AN EXAMINATION OF AUTONOMY
AS A DIMENSION OF ENTREPRENEURIAL ORIENTATION: SPANNING THE
CONCEPT FROM EMPIRICAL STUDIES TO THE CLASSROOMS

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ACADEMIC ABSTRACT

We find that no specific empirical studies focusing on Entrepreneurial Orientation have focused on the role played by autonomy. Our literature review indicated that EO researchers have mainly focused on innovativeness, proactiveness and risk taking. Hence we propose a workshop that will focus on A) reasons why autonomy is not well examined in the empirical EO literature and b) if our academic literature guides our teaching then how do we relate to EO and how is the concept of autonomy delivered as a dimension of EO in the classroom. This interactive workshop will become a forum for knowledge transfer.
INTRODUCTION

A firm’s entrepreneurial orientation (EO) has been defined to be the processes, practices, and decision-making styles that lead to entrepreneurial behavior in the organization (Lumpkin & Dess, 1996). EO is conceptualized by Lumpkin and Dess, (1996) as having five dimensions: innovativeness, competitive aggressiveness, proactiveness, autonomy, and risk-taking. Barringer and Bluedorn (1999, p. 423) focus on the entrepreneurial behavior and suggest that, “… (A) firm in turbulent environment must be continually innovative to remain competitive which requires extensive scanning to recognize and exploit environmental change.” Perception of changes in the environment (subjective interpretations by employees) will influence a firm’s strategic behavior (Schneider & De Meyer, 1991; Dutton & Duncan, 1987; Thomas & McDaniel, 1990; Meyer 1982).

When the perception of environmental change is acknowledged, a firm would respond by changing its structure, strategy and processes. The survival of an organization is at risk unless the organization adapts to shifts in its environment (Chakravarthy, 1982). Entrepreneurial Orientation has been deemed as a crucial organizational process that contributes to firm performance and survival (Bhardwaj, Camillus, & Hounshell, 2006; Covin & Slevin, 1989; Zahra, 1993). Particularly, factors such as a rise in global competition, corporate restructuring, and fast paced technological progress have forced firms to consider becoming entrepreneurial (Dess, Lumpkin, & McKee, 1999). In the same vain, when examining adoption of Entrepreneurial Orientation (EO) as a strategic response, Zahra (1993) found that firms tended to embrace EO when the environment was dynamic.

Several researchers have linked a firm’s EO with firm performance, and argued that environmental and organizational factors moderate and mediate the EO–performance (Covin & Slevin, 1991; Wiklund 1999; Wiklund & Shepherd, 2003; Zahra & Covin, 1995). In light of the five EO dimensions, we wish to focus on autonomy. We focus on providing answers to two important questions; does providing the individual manager with autonomy have a parallel in providing autonomy to managers across the organization; and if so, in what organizational context?

The role of autonomy in spurring innovative thinking as well as entrepreneurial behavior has received interest from many fields in the social sciences. However, unlike the above quotes, the literature has mainly focused on examining autonomy from an individual perspective. The links between an individual manager’s need for autonomy, autonomy at the organizational level, and corporate entrepreneurship, have been addressed in a theoretical framework developed by Harrell and Alpert (1979). They have proposed that an individual’s need for autonomy can be successfully harvested in established organizations by offering autonomy at the organizational level, in order to facilitate corporate entrepreneurship. The role of autonomy in corporate entrepreneurship or EO has been emphasized by Burgelman (1983, p. 241) who suggests that “… the motor of corporate entrepreneurship resides in the autonomous strategic initiative of individuals at the operational levels of the organization. In recent years, the sub-field of corporate entrepreneurship has attracted the attention of many researchers, with a recent survey article on this emerging subject calling for a better understanding of this phenomenon and
an extended examination of its dimensions (Dess, Ireland, Zahra, Floyd, Janney, & Lane, 2003).

Our workshop therefore focuses on the phenomenon of autonomy in the context of “corporate entrepreneurship” or entrepreneurial orientation. The concept of autonomy is expressed in a firm via its entrepreneurial orientation (EO) which has been defined to be the processes, practices, and decision-making styles that lead to entrepreneurial behavior in the organization (Lumpkin & Dess, 1996). We first examine autonomy from the perspective of both individual level and EO.

AUTONOMY AND INDIVIDUAL LEVEL ENTREPRENEURSHIP

At the individual level, it may be argued that the individual as an entrepreneur makes choices and accepts their consequences (Schumpeter, 1935); thus implicitly autonomy is exerted in the process of being entrepreneurial (Utsch, Rauch, Rothfus, & Frese, 1999). In the field of psychology, seminal work by McClelland (1975) has focused on the need for autonomy as a driver for an individual’s manager’s entrepreneurial behavior. Building on McClelland (1975), others in the psychology field have also focused on individual entrepreneurship (cf. Miner, 1994). Drawing on the leadership literature drawn from the psychology and sociological fields, researchers have argued that autonomy is one of the five major attributes associated with entrepreneurial behavior (Vecchio, 2003). Similarly, using the notion of motivational theory and intrinsic rewards, Kuratko, Hornsby and Naffziger (1997) have argued that autonomy related concepts such as ‘being one’s own boss,’ ‘being more in control,’ and ‘having ultimate responsibility’ drive many managers and individuals to perform in an entrepreneurial fashion. Using economic theories of self employment, Fairlie (2002) has argued that autonomy is one of the central factors that lead to entrepreneurial activities. Similarly, in the management literature several authors have highlighted the role autonomy plays in the entrepreneurial activities of an individual (Van Gelderen, & Jansen, 2006; Schein, 1990; Smith & Miner, 1983; Katz, 1994; Fledman & Bolino, 2000; Utsch et al., 1999).

**Autonomy and Entrepreneurial Orientation**

As early as the 1940s, Schumpeter (1942) predicted a shift from the individual entrepreneur to entrepreneurship that would be dominated by firms – i.e., corporate entrepreneurship. Autonomy has been emphasized in a corporate entrepreneurship context by Burgelman (1983), and has been defined as the freedom granted by firms to individuals or teams to engage in and support new ideas, experimentation, and creativity, and take action free of stifling organizational constraints (Lumpkin & Dess, 1996; 2001). A recent review of this emerging sub-field of corporate entrepreneurship has called for an extended examination of all the factors connected with corporate entrepreneurship (Dess et al., 2003).

Though autonomy as a dimension of EO has been theorized in the literature, our literature review on this topic provided only a few instances of empirical research on this dimension (e.g., Antoncic & Hisrich, 2001; Thornhill & Amit, 2001; Zajac, Golden &
The dearth of empirical studies focusing on autonomy at the organizational level resonates with Vecchio’s (2003) comments when he aptly points out that arguments for organizational level autonomy “... are based on the premise that larger firms suppress personal freedom and the potential for entrepreneurial initiatives. Empirical evidence in support of these contentions, however, is lacking. ... In short, rhetoric surrounding the drive for independence as a core element of entrepreneurial interest, despite its self-evident character, needs to be empirically demonstrated” (Vecchio, 2003, p. 308). This motivates us to examine the dimension of autonomy from an EO perspective in our workshop.

AUTONOMY AND EO

In the theoretical framework of corporate entrepreneurship presented by Lumpkin and Dess (1996), autonomy is considered to be one of the five dimensions that must be present for a firm to use the entrepreneurial process to achieve a long term success. Though autonomy is closely related to both decentralization and wide spread employee participation in decision making (Bahrami & Evans, 1987; Baum & Wally, 2003), the concept of autonomy being broader than organizational structure is reflected in the writings of researchers focusing on entrepreneurial behavior in organizations. For instance, Nadler and Gerstein (1992) suggest that autonomous action in the organization is facilitated by giving employees a clear vision, knowledge of strategy, and clarity of goals, skills to upgrade their expertise; and allowing free flow of information throughout the organization to facilitate autonomous decision-making in order to achieve the desired goals. Decision-makers will need to be provided skills, resources, and support, as well as access to organizational information to make appropriate decisions (Bowen, Chase, & Cummings, 1990; Spreitzer, 1996); especially since information sharing increases their expertise and overall knowledge of the company’s processes, making them capable of making critical decisions (Bowen, et. al. 1990). Hence autonomy will require both allowing individuals who are experts to have a greater say in decision-making, and providing them with the information to make better decisions. Further, organization wide autonomy facilitates employee empowerment, which in turn, improves employee productivity and the work unit’s performance (Nadler & Gerstein, 1992; Seibert, Silver, & Randolph, 2004). Therefore, to improve performance in service firms, it becomes important to promote autonomy in their organizations.

However, we find an interesting gap in the existing literature; no specific empirical studies focusing on EO have linked autonomy and performance. Many studies have shown that other dimensions of EO can improve a company’s long-term financial performance (Wiklund & Shepherd, 2003; Zahra & Covin, 1995). Our literature review indicated that in general, researchers on EO have mainly focused on innovativeness, proactiveness and risk taking. This has been a trend since the early eighties, started by Miller (1983). Since then, others such as Zahra and Covin (1995), Zahra and Garvis (2000), and Wiklund and Shepherd (2003) have examined the same three dimensions of EO. Other studies have focused on two dimensions. For example, Lumpkin and Dess (2001) have focused on proactiveness and competitive aggressiveness. Zahra (1995) has operationalized corporate entrepreneurship as innovation (in products), and business
growth through venturing. Researchers who have considered only one dimension of EO include Srivastva and Lee (2005) who examined innovation and its relationship to top management team (TMT) characteristics; Hornsby, Kuratko and Zahra (2002) who studied innovation and the development and implementation of new ideas in an organization; and Zahra (1991) who used new business creation to operationalize corporate entrepreneurship. A notable exception to the above studies is the paper by Antoncic and Hisrich (2001). They have used all the five dimensions proposed by Lumpkin and Dess (1996), but reconstituted EO into four new dimensions. For instance, they combine risk taking and competitive aggressiveness, and merge it with proactiveness. Further, they subsume the autonomy dimension in a new dimension created by them, labeled as new venturing. Similarly, Thornhill and Amit (2001) have examined autonomy in light of new business venturing, and similarly Zajac, Golden and Shortell (1991) have studied the autonomy of newly created units from their sponsoring organizations. However, the individual level focus on autonomy as a dimension of EO, defined by Lumpkin and Dess (2001, p. 430) as “… independent action by an individual or team aimed at bringing forth a business concept or vision and carrying it through to completion,” is sparsely addressed in the literature. This individual level emphasis is necessary, for example, in the context of high technology companies, where it has been argued that autonomy in successful high technology companies is manifested when key decisions are made immediately by people dealing with problems, rather than being made later by top management (Bahrami & Evans, 1987).

Hence we propose the workshop that will focus on following two issues.
1) To explore the reason why autonomy is not well examined in the empirical literature that studies EO
2) If our academic literature guides our teaching then we must examine, how do we teach EO in our classrooms and how is the concept of autonomy delivered as a dimension of EO in the classroom.

APPROACHES TO CONDUCT THE WORKSHOP

We wish to make this workshop extremely interactive. The organizers will provide a short power point presentation that focuses on the following:
a) Conceptualization of EO (including autonomy)
b) Need for EO in an organization
c) EO and the empirical research
d) Lack of empirical studies that focus on autonomy

Once this short power point sets the mood of the audience the work shop will be opened to the audience. The organizers will lead a structured discussion to extricate the plausible explanations and possible reason why autonomy is ignored by EO literature. The second half of the discussion will examine how the members of audience introduced the concept of autonomy in their entrepreneurship class and in particular how they link it to EO.
NEED FOR MATERIALS

a) A room that has power point projector  
b) Room with round tables that allow for break up of audiences  
c) At least four flip charts and some expo pens  
d) A lively audience of about 20 to 40.

ULTIMATE GOAL OF THE WORKSHOP

It is hoped that the lively discussion will lead to further dialogue among some of the participating audience members and some prescriptions will be achieved about managing the topic of autonomy as a dimension of EO in the classroom as well as empirical research.

REFERENCES AVAILABLE UPON REQUEST