



1042-2587
© 2009 Baylor University

Reprinted from *Entrepreneurship Theory and Practice*, Vol. 33, No. 3, 2009, pp. 809-814, with the permission of Baylor University. All rights reserved.

Awarding Entrepreneurship Research: A Presentation of the Global Award

Pontus Braunerhjelm
Magnus Henrekson

On January 29, 2009, professor Scott A. Shane, Case Western Reserve University (Cleveland, Ohio), became the first recipient of the *Global Award for Entrepreneurship Research*, an upgrade of the previous award given annually since 1996, and since then firmly established as the leading prize for outstanding research contributions in the area. The objective of this essay is to present the background to and the organizations behind the award; to describe how candidates are nominated, evaluated, and selected; and to give a clear account of the criteria that guide the Prize Committee in their selection of award winners.

Introduction

In 1996 the Swedish Foundation for Small Business Research (FSF) and the Swedish Agency for Economic and Regional Growth (Nutek) hosted the ICSB (International Council for Small Business) World Conference in Stockholm. During the planning of this conference the idea to establish an award for outstanding contributions in the field of entrepreneurship and small business research was presented.¹ The first prize was also awarded at the 1996 world conference. The *International Award for Entrepreneurship and Small Business Research* had been launched and it quickly became the foremost global award for research on entrepreneurship. The obvious aim in 1996 was thus to put the limelight on a vibrant and rapidly expanding research field, dealing with issues of crucial importance for future prosperity, but at the time still largely neglected in the discussion of economic development and policy making.²

Please send correspondence to: Pontus Braunerhjelm, tel.: 46-8-618 16 36; e-mail: pontus.braunerhjelm@fsf.se, to Magnus Henrekson at magnus.henrekson@ifn.se.

1. Anders Lundström, former CEO of FSF, proposed to Nutek that a prize in this area of research should be established. Provided that there was a sponsor to the prize, Nutek looked favorably upon the idea. An initial donation was made by Telia, today TeliaSonera, of one million Swedish kronor. Thereafter Nutek has been the largest sponsor of the prize up until 2008.

2. At the beginning of the 1990s a few studies—together with Birch's work in the late 1980s—emerged that clearly documented the increasing importance of small businesses in most countries (Birch, 1987; Brown &

In 2009 the prize was upgraded in a number of respects and was renamed the *Global Award for Entrepreneurship Research*.³ The Research Institute of Industrial Economics (IFN) joined FSF and Nutek as a new partner and the three organizations are jointly responsible for the prize. The prize sum now amounts to 100,000 euros—twice the size of the previous sum—and the procedure for nominating and evaluating prospective award winners has been reformed. The increased resources were made available through a generous donation from the Swedish entrepreneur Rune Andersson and his holding company Mellby Gård AB. Professor Scott A. Shane, Case Western Reserve University, Cleveland, Ohio, became the inaugural winner of the upgraded prize.

The objective of this article is to give a brief account of the background of the prize, and to describe how the work is organized in order to select a worthy award winner.

Nomination and Selection: The Structure

According to the original statutes, the award should be given to “a person who has produced scientific work of outstanding quality and importance, thereby giving a significant contribution to theory-building concerning entrepreneurship and small business development, the role and importance of new firm formation and the role of SMEs in economic development.” Hence, the prime reason for receiving the award is outstanding scientific achievement. In addition, the extent to which research has served to accomplish the following aspects should be taken into consideration: (1) to highlight the importance of research produced in the areas of entrepreneurship and small business; (2) to further stimulate and promote research within these fields; and (3) to diffuse the state-of-the-art research among scholars, practitioners, and people involved in small business development.⁴ Thus, several disciplines engaged in research on entrepreneurship and small businesses could be considered for the award. It is also obvious from the statutes that it is possible to reward both research focusing on the aggregate effect of small firms and entrepreneurial activity, and research dealing with micro aspects of small businesses and entrepreneurship where the object of study is the individual entrepreneur or firm.

The nomination, evaluation, and selection of award winners is delegated to an autonomous Prize Committee, which is elected by the board of FSF. The committee consists of six members, giving the chairman the decisive vote in case of a split committee. In order to ascertain continuity no more than two members should be replaced in a given year. The committee members are appointed solely based on their scientific credentials and represent different disciplines, predominantly business administration and economics. They are expected to be leading academics in the field, and having reached the level of full professor or the equivalent. A chairman cannot be reelected for a consecutive term, but committee membership can be extended for an additional 3-year

Medoff, 1989; Sengenberger, Loveman, & Piore, 1990). In basic microeconomic models of the firm, or aggregate (exogenous or endogenous) models of economic growth, there is no room for entrepreneurs (Barreto, 1989; Bianchi & Henrekson, 2005; Braunerhjelm, 2008).

3. A website (<http://www.e-award.org>) for the award was launched in late 2008 containing an overview of the prize, systematic presentations of all award winners since 1996, their prize lectures and other pertinent information about the winners and the entrepreneurship field more generally.

4. See Lundström and Halvarsson (2006).

period. The discussions within the committee are confidential; members are not allowed to report to outsiders the various considerations that lie behind individual prizes and candidacies.

A number of distinguished entrepreneurship scholars are invited to nominate candidates. This invitation has been extended every year since 1995. An invitation to nominate is extended in February/March to scholars belonging to the following four categories: (1) all previous award winners; (2) the editors and the members of the editorial boards of the journals in entrepreneurship and small business research included in the Social Sciences Citation Index (currently *Entrepreneurship Theory and Practice*, *Journal of Business Venturing*, *Small Business Economics*, *Entrepreneurship and Regional Development*, *Journal of Small Business Management*, and *International Small Business Journal*); (3) present and past members of the FSF Scientific Forum who also hold or have held positions as full professors. In addition, members of the Prize Committee have the right to nominate candidates. Self-nominations are not allowed.⁵

These nominations provide the first step in the creation of a list of potential candidates considered by the committee. It is at the discretion of the committee to decide which candidates should be targeted for a more thorough evaluation. A candidate can be on the list for several years and therefore during that time be regarded as a potential candidate for the award. The eventual selection of the winner is based on thorough evaluations and comparisons of a number of worthy candidates, and the pool of candidates from which the winner is selected must be reasonably stable, reflecting the long-term efforts of the Prize Committee. The Prize Committee therefore “inherits” a limited number of short-listed candidates from the previous year, and except in rare cases the winner is selected from this pool of short-listed candidates. However, the Committee is also commissioned to add one or two new candidates to this pool based on nominations and discussions in that year (and previous years).

All short-listed candidates will be thoroughly evaluated by a specialist in the candidate’s field. These outside evaluations are strictly confidential. The evaluation of a winner by the commissioned expert will form the basis for a published presentation of the winner co-authored by the outside expert and the member of the Prize Committee who is most familiar with the winner’s work. In some cases the commissioned expert may be a member of the Prize Committee, but this is likely to be an exception rather than a rule.

The name of the award winner is announced at FSF’s annual conference *Small Business Days* in late January. After the announcement the award winner will be requested to prepare a publishable prize lecture that can be delivered at the official award ceremony in Stockholm in May. The award is normally given by the Minister of Industry and the winner is then expected to tour Sweden during the *Entrepreneurship Week*, an annual seminar tour of Swedish university cities taking place during the week when the award is conferred. The ambition is that both the essay presenting the contribution of the winner and the prize lecture are published in *Small Business Economics* shortly after the prize is awarded.

Selection of Award Winners: The Criteria

So what is a worthy contribution? This is a key question lacking a precise answer, but it must nevertheless be elaborated upon. Naturally, there have been

5. Editorial review boards are not included; eligibility requires membership in the more restricted editorial board. Moreover, the Prize Committee may make a decision to include additional high-quality entrepreneurship journals if these are deemed likely to be included in the SSCI in the foreseeable future.

lengthy discussions of this issue in the Prize Committee over the years, and the following presentation is greatly inspired by those discussions and by inputs from current and previous committee members on an earlier version of this text. Assar Lindbeck's (1985, 2007) insightful discussion of the criteria used to select the laureates in economic sciences in memory of Alfred Nobel has also been an important source of inspiration.

First and foremost, a prize-worthy contribution needs to be *original* and *influential*. One can think of many ways in which a contribution is influential, notably through its impact on subsequent scientific work, i.e., by virtue of the scientific work *per se* but sometimes through the organization of large research programs. Influence may also be obtained by furthering entrepreneurship as a field (through creating important data bases, by starting influential journals, scientific communities, etc.), by furthering entrepreneurship education and training at the academic level, and by influencing policy making and society more broadly. However, it takes time before one can be reasonably sure that a contribution is both original and influential, rather than a fad that will taper off with little long-run effects. One needs to allow the requisite time for potential criticism and scrutiny by other scholars before one can be confident that the contribution is as solid as it first appeared. Therefore, a certain caution and "conservatism" can be expected also in the future.

A prime ambition of the Prize Committee is that over a longer time span the award-winning contributions should reflect the extraordinary width of entrepreneurship as a social science field, spanning the entire spectrum from anthropology to theoretical microeconomics, and its methodological diversity from hermeneutics to formalized deductivism via traditional hypothesis testing by means of state-of-the-art statistical methods. Therefore, the Committee cannot be rigid about what type of work is rewarded, such as setting up a rule that articles in peer-reviewed journals is the sole type of publication that counts. Rather, the originality and uniqueness of the insights stemming from the research is what governs the committee.

Another concern refers to what aspects of entrepreneurship research that can be rewarded. Here at least three important aspects come to mind: (1) the environment and the organizations in which entrepreneurship is conducted; (2) the character of the entrepreneur (personality, cognitive and affective aspects); and (3) the role of the entrepreneur and/or the entrepreneurial function in a wider sense (at the level of the community, region, country, industry).⁶ All three aspects are highly relevant, and a scholar may be rewarded for contributions to any one of them. High-quality research that manages to connect two or all three aspects in a coherent framework is rare, and is therefore looked upon favorably.

When selecting prize-worthy contributions (both actual winners and nominees added to the shortlist of individuals evaluated by an outside specialist), the Committee has and will emphasize the *qualitative* aspect of the research contribution. The implication is that quantitative methods like citation counts and impact factor adjusted publication volumes will continue to provide important complementary information about candidates, but they will never substitute for qualitative judgment. Nor will the prize be given as a sort of lifetime achievement award to scholars who have managed to publish an extraordinary volume of solid, well-published work, but where none of it stands out as original and truly

6. These three aspects can be seen as one way of operationalizing Venkataraman's (1997, p. 120) definition of entrepreneurship as a scholarly field: "seeks to understand how opportunities to bring into existence 'future' goods and services are discovered, created, and exploited, by whom, and with what consequences."

influential. Hence, quantity cannot substitute for quality, and it is possible to give the award to a scholar even for a single landmark contribution.⁷

Concluding Remarks

The development and dynamics of any society, economy, or organization requires micro-level actors—individuals, entrepreneurs, and small businesses—who have the ability and persistence to make change happen. Institutions as well as market and organizational structures do not create change in the absence of human actors. It is the unique knowledge, perceptions, and goals of individuals equipped with the drive to take action accordingly that initiate novelty, and create value. However, this is by no means the conventional wisdom in mainstream management and economics. To achieve a better understanding of the issues related to entrepreneurship and small businesses requires insights from several disciplines.

The recent, albeit yet limited, progress in our understanding of entrepreneurship and small businesses stems from different academic traditions and perspectives. We believe that deepening our insights regarding the conditions, the characteristics, the drivers, and the effects of entrepreneurs and small business in a societal context, and to formulate adequate policy recommendations, request insights from several disciplines. To the extent that the *Global Award* can help disseminate the state-of-the-art research among scholars, practitioners, and people involved in small business development considerable good may be achieved. It is also our hope that it will provide a source of inspiration for entrepreneurship scholars across the globe.

REFERENCES

- Barreto, H. (1989). *The entrepreneur in economic theory*. London: Routledge.
- Bianchi, M. & Henrekson, M. (2005). Is neoclassical economics still entrepreneurless? *Kyklos*, 58(4), 353–377.
- Birch, D.L. (1987). *Job generation in America?* New York: Free Press.
- Braunerhjelm, P. (2008). Entrepreneurship, knowledge and economic growth. *Foundations and Trends in Entrepreneurship*, 4(5), 451–533.
- Brown, C. & Medoff, J. (1989). The employer size-wage effect. *Journal of Political Economy*, 97(5), 1027–1059.
- Lindbeck, A. (1985). The prize in economic science in memory of Alfred Nobel. *Journal of Economic Literature*, 23(1), 37–56.
- Lindbeck, A. (2007). The Sveriges Riksbank prize in economic sciences in memory of Alfred Nobel 1969–2007. Available at http://nobelprize.org/nobel_prizes/economics/articles/lindbeck/index.html, accessed 12 February 2009.

7. This is not without precedence. Among the Nobel Laureates in Economic Sciences this is fairly common. Ronald Coase, John Nash, Michael Spence, Myron Scholes, Bertil Ohlin, Harry Markowitz, George Akerlof, Finn Kydland, and Robert Solow are prime examples. A few of them have fairly long publication lists, but it was one or two fundamental contributions that earned them the Nobel Prize (Lindbeck, 2007).

Lundström, A. & Halvarsson, S. (Eds.). (2006). Entrepreneurship research: Past perspectives and future prospects. *Foundations and Trends in Entrepreneurship*, 2(3), 145–259.

Sengenberger, W., Loveman, G., & Piore, M.J. (1990). *The re-emergence of small enterprises: Industrialized countries*. Geneva: ILO.

Venkataraman, S. (1997). The distinctive domain of entrepreneurship research. In J. Katz (Ed.), *Advances in entrepreneurship, firm emergence and growth, Vol. III*. (pp. 119–138). Greenwich, CT: JAI Press.

Pontus Braunerhjelm is Managing Director of the at Swedish Foundation for Small Business Research (FSF), Järntorgsgatan 3, SE-703 64 Örebro, Sweden and holder of the Leif Lundblad Chair in International Business and Entrepreneurship, the Royal Institute of Technology, Stockholm, Sweden.

Magnus Henrekson is Managing Director of the Research Institute of Industrial Economics (IFN), Stockholm, Sweden and serves as chairman of the Prize Committee in 2007–09. He is also Jacob Wallenberg Professor of Economics at the Stockholm School of Economics.