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The Case for a Tri-Continuum of Entrepreneurial Behavior

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The Case for a Tri-Continuum of Entrepreneurial Behavior

Entrepreneurship is the foundation of the hospitality industry. Whether we are talking about a nine-stool root beer stand that grew into one of the largest hotel companies in the world or we are looking back at a salesman who saw potential in a little hamburger stand, entrepreneurship and entrepreneurial behavior have been at the forefront of our field. However, our classification and examination of entrepreneurship have been less than “entrepreneurial.” In fact, the study of entrepreneurship has yielded three main types of entrepreneurship: a traditional entrepreneur, a lifestyle entrepreneur, and a social entrepreneur. This research sought to determine if these types of entrepreneurs are really as siloed as presented or if there is a gray area between them. Further, if this gray area exists, how can it be classified?

Three Cases of Entrepreneurs

While there are many definitions for these three types of entrepreneurs, each one is essentially marked by one or two defining characteristics. The traditional entrepreneur is innovative and wants to grow. After the venture reaches a level of maturity, they may sell their stake and begin again with a new product or service. Their main concern is profit. The social entrepreneur is concerned with creating social value. They identify a cause or mission and then find an innovative way to address it. These entrepreneurs can be seen as prevalent in the non-profit sector. The lifestyle entrepreneur is one, “who is not motivated by a desire to maximize economic gain, who operates businesses often with very low levels of employment, and in which managerial decisions are often based on highly personalized criteria” (Dewhurst & Horobin, 1998, p. 25). In other words, the entrepreneurs who are more concerned with their personal quality of life.

During a study in which we were attempting to classify entrepreneurs into one of these three categories, one participant remarked, “why do I have to choose?” The literature supported this notion that no one person was solely one type of entrepreneur. In fact, Austin, Stevenson, and Wei-Skillern (2006) found that the relationship between two types of entrepreneurship was not

dichotomous, but rather existed on a continuum. From this notion, we present the cases of entrepreneurs existing on a continuum:

A lifestyle-traditional entrepreneur (LTE). LTE stated that he wants to maintain his involvement in advisory boards and community groups (Dawson et al., 2011), and he is not driven by the success of the business (Dewhurst & Horobin, 1998). However, he saw an opportunity to grow the business from solely a restaurant to include a bar (Shepherd, Williams, & Patzelt, 2015). He also opened two new locations and began franchising the brand (Austin et al., 2006).

A traditional-social entrepreneur (TSE). TSE identified as a social entrepreneur, but his responses indicated that he may more closely align with a traditional entrepreneur. His method of entering the market may be through the social aspect, but this may be a means to an end. In other words, TSE did not seem driven by the social mission. The tone of TSE's interview seemed to lean more towards a desire to grow. His responses were also based on the actions that would be taken by a traditional entrepreneur.

A social-lifestyle entrepreneur (SLE). SLE seemed completely uninterested in the growth of the business (Dawson et. al., 2011). When asked if he had ever thought of a second location, he said no. When asked if his kids would take over the business, he said he was not sure but he was not concerned. SLE's responses centered on what he could do for his community. He seemed to be happy where the business was and that he was able to take part in other activities that were more personally fulfilling to him.

These are just three examples of continuum entrepreneurship typologies. If classified by also the prevalence of one typology over another, it is possible for 6 different types of entrepreneurs to be identified.

Implications

While the hospitality industry is full of examples of successful entrepreneurs, not all entrepreneurs go on to open their own business. Instead, some individuals with a strong entrepreneurial spirit go on to be successful in the corporate world. If the hospitality industry is to better understand the motivations behind these individuals, they may better be able to match them with tasks and projects. For example, if an organization is starting a new recycling program and are looking to identify a young manager to lead the project, knowing that they have an individual with a high propensity to social entrepreneurship may be beneficial. Conversely, if a company has a leader that is a highly successful project manager here in the United States, but that does not translate to an assignment abroad, it may be that the tenacity shown on the first project was based in the particular lifestyle the individual was able to maintain.

The Case for a Tri-Continuum

Even in the examples presented above, there was still room for aspects of social, lifestyle, and traditional entrepreneurship to exist in one person. Therefore it should then be possible to identify a social entrepreneur who cares about their lifestyle and wants to see their company expand. There exist a traditional entrepreneur that believes in a social mission and how it impacts their lifestyle. Let's take a more innovative approach to classify innovators. A more entrepreneurial view of identifying entrepreneurs.

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