

Book Review

Keystones of Entrepreneurship Knowledge

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Rob van der Horst, Sandra King-Kauanui, and Susan Duffy, ed., *Keystones of Entrepreneurship Knowledge*, Malden, MA: Blackwell Publishing, 2005. 463 pages.

K*eystones of Entrepreneurship Knowledge*, edited by Rob van der Horst, Sandra King-Kauanui, and Susan Duffy, has been published in celebration of the 50th anniversary of the International Council for Small Business (ICSB). The editors offer what they believe to be “the best 20 articles ever published about entrepreneurship and small business” (viii). The strength of the volume lies in the commentaries of the associate editors. Each of the book’s chapters starts with an introduction by two associate editors. The associate editors provide a rationale for the selection of that chapter’s articles and the continuing relevance of those articles to research on entrepreneurship and small business. The best of the introductions offer a framework that links the chapter’s articles.

Organization of the Book

Following a brief statement on the state of the ICSB and an introduction, the book is organized into four chapters, each of which represents one of the ICSB’s research foci:

- research,
- public policy,
- education, and
- service provision.

The chapters are comprised of an introduction followed by five previously published papers. The volume concludes with a history of the ICSB.

Best Papers in the Field of Research

In the introduction to this chapter, J. Hanns Pichler and Roy Thurik discuss the differentiation between entrepreneurship and small business. They also present a brief treatment of entrepreneurship in theory and practice over the past century. The five selected articles cover the role of risk in entrepreneurship, the typology and classification of ventures, the relationship between entrepreneurial orientation and performance, and the effect of entrepreneurship and small business on the economy and society. The papers do an admirable job of tracing the evolution of entrepreneurship theory up to 1996. If there is any criticism of this

chapter, it is that the paper by Kihlstrom and Laffont, “A General Equilibrium Entrepreneurship Theory of Firm Formation Based on Risk Aversion” (1979), is difficult to grasp without a modest background in econometrics.

Best Papers in the Field of Public Policy

Introduced by David Story and Lois Stevenson, this chapter provides an overview of the rationale for public policy pertaining to entrepreneurship and its potential effects on small, medium-sized, and entrepreneurial enterprises. The selected articles cover

- a critique of public policy intervention and the need to evaluate thoroughly the impact of intervention,
- the role of public policy in fostering entrepreneurial actions in the face of market failure,
- recommendations for best practices in public policies promoting entrepreneurship, and
- future directions for public policy research with a special emphasis on the United States.

The introduction and selected articles make a strong case for the need for a systematic program of research on the effects of public policy on small, medium-sized, and entrepreneurial enterprises.

Best Papers in the Field of Education

This chapter, introduced by Kevin Hindle and George Solomon, may be described as the history of entrepreneurship education in U.S. institutions of higher education. Article coverage includes a history of entrepreneurship education, the current state of entrepreneurship education, a broad treatment of entrepreneurship pedagogy and pedagogical methods, and the measurement and ranking of entrepreneurship programs. The articles in this chapter do an excellent job of tracing the history of entrepreneurship education and capturing the breadth of U.S. institutions providing some form of entrepreneurship education. Readers may be disappointed if they expect to find information on the design and content of programs in entrepreneurship.

Best Papers in the Field of Service Provision

In their introduction, Colin Dunn and Michael Schaper make an argument for the need for relationship management between small and medium-sized enterprise (SME) managers and their external advisors. Trust appears as the dominant factor governing the ability of external advisors to successfully

support SME managers. Research in Britain indicates that SME managers place a greater value on advice received from private advisors compared to that received from government sources. Research conducted in Canada shows that managers of rapid-growth firms prefer to seek advice from peer networks. One article, based on research in Australia, finds that service providers fail to understand the needs of small businesses. A Norwegian study argues that it is the quality of the relationship between the service provider and the small firm that determines the usage of the service provider. Lastly, a U.S. study finds that adequate outside assistance increases the survival rate of start-up firms. This chapter is comprised entirely of papers that are both current and empirical; it is the only chapter to take a serious look at research from outside the United States.

Conclusion

If a readings book is to create value, that value must be in

the selection of articles and the rationale behind the selection. *Keystones of Entrepreneurship Knowledge* does meet the criteria for creating value. First, the associate editors, as recognized authorities on their chapter's topic, have selected what they believe to be the five most important papers on the topic. Second, the introductions by the associate editors add to the book's value by delineating the topic's central themes and the article's role in establishing those themes. Finally, there is the question of convenience. It is simply convenient to have many of these papers immediately at hand.

This book is likely to be used by professors teaching seminars at the doctoral level. In this context, the chapters on research, public policy, and service provision will prove particularly instructive. *Keystones of Entrepreneurship Knowledge* will also take its place on many shelves as a reference, where it will provide useful insights into its chapter's topics.



About the Author



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