

Theory E²: Working with Entrepreneurs in Closely-Held Enterprises

IV. The Entrepreneur in Action

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A central tenant of an appreciative perspective on *entrepreneurship* is recognition and understanding of the complex situations in which entrepreneurs as decision-makers find themselves. Different approaches to entrepreneurship and decision-making must be taken in different situations. In the next four essays we describe four styles of entrepreneurship and relate each style to seven environmental characteristics. These four styles of entrepreneurship – assertive, inspiring, thoughtful and participating – represent quite different notions about the purposes, functions and values associated with making decisions in today’s organizations. Each style must be fully appreciated if an E² Theory is to be successfully employed – for each approach plays an important role in most closely-held enterprises.

Each of the styles builds on a distinctive set of assumptions about ways in which one can be effective in making decisions in an organization and each has proven successful in some settings and unsuccessful in others. Some entrepreneurs fit comfortably into one or two of these styles; others can move rather easily between all four (although most people retain one approach that seems most natural and comfortable).

Given the challenge of making decisions in closely-held enterprises that are filled with unpredictability, turbulence and complexity, many entrepreneurs have either given up on the creation of a unified theory of executive functioning or have grown cynical of any theory that purports to tell them how to make decisions. Contemporary entrepreneurs are inclined,

therefore, to dismiss any prescriptive model that identifies a right and wrong way of operating. They are beginning to turn instead to more contextually-based models that address the complex dynamics of most organizations.

Relationships are key here. As Margaret Wheatley suggests, in drawing an analogy (and connection) between quantum physics and organizational functioning, “nothing is independent of the relationships that occur. I am constantly creating the world – evoking it, not discovering it – as I participate in all its many interactions. This is a world of process, not a world of things.”ⁱ We are always making decisions in relationship to the environment in which we find ourselves. There are moments and places within a closely-held enterprise when specific types of entrepreneurial functioning are needed; furthermore, each of us can provide certain kinds of entrepreneurial functions in specific moments and places.ⁱⁱ

Decision-making is likely to be effective in a closely-held enterprise if there is a good match between the decision-maker’s needs and style at that specific moment and place and the organization’s needs and style at that same moment and place. The context for effective entrepreneurship concerns this matching process. A decision-maker may find, for instance, that she must be capable of and willing to shift her style when working with a relatively immature work group or with a group that is highly mature. Within this context, however, and in her working relationship with members of this group, she may help to promote their maturity, thereby necessitating yet another change in style (which may or may not fit with her own ability or willingness to shift).

Similarly, the nature of a task or the processes of decision-making in the enterprise may change. Decision-makers must shift gears when entering varying situations. If they are effective, however, decision-makers will also influence these situations. As a result, decision-makers may be forced to shift roles precisely because they have helped to bring about a change in context. This is a give-and-take process that requires guidelines regarding the contexts in which each of the four styles is most (and least) appropriate. We offer some preliminary ideas

regarding these guidelines and suggest that executive coaching often focuses on these guidelines. A thoughtful and reflective entrepreneur can readily identify her own preferred style. She can also identify one or more of the strengths associated with each of the four styles, particularly as these strengths are used in an appropriate or inappropriate manner by this decision-maker in the multiple contexts in which she finds herself every day in her closely-held enterprise.

ⁱ Wheatley (1992, p. 68)

ⁱⁱ Wheatley (1992, p. 22) describes Max DePree's notion of "roving entrepreneurship" using similar terms: "[roving entrepreneurs] emerge from the group not by self assertion, but because they make sense, given what the group needs to thrive and what individuals need to grow."