

Book Review

Entrepreneurship Theory at the Crossroads: Paradigms and Praxis (Second Edition). Mathew J. Manimala. New Delhi: Biztantra 2005. Pp.X + 484. Price IRC 449.

The book under review is a collection of Manimala's major research papers on entrepreneurship which includes his 19 articles and the 20th chapter is a critique on the author's *Theory of Entrepreneurial Heuristics* by three British Scholars.

As mentioned earlier, the book has 20 chapters and all of them are outcomes of author's continuous work on the field of entrepreneurship research.

The first seven chapters are based on Manimala's doctoral work done at the Indian Institute of Management, Ahmedabad, India. Others are based on his further works on the subject of entrepreneurship. Therefore the book is purely academic and targeted to the readers who want to enhance their knowledge on entrepreneurial strategies, decisions, innovation and so on.

The first chapter, *Entrepreneurial Innovation: Beyond Schumpeter* deals with entrepreneurial innovation which used to be understood as product and process innovation only by layman as well as entrepreneurs themselves. The chapter states that in a study of 138 Indian entrepreneurs, it was found that entrepreneurs acquire competitive advantage for their ventures through innovations in five other areas such as finance, personnel, organization structure, culture, R&D management and government relations. This is believed to be much broader perspective than the original Schumpeterian view.

The second chapter, *Innovative Entrepreneurship: Testing the Theory of Environmental Determinism* deals with the paradigms in entrepreneurship research. The paradigms are Strategic Choice Paradigm and Population Ecology (Environmental Determinism) paradigm. The focus of the paper is on to test the influence of environmental factors on the emergence of innovative enterprises. However the article concludes that Theory of Environmental Determinism which was the proposition of the research was not supported.

The third chapter, *Entrepreneurial Heuristics: A Comparison Between High PI (Pioneering Innovative) and Low PI Ventures* deals with a new variable in entrepreneurship research i.e. entrepreneurial heuristics which is defined as the thumb rule guiding management decisions involved in the start up and management of new venture. The finding states that high and low PI ventures had five different orientations which were characterized by i)intrinsic orientation vs extrinsic orientation ii)organic growth vs transplantation growth iii) entity orientation vs property orientation iv) people orientation vs self orientation and v) vision orientation vs opportunity orientation. It also states that in entrepreneurial heuristics we have a researchable variable that is much more closely related to entrepreneurial action than are traits and motives.

The fourth chapter, *Rules of Thumb that Help Innovators: A Tale of Two Entrepreneurs* discusses that new ventures rarely have any stated policies at the time of their start up. Their survival and growth are generally guided by the often unstated policies or rules-of-thumb of the entrepreneur concerned.

The fifth chapter, *New Venture Strategies: The Innovators' Choice* identifies the strategies and policy orientations of new venture which are grouped into i) idea search and management ii) management of autonomy iii) management of competition iv) growth management v) risk management and vi) networking.

The sixth chapter, *Beyond Innovators and Imitators: A Taxonomy of Entrepreneurs* found that high innovators and low innovators had different orientations in their policies. They were sub grouped into seven for high innovators which were named as inventor/tinkerer, adventurer, searcher/problem-solver, gap filler, social visionary, opportunity grabber and specialist pioneer. The low innovation group were grouped into six sub types which were named as chance entrant, agent-turned producer, concession grabber, obsessed producer, ancillary/imitator, and non-pioneer niche holder.

The seventh chapter, *Networking for Innovation: Anecdotal Evidences from a Large-scale Study of Innovative Enterprises* which researched the networking aspects of entrepreneurs found that the High Innovation Group was also substantially high on networking activities compared to Low Innovation Group in terms of intensity, variety, breadth and effectiveness.

The eighth chapter, *Higher Education-Enterprise Cooperation and the Entrepreneurial Graduate: The Need for a New Paradigm* states that higher education institutions of late, have been paying a lot of attention to the practical applications of knowledge generated by them through schemes such as Science and technology parks, University companies and Promotion of academic entrepreneurs. However the findings showed that they had very limited success in both developing and developed countries.

The ninth chapter, *Organizational Learning through Partnerships: The Case of SMEs* concludes that some of the characteristic features of large organization such as hierarchical organization, slavery of expertise, emphasis of formal training and traditional methods of training, staff specialists, strategic planners and career orientation etc. have an adverse impact on the development of organizational learning. SMEs being relatively free of these features are in a position to engineer greater flexibilities into their learning.

The tenth chapter, *Managing R&D in SMEs: Taking Advantage of the Giants' Shoulders* attempts to examine the ingenious methods employed by entrepreneurs to accomplish such an apparently "impossible" task of development of new products is based on the strategy of entrepreneurs for developing and commercializing new ideas that of identifying and leveraging network resources. Hence the study concludes that the process of new product development in entrepreneurial small firms should be seen more as a social process than technological one.

The eleventh chapter, *Growth Policies and Founder Characteristics: Evidence from British High Growth and Low growth Ventures* has shown that entrepreneurs often restrict the growth of their enterprise for reasons such as income sufficiency feeling, desire for full control, fear of additional and unfamiliar work, fear of losing personal touch, lack of managerial skill/resources and the inability to adopt policies and strategies appropriate for the various stages of enterprise. The high and low growth groups were found to differ signifi-

cantly in respect of policy, traits, motives and background variables.

The twelfth chapter, *Policies and Founder Characteristics of New Technology Based Firms (NTBFs): A Comparison between British and Indian Firms* attempted to identify the distinguishing features of NTBFs in terms of their venture policies and founder characteristics. The major feature was the cultural difference among the two countries. However the other features were summarized as desire to acquire technical knowledge, level of competition, incubation facilities availability, availability of venture capital etc.

The thirteenth chapter, *Founder Characteristics and Start up policies of Entrepreneurial Ventures: A Comparison between British and Indian Enterprises* was a follow up study of an earlier study on Entrepreneurial Heuristics which had shown that entrepreneurial performance varies significantly with the types of policies and strategies adopted by the entrepreneur during the start up phase. The study found that cultural differences have greater impact on the personality profile than on enterprise policies and strategies.

The fourteenth chapter, *Entrepreneurial Motivation Revisited* investigates the motives of entrepreneurs with reference to two commonly identified entrepreneur types ‘entrepreneurs’ and ‘small business owners’ the paper also assesses the changes in motives over a period of time. The findings were presented on i) the concept and components of major work related motives, ii) strong and weak motives of entrepreneurs, iii) distinguishing motives of “entrepreneurs” and “small business owners” and iv) satiable and non-satiable motives.

The fifteenth chapter, *Promoting Industrial Clusters in India: Lessons from Europe and East Asia* reviews a select set of literature on European, East Asian and Indian clusters with a comparative perspective. The review is organized around the provision of support services to small and medium enterprises in these regions in four fields: credit, marketing, technology, skill development and networking. The paper concludes that a concentrated approach to cluster development in India.

The sixteenth chapter, *Entrepreneurship in Established Indian Firms: Strategies for Coping with Large-scale Changes in the Business Environment* attempts to understand the changes in business environment in India after it liberalized its economy since 1991 and strategic responses of the firms to cope with such changes. Prominent changes as emphasized by the respondents were increase in international competition, emergence of quality and acceptance standards, increasing privatization, collapse of protective systems and the enforcement of ecological norms.

The seventeenth chapter, *Financing Innovation: Strategies of Established versus Start-up Ventures* reviews the social problems involved in financing innovations and offers some illustrative examples of innovative practices in the field by these firms.

The eighteenth chapter, *Turnaround Management: A Stage-Theory for the Doubly Entrepreneurial Act* analyses the strategies of turnaround successfully tried in India and other countries. The paper hypothesizes that there may be different stages in the turnaround process. It stresses the need for further research on the appropriateness of one or the other act of turnaround strategies in the face of specific combination of external environment factors.

The nineteenth chapter, which is also the last paper on the work by the author titled *Entrepreneurial Framework Conditions and Activity Levels in India* concludes that India's Entrepreneurial Framework Conditions (EFC) are rated to be about average or below, the level of entrepreneurial activity is the second highest among 37 countries studied. It was also noticed that the level of entrepreneurial activity was on the increase, economic growth for the correspondingly previous years showed a decline. The reasons for such anomaly were also assessed in the paper.

The last chapter which is authored by three British academicians on *Manimala's Entrepreneurial Heuristics* states the entrepreneurial heuristics is a neglected area of study. The authors' exploration of these research avenues is structured by a "constructivist" critique of the principal work in this area by Manimala and methodological limitations and theoretical implications of his works in entrepreneurial research.

As the book is an outcome of several studies it focuses on different aspects of the entrepreneurship research making it a heavily academic book in the area. The printing and paper quality is excellent. The price seems reasonable based on the quality of work presented. Therefore, it can be concluded that the author had made very important contribution in entrepreneurship research.

Sushil Kumar Pant
Lecturer
Faculty of Management
Prithvi Narayan Campus