of dressing, and office décor (Trice & Beyer, 1993). Although there are distinctions between the meanings of organizational culture and organizational climate, urban Extension leaders can learn from both because the terms have frequently been used interchangeably. While culture refers more to the deep rooted, slow to change values held by organizational members, climate tends to portray social environments as a set of more temporary perceptions and dimensions (Denison, 1990; Schneider, 1990). Organizational culture and climate have also been linked to corporate character (Wilkins, 1989) which focuses more on an external reputation than on the internally focused dimensions of culture (Davies, Chun, da Silva, & Roper, 2004).



Effective organizational entrepreneurship involves managing a culture which includes all personnel as self-perceived intrapreneurs, applauds failures as well as successes, integrates screening mechanisms to foster innovation, and nurtures frequent communication among people with dissimilar views (Van de Ven, 1989). Creating an entrepreneurial culture is not simply a matter of emphasizing certain values, it also involves choosing between conflicting values that coexist in an organization (Morris & Kuratko, 2002). Components of an Entrepreneurial Culture include:

- Value creation through innovation and change
- A focus on people and empowerment
- Hands-on management
- Freedom to grow and fail; commitment and personal responsibility
- Emphasis on the future and a sense of urgency

(Cornwall & Perlman, 1990; Timmons, 1999)

- **Management Competencies** were identified by Urban County Extension Directors (UCED) around the country through a Competency Framework Development project. Sub-categories included:

Planning, Organizing, Adapting, Complying

Practice appropriate planning and organization of Extension (e.g., adaptive management, staffing capacity, grant requirements, legal regulations)

The UCED will provide a plan of work that is developed through advisory groups, stakeholders, chambers of commerce, food policy councils, etc. They will utilize up-to-date best practices including leadership skills, research conclusions, conflict negotiation, proper planning tools, and strategies.

Resources – Fiscal, HR, Infrastructure

Management of fiscal planning (e.g., human resources, budgeting, infrastructure, programming)

The UCED will work with county government, elected state officials, municipal government, and the university for budgeting and fiscal planning.

Evaluation & Accountability

Analyze and report impact of Extension programs in the local urban market

The UCED will gather, analyze, and report metrics and results of Extension programs in their urban environment. In addition, the UCED will report critical results applicable to different audiences.

- **Management Strategies.** Taking a facilitating approach to the management of tasks, people, and ourselves can influence results as urban Extension leaders plan, organize, implement, and control.

Management/Impact™ (M/I) Strategies

Task	People	Personal	Inhibiting Approaches	Facilitating Approaches
Managing Goals	Managing Inter-Unit Relations	Managing Integrity	Driven by <i>self-interests</i>	Driven by <i>mutual interests</i>
Managing Change	Managing Teams	Managing Self-Development	Process <i>or</i> outcome focused	Process <i>and</i> outcome focused
Managing Problems	Managing Communications	Managing Emotions	Oriented toward <i>short-term success</i>	Oriented toward <i>long-term effectiveness</i>
Managing Results	Managing Rewards		<i>Defensive</i> in nature and impact	<i>Constructive</i> in nature and impact
Managing Resources	Managing Learning		<i>Hindering</i> and restrictive	<i>Empowering</i> and supportive
Managing Work Activities	Managing Personal Relations		Yield <i>inconsistent to low</i> results	Yield <i>consistently good</i> results

(2017 Human Synergistics International), <https://www.humansynergistics.com/resources/research-and-publications#MI>



Management Strategies *continued*

The National Urban Extension Leaders (NUEL) developed a [framework](#) with interwoven strategic themes of programs, positioning, personnel, and partnerships.

Programs for relevance and impacts

When effective programming occurs at a local and culturally appropriate level, outcomes include private and public value for individuals, families, businesses, and communities (Durlak & DuPre, 2008; Franz, 2015). NUEL refers to programs as how Extension addresses the multitude of issues and priorities in the city. Urban Extension leaders engage with diverse audiences through a variety of methods.

Positioning for awareness and accessibility

NUEL refers to positioning as how Extension is situated and communicated at the local, state, and national levels. In urban communities, Extension has a relatively small presence in a large and crowded market. To compete and make the best of Extension accessible in urban communities, Extension must continue to invest in a strategic approach to Extension's presence and communications that distinguish Extension's relevance and unique value.

Personnel for capacity and alignment

Extension personnel are embedded in communities as trusted resources and serve as neutral, trusted facilitators who bring people together to deliberate and deal with local issues (Fox, 2017; Kellogg Commission, 1999). NUEL refers to personnel as how Extension attracts, develops, retains, and structures competent talent for long-term and short-term priorities. Personnel includes administrative leaders, faculty, staff, students, and volunteer community members. Ideally, personnel reflect the diversity of the community, understand the urban context, collaboratively address complex issues, and are supported from attraction through succession planning

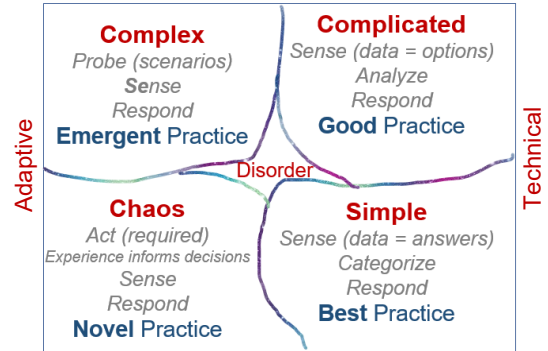
Partnerships for connections and resources

Extension partners at national, state, and local levels, often requiring the management of multiple stakeholder agendas, project timelines, reporting commitments, and other expectations inherent in diversified funding portfolios beyond traditional county, state, and federal fiscal cycles (Krofta & Panshin, 1989). NUEL refers to partnerships as how Extension collaborates to leverage resources for collective impact. Urban counties host thousands of organizations, from neighborhood groups to county and city government agencies; not-for-profits and philanthropic foundations; libraries and metroparks; schools and universities; and hospitals, financial institutions, sports teams, media networks, and consulting companies. Although many Extension professionals are content experts first and program managers second, in the city, the need for Extension is so vast that many become more engaged in capacity building and management. For urban Extension to thrive, leaders must accept that the most effective way to operate is in partnership with a well-developed group of organizations, where roles are distinct yet missions are aligned and where visibility, credit, and resources are shared. To manage multijurisdictional and multidisciplinary networks, different ways of thinking are needed to determine how the resources of the Land-Grant University system can be accessed to help address the complex issues that exist in metropolitan areas. Building strong metropolitan advisory councils and relationships with key community decision makers is an effective strategy for Extension to use when navigating a robust set of partnerships engaged in making short-term and long-term impacts (Henning et al., 2014).



Navigating Through Uncertainty

Managing decisions during uncertain times requires leaders to understand situational contexts. The Cynefin Sensemaking Model described in this short [video](#) provides an overview of how leaders can respond during situations that are simple, complicated, complex, and/or chaotic. Managers move along a continuum of technical aspects of running the business and adaptive challenges that recognize changing contexts.



Technical

- Linear and defined
- Clarity. Easy to identify
- Complicated, but known
- Apply what is known
- Optimize execution
- Draw upon experience
- Authority
- People are generally receptive
- Change involves one or a few places; within organizational boundaries/paradigms/norms
- Resources available
- Protect from external threats
- Known roles

Adaptive

- Non-linear and dynamic
- Difficult to identify (easy to deny)
- Complex and unknown
- New learning
- Experiment, Taking smart risks
- Elevate creativity to innovate
- Stakeholders & networks
- People are often resistant
- Change in numerous places, across organizational boundaries, challenging paradigms
- New resources likely needed
- Address external threats, conflicting information, tensions
- New roles

Managers also benefit from understanding [impediments to decision making](#) and [cognitive biases](#) and other management of strategic priorities.



Decision Bias Examples

Decision Bias	Distortion
Anchoring	<ul style="list-style-type: none"> We tend to be influenced by numbers, even invalid ones, and we don't adjust away from them as we should Numbers affect our decisions, even when we should ignore them Our questions prime our attention for certain information, ignoring or omitting contradictory data
Framing	<ul style="list-style-type: none"> How a situation is presented to you affects your decision <i>Generally our pain of losing is more powerful than our pleasure of winning, hence we really are risk adverse to gains and risk seeking to avoid further loss</i>
Availability heuristic	<ul style="list-style-type: none"> Vivid, easily imagined, but uncommon events are highly weighted in our brains Recent events get weighted disproportionately higher than past events
Confirmation bias	<ul style="list-style-type: none"> Our initial decision become self-fulfilling prophecies <i>We seek out evidence that confirms our initial decision, ignoring information against them</i>
Commitment escalation	<ul style="list-style-type: none"> Making decisions and committing resources doesn't necessarily guarantee a reward, and may produce a loss It's difficult to accept sunk costs
Hindsight bias	<ul style="list-style-type: none"> Once we know something, we can't remember when we did not know it This challenges our ability to learn from past failures



So What

A set of opportunity-based management practices can help you contribute to value creation for your community and your organization.


Now What

1. **Reflect** on how entrepreneurial **management** elements are reflected in your four dimensions of leadership (competencies & experiences and traits & drivers).
2. **Select** one way you would like to focus on an entrepreneurial management element and expand upon your dimensions.
3. **Check out** the entrepreneurial **management** resources and references on the last pages of this document.
4. **Explore and discuss** indicators of entrepreneurial **management** with your team. Review the [National Urban Extension Framework](#) and discuss strategies related to positioning, programs, personnel, and partnerships.
5. **Utilize** the Navigating Through Uncertainty worksheet to address a priority in your urban Extension community.

Navigating Through Uncertainty in the Urban Context				
Situational Context	Simple	Complicated	Complex	Chaotic
Assess Degree of Certainty	Known Predictable Order	Limited	Limited	Unknown Action is required
Level of Agreement	Facts Communication			Disorder Patterns Negotiation
Select Navigation Approach	Sense Categorize Respond	Sense Analyze Respond	Probe Sense Respond	Act Sense Respond
Embrace Leader's Role	Draw on data for solution	Gather and analyze data for options – learn from divers/conflicting perspective (experts, citizen ethnographers)	Explore scenarios with diverse internal and external stakeholders.	Act to bring stability.
Consider the Urban Context	Delegate for best practice		Conduct experiments.	Draw upon experience (yours, mentor, lead team). Clear direct communication.
Reflect				

[Cuneffin Model, Intro Video \(8 min\) www.youtube.com/watch?v=N7oz366X0-8](https://www.youtube.com/watch?v=N7oz366X0-8)

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Resources

[Link to Collection of Urban Extension Leadership Entrepreneurial Resources – Management](#)

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This resource was developed for Leadership in the City participants. If it has been shared with you outside the course, you may not have access to all the linked material.

Leadership in the City Bulletin Series, 2022

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