Entrepreneurship Is Bigger Than Starting a Business

by

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Ask 10 people what entrepreneurship means, and you may get 10 different answers.

To one person, the entrepreneur is the founder of a technology company. To another, it is the owner of the neighborhood restaurant. A policymaker may think of job creation. An economist may emphasize innovation and growth. A social entrepreneur may define it as solving community problems. A corporate strategist may call introducing a new business model "entrepreneurial," even when no new company is formed.

They cannot all be wrong. But they also cannot all be saying the same thing.

That is the central problem entrepreneurship has faced for decades. The term has become so broadly applied that it risks losing analytic meaning. Scholars use it to describe behavior, cognition, innovation, opportunity pursuit, organization creation and institutional change. Policymakers invoke it when promoting employment, inclusion or regional development. The

public often equates it with business ownership, independence and wealth creation. Each interpretation captures something important, but none captures the whole phenomenon.

The conventional response has been to search for the correct definition. That may be the wrong objective.

A better approach is to recognize entrepreneurship as a genuinely multidimensional phenomenon. That is the purpose of what I call the Definitional Sphere of Entrepreneurship. Instead of forcing entrepreneurship into a single sentence, the Sphere treats different definitions as cross-sections of a larger conceptual structure.

Think of a globe. Different observers looking at it from different directions see different features, but they are still looking at the same object.

The same is true of entrepreneurship.

Three dimensions are especially useful for understanding why definitions diverge: market context, beneficiaries, and impact.

The first asks: What kind of market does entrepreneurship take place in?

Launching a bakery in an open, stable market is entrepreneurial, but the required behavior may be disciplined execution—finding customers, assembling resources, and operating effectively. Entering a market dominated by powerful incumbents may require something very different: changing the business model, circumventing gatekeepers, or altering customer expectations. The first entrepreneur competes within the rules. The second may have to change the rules.

The second dimension asks: Who benefits?

Some entrepreneurs principally seek personal autonomy, income, or business growth. Others seek benefits for a community, an underserved population, or society. These forms of entrepreneurship are not mutually exclusive. They simply occupy different positions within a broader landscape.

The third asks: What kind of impact results?

Some entrepreneurs make modest improvements. Others transform industries. A family business that provides a livelihood and local employment may be entrepreneurial without overturning an industry. Another entrepreneur may introduce an innovation that destroys an established business model and creates an entirely new market.

Once you view entrepreneurship this way, a long-running definitional debate becomes easier to understand. Scholars, policymakers, and practitioners have often argued from different vantage points.

But the Sphere also raises a more fundamental question: What drives entrepreneurial action in the first place?

My answer is constructive deviance.

The word "deviance" usually carries a negative meaning. In social science, however, it has a more neutral meaning: departure from prevailing norms or expectations. Entrepreneurship repeatedly requires that kind of departure. Entrepreneurs notice possibilities others ignore, combine resources in ways others have not considered, and act before legitimacy or certainty has been established.

Innovation rarely begins with conformity.

Human creativity often depends on bending, breaking and blending what already exists. Entrepreneurs do much the same thing. They bend constraints. They challenge inherited assumptions. They combine resources, technologies, or categories that conventional thinking has kept separate. Under uncertainty, such departures from convention are not aberrations. They are frequently the source of novelty itself.

This does not mean that all rule-breaking is entrepreneurial or that all deviance is desirable.

Quite the opposite.

Norm departure can create value or cause harm. That is why legitimacy, accountability and governance matter. Entrepreneurial innovation must be sufficiently different to create something new, but not so detached from social expectations that customers, investors, regulators or communities reject it; this is a kind of "Goldilocks" problem: too little deviation produces imitation; too much can produce distrust, resistance or sanction.

This distinction has practical consequences.

If government defines entrepreneurship only as new-business formation, it may reward the number of start-ups while missing whether those firms innovate or create meaningful value. If universities equate entrepreneurship education with writing business plans, they may teach students how to launch companies without teaching them how to challenge assumptions. If economic-development organizations define entrepreneurial success only through growth, they may overlook enterprises that create resilience, inclusion, or community value.

The definition determines the measurement. The measurement influences the policy. And the policy determines where resources go.

That is why the definitional problem is more than an academic exercise.

It also matters increasingly in economies where formal institutions are weak, markets are incomplete, and legitimacy is contested. In such environments, what looks like improvisation from one perspective may look like entrepreneurship from another; what looks like innovation in

one community may look like unacceptable norm violation in another. The same entrepreneurial act can be interpreted differently because institutions and expectations differ.

Entrepreneurship therefore should not be understood as a single instrument producing uniform results. It is better understood as a family of norm-challenging actions whose consequences depend on what norms are challenged, who benefits, how much change occurs, and how that action is governed.

The goal should not be to end disagreement by declaring one definition correct.

The more useful goal is structured pluralism: recognizing that multiple definitions may be valid while becoming much more explicit about which aspect of entrepreneurship we are discussing.

That would make entrepreneurship research more comparable, entrepreneurship education more thoughtful, and entrepreneurship policy more precise.

We may never agree on one sentence that defines entrepreneurship.

We may not need to.

What we need instead is a clearer understanding of the whole.