

Theory E²: Working with Entrepreneurs in Closely-Held Enterprises

V. The Assertive Entrepreneur

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In many closely-held enterprises, a forceful, clearly focused demonstration of executive authority is not only appropriate but also sorely needed. The assertive decision-making entrepreneur is one who points a closely-held enterprise in a specific direction and gets the organization moving. Heifetz describes this approach to executive functioning when he writes of people who tend to mobilize others to tackle tough problems.ⁱ Entrepreneurship, in this mode, is not just a stance or perspective. It is an activity. Assertive entrepreneurs are seen as hard working and as people who also encourage others to work hard.

Specifically, their job is to identify the gap(s) that exist between the current and desired conditions of the closely-held enterprise. The current condition is often articulated or clarified by the thoughtful entrepreneur (discussed below), whereas the state in which members of the enterprise would like the organization to be is often articulated or clarified, as we will see, by the inspiring entrepreneur. The assertive entrepreneur then tries to fill the gap between this real and ideal state. Alternatively, she tries to change the organization's appraisal of its current condition (often discounting the contributions to be made by the thoughtful entrepreneur) or commitment to its desired state (often discounting the contributions to be made by the inspiring entrepreneur). In the first instance, the assertive entrepreneur would suggest that if we can't get from where we are to where we want to be, then perhaps we should find somewhere else to go. In the second instance, he suggests that we either rethink where we are now, or ignore the information that we have so that we don't get bogged down in despair or pessimism.

Focus

Assertive entrepreneurs focus on ideas and action. They typically are intolerant of groups – especially nonproductive groups! They are impatient with extended expression of feelings or images of some amorphous desired state. They also tend to grow impatient with extended review of financial or production data, alternative proposals, critical analyses or systematic planning strategies. They want to get on with their work, are willing to devote considerable energy to getting the job done, and are not afraid to get started and readjust the plan once they are underway. Assertive entrepreneurs are usually willing and even eager to take risks. Yet they also want to establish clear lines of authority and responsibility so that nothing will distract them from getting the job done. If the action is not successful the responsible party can readily be identified, provided lines of authority and responsibility are firmly established.

Heifetz suggests five primary tasks for what we are calling the assertive entrepreneur.ⁱⁱ First, the assertive entrepreneur should direct attention to the central issues of the closely-held enterprise. Second, he should ensure that information about the organization is gathered and tested. Third, the assertive entrepreneur should manage information and use this information to frame the central issues of the closely-held enterprise. Fourth, he should help to identify and bring together, that is *orchestrate*, the conflicting perspectives of the organization. Finally, the assertive entrepreneur should pick appropriate decision-making processes with regard to addressing the central issues and conflicting perspectives of the closely-held enterprise.

Appropriate Uses of Strengths

The assertive entrepreneur is a courageous entrepreneur. If a real or potential enemy is present, the assertive entrepreneur is even more likely to be successful in recruiting support for an action-oriented, high-risk venture. The assertive entrepreneur is valued for his decisiveness. The assertive entrepreneur often stands out in stark contrast to the quest for uniformity and conformity among some managers. The successful assertive entrepreneur is

likely to encourage entrepreneurial norms throughout the enterprise and does not retain sole rights to this assertive, risk-taking stance.

The assertive entrepreneur is particularly effective in the startup phase of a closely-held enterprise. His job at the beginning is one of “directing, protecting, orienting, resolving conflicts, and establishing norms ... He may appear larger than life because he is indeed doing so much. At the source of the organization’s energy, he infuses people’s work with meaning. As the founding father, he is likely to be invested with charisma by those around him.”ⁱⁱⁱ

The assertive entrepreneur moves ideas into action, building on the distinctive advantages held by the closely-held enterprise in which he works. As an entrepreneur, the assertive entrepreneur takes risks that hold the potential of rich benefit and learns from the mistakes that inevitably occur when taking risks. In their encouragement of entrepreneurship, assertive entrepreneurs exhibit the skill of *enablement*. They encourage others to take risks and learn from their mistakes. They also help to champion the ideas that are offered by other people and help to defend and protect younger and more vulnerable members of the organization, so that the organization can fully benefit from new and often refreshing perspectives.

To be successful in his entrepreneurial role, the assertive entrepreneur must hold the trust of members whom he is leading. Furthermore, the assertive entrepreneur must meet three different criteria with regard to trust. First, members of the group must trust the competencies of the assertive entrepreneur. They must believe that this person knows what he is doing. As Heifetz has noted, members of enterprise have every right to expect that people who command authority in their organization possess strong problem-solving skills.^{iv}

Second, effective assertive entrepreneurs must be trusted for their intentions. Members of the closely-held enterprise will follow assertive entrepreneurs only if they believe that these executives truly care about the welfare of those who work for them as well as the welfare of the overall organization. Third, assertive entrepreneurs are effective if those who follow them

trust their perspectives and values. Heifetz suggests that predictable values must be present if authority is to be effective. Members of an organization must know, share and rely on the perspectives and values held by their entrepreneurs.^v If an assertive entrepreneur seems to be quite different from his subordinates, they are less inclined to trust him and are also less inclined to accept either his authority or direction.

If these three forms of trust don't exist, then an assertive entrepreneur must fall back on coercion or manipulation in order to be effective. Assertive entrepreneurs without the trust of their followers often create work environments that are filled with intimidation, close monitoring, indirect communication, and covert threat. When these conditions exist, trust in the competencies, intentions and perspectives of the executive further drops off, leading to an even greater need for coercion and manipulation. A vicious cycle begins, usually leading to the demise of either the assertive entrepreneur or the closely-held enterprise (if the entrepreneur is very powerful).

Inappropriate Use of Strengths

The assertive entrepreneur is most often criticized for lack of purpose or impulsiveness. In an effort to move the closely-held enterprise from contemplation and deliberation to action, the assertive entrepreneur often takes action for action's sake, failing to take into account a long-term vision or purpose for the organization. Assertive entrepreneurs, as a result, will often seem to be wandering around without clear direction. They tend to sacrifice the core values of the closely-held enterprise in an attempt to achieve their short-term goals and objectives. Assertive entrepreneurs will sometimes mistake the means for the ends, spending insufficient time building broad-based support for a specific set of end points.

The tendency for assertive entrepreneurs to act impulsively comes from their eagerness to move forward without adequate attention to the current state in which they and their organization find themselves. The assertive entrepreneur is to be admired for charging out of the organizational foxhole and exhibiting considerable courage in exposing himself to the

enemy's fire. However, the assertive entrepreneur is likely to leap out of the foxhole without knowing why he is at war or without checking to see if he has brought enough ammunition to defeat the enemy. We can admire the fallen hero, but would prefer he remain alive to continue fighting on behalf of our closely-held enterprise.

ⁱ Heifetz (1994, p. 15)

ⁱⁱ Heifetz (1994, p. 113)

ⁱⁱⁱ Heifetz, (1994, pp. 62-63)

^{iv} Heifetz (1994, p. 107)

^v Heifetz (1994, p. 107)