

Exploring the Entrepreneur-Function in Uncertainty: Towards a Revised Definition

Authors : Johan Esbach

Abstract : The entrepreneur has traditionally been defined through various historical lenses, emphasising individual traits, risk-taking, speculation, innovation and firm creation. However, these definitions often fail to address the dynamic nature of the modern entrepreneurial functions, which respond to unpredictable uncertainties and transition to routine management as certainty is achieved. This paper proposes a revised definition, positioning the entrepreneur as a dynamic function rather than a human construct, that emerges to address specific uncertainties in economic systems, but fades once uncertainty is resolved. By examining historical definitions and its limitations, including the works of Cantillon, Say, Schumpeter, and Knight, this paper identifies a gap in literature and develops a generalised definition for the entrepreneur. The revised definition challenges conventional thought by shifting focus from static attributes such as alertness, traits, firm creation, etc., to a dynamic role that includes reliability, adaptation, scalability, and adaptability. The methodology of this paper employs a mixed approach, combining theoretical analysis and case study examination to explore the dynamic nature of the entrepreneurial function in relation to uncertainty. The selection of case studies includes companies like Airbnb, Uber, Netflix, and Tesla, as these firms demonstrate a clear transition from entrepreneurial uncertainty to routine certainty. The data from the case studies is then analysed qualitatively, focusing on the patterns of entrepreneurial function across the selected companies. These results are then validated using quantitative analysis, derived from an independent survey. The primary finding of the paper will validate the entrepreneur as a dynamic function rather than a static, human-centric role. In considering the transition from uncertainty to certainty in companies like Airbnb, Uber, Netflix, and Tesla, the study shows that the entrepreneurial function emerges explicitly to address market, technological, or social uncertainties. Once these uncertainties are resolved and a certainty in the operating environment is established, the need for the entrepreneurial function ceases, giving way to routine management and business operations. The paper emphasises the need for a definitive model that responds to the temporal and contextualised nature of the entrepreneur. In adopting the revised definition, the entrepreneur is positioned to play a crucial role in the reduction of uncertainties within economic systems. Once the uncertainties are addressed, certainty is manifested in new combinations or new firms. Finally, the paper outlines policy implications for fostering environments that enables the entrepreneurial function and transition theory.

Keywords : dynamic function, uncertainty, revised definition, transition

Conference Title : ICIE 2024 : International Conference on Innovation and Entrepreneurship

Conference Location : Cape Town, South Africa

Conference Dates : November 04-05, 2024