Entrepreneurship as a sequence of pragmatic paradoxes: Implications for entrepreneurship education and counseling

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Content

1 INTRODUCTION

Pragmatic paradoxes describe decisions with two alternatives that appear logical and rational, but paradoxically conflict with each other and are mutually exclusive. Watzlawick *et al.* (2003) describe these as "untenable situations", such as the paradoxical call to action "Be spontaneous!" In the corporate context, this usually means that pragmatic paradoxes represent a certain pressure to act in which there can be no "right" decision by the actors, as the choices are contradictory (Berti & Simpson, 2021). Paradoxes play a special role in corporate and organizational practice in general but are also reflected at the level of groups and teams as well as individuals.

Startup scenarios for companies and organizations demand the decision-making ability of individuals as individual actors and groups, since the aim is to create something new and make use of opportunities and scope (Stevenson & Jarillo, 1990; Chiles *et al.*, 2007). They usually involves actors who have not successfully mastered similar scenarios either individually or organizationally, which makes support particularly challenging in team situations (Gessnitzer *et al.*, 2015).

In the following, eight exemplary paradoxes for entrepreneurs are briefly presented on the basis of a literature review. This is followed by a case analysis based on the information, advice and training services offered by a German university, to examine which university-related services and formats support the handling of paradoxes for founders and startup teams. The focus is on the perspective of the founders.

2 PRAGMATIC PARADOXES FOR ENTREPRENEURS AND ENTREPRENEURSHIP EDUCATION AND TRAINING

This article focuses on eight typical paradoxes for entrepreneurs in which it is necessary to make a decision or maintain a balance (Table 1). The selection was made on the basis of an analysis of various startup consultations in the context of entrepreneurship teaching and startup support at a German university.

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Table 1 **Pragmatic paradoxes for entrepreneurs**

Pragmatic paradoxes	Key topic	Author(s)
Risk-taking vs. risk avoidance	Successful founders must take risks and use opportunities, but they must also be able to minimize risks and avoid mistakes.	Glaub, 2011
Focus vs. "Big Picture"	Successful founders need to focus on one area in order to develop their startup, but they also need to keep the big picture in mind.	Blank, 2018
Vision vs. flexibility	Founders often have an overarching vision that drives them, but they also need to be able to change their strategy based on new information and insights.	Hitt *et al.*, 2011
Planning vs. adaptation	Successful founders need to develop plans and strategies in order to make progress and reach their goals, but they also need to be able to deviate from the plan and adapt to new circumstances in order to take advantage of favorable opportunities.	Eisenhardt & Martin, 2000
Enthusiasm vs. objectivity	Successful founders are enthusiastic about their startup idea and the goal they are pursuing and can therefore convince others and overcome resistance, but they must also be able to look at their startup idea and the associated obstacles from a distance and as objectively as possible.	Baron, 2008; Cardon *et al.*, 2009
Autonomy vs. integration	Successful founders act as independently as possible in order to drive their business development forward without resistance, but at the same time, they are integrated into networks and social structures.	Gulati *et al.*, 2000
Growth vs. sustainability	Successful founders pursue a growth target with their startup idea in order to quickly gain market share, but they are also interested in the sustainable and long-term development of the company in order to ensure its survival.	Sarasvathy & Venkataraman, 2001
Creativity vs. efficiency	Successful founders need to be innovative and creative to gain a competitive advantage, but they also need to be efficient and productive to reduce costs and maximize profits.	Hargadon & Sutton, 1997

(Source: Own elaboration by the authors)

One problem is the different perspectives on paradoxes, which in turn can lead to paradoxes of their own, depending on which players from the startup environment you are dealing with.

If the aim of entrepreneurship education (EE) is to prepare (potential) founders for the central decision-making areas of the startup process, the question arises of whether the aforementioned pragmatic paradoxes are also important from the founders' perspective and which formats can help to make these challenges manageable. The following core tasks can be derived from the different definitions of EE (Uebe-Emden, 2011; Jones & English, 2004):

"The process of providing individuals with the ability to recognize commercial opportunities and the insight, self-esteem, knowledge, and skills to act on them." (Jones & English, 2004: 416). The key to the effectiveness of the individual offers and measures is the meaningful integration of an application reference (Neck *et al.,* 2014).

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3 METHODOLOGY

For our study, various teaching, advisory and information services at a German university were analyzed from the users' perspective. The focus was on the students' perception of the programs and paradoxes. 110 students who had used the services within the last 12 months were invited to take part in the survey. With a response rate of 30.3 percent (n=33), the online survey provided a differentiated assessment. Previous studies, in which the results of an expert survey (Roth, 2022) were compared with the assessments of students (Breyer-Mayländer & Reichwein, 2023), show that the respondents can make differentiated assessments.

The online survey comprised a total of five questions. After a brief introduction to the research project, the eight practical paradoxes were briefly presented. The respondents were then asked to rate the importance of the paradoxes for their own startup idea on a scale from 0 (not relevant) to 10 (highly relevant) and to rate how well they felt equipped to deal with these paradoxes (on a scale from 0=not at all to 10=very well). In a second question, the respondents were asked to state which of the eight paradoxes were directly or indirectly addressed in the university's offerings. Finally, the respondents were asked to state which offers were particularly helpful. At the end of the questionnaire, there was also the option of an open-ended response (What else would you like to tell us about paradoxes in the area of business startups?).

4 RESULTS

The respondents did not see any fundamental differences between the eight paradoxes when asked how well they were prepared for individual paradoxes. The highest values were achieved by "risk-taking vs. risk avoidance", "focus vs. 'big picture'" and "planning vs. adaptation" (Fig. 1).
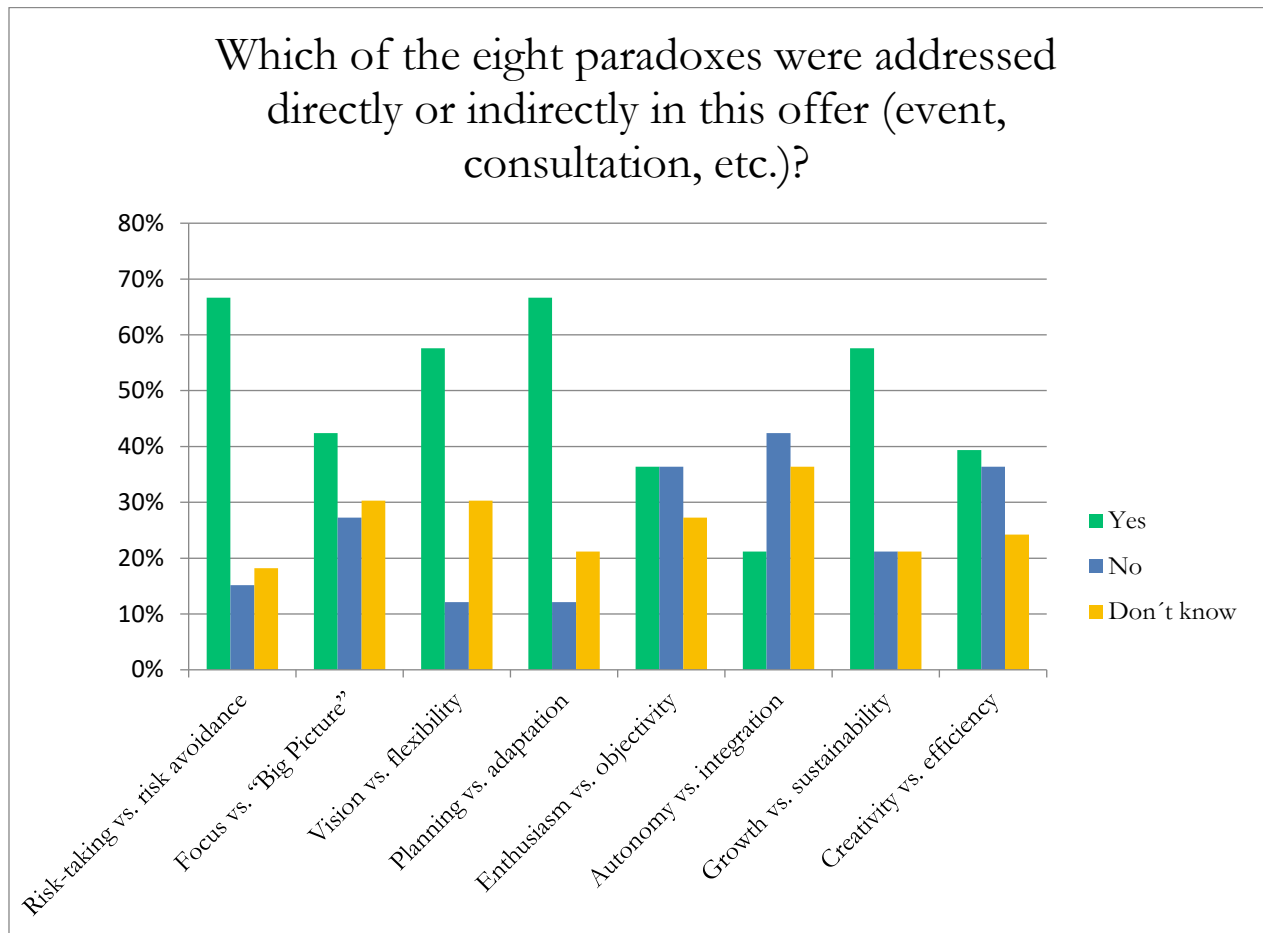
Figure 1 **Preparation for paradoxes through the university courses**
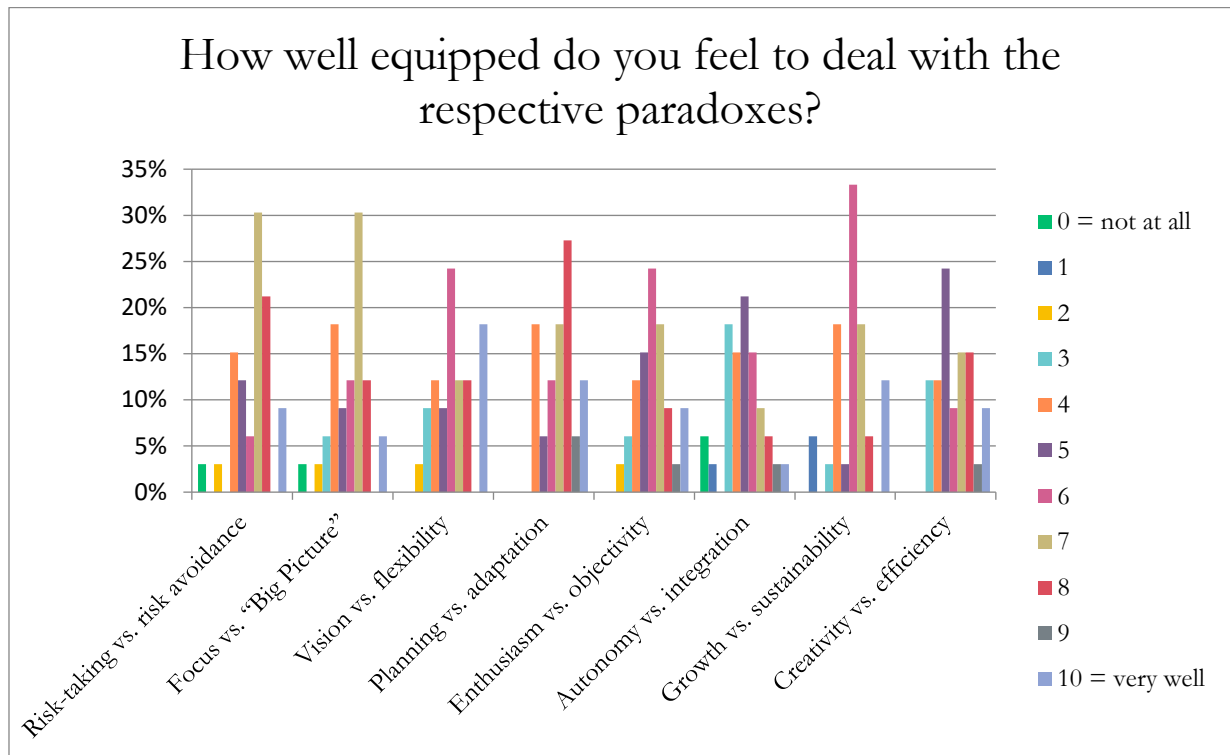
(*Source:* Own elaboration by the authors)

There are clearer differences when it comes to the question of which of the eight paradoxes mentioned were the subject of the events from the participants' perspective (Fig. 2).

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Figure 2 **Perception of the thematization of the eight pragmatic paradoxes**
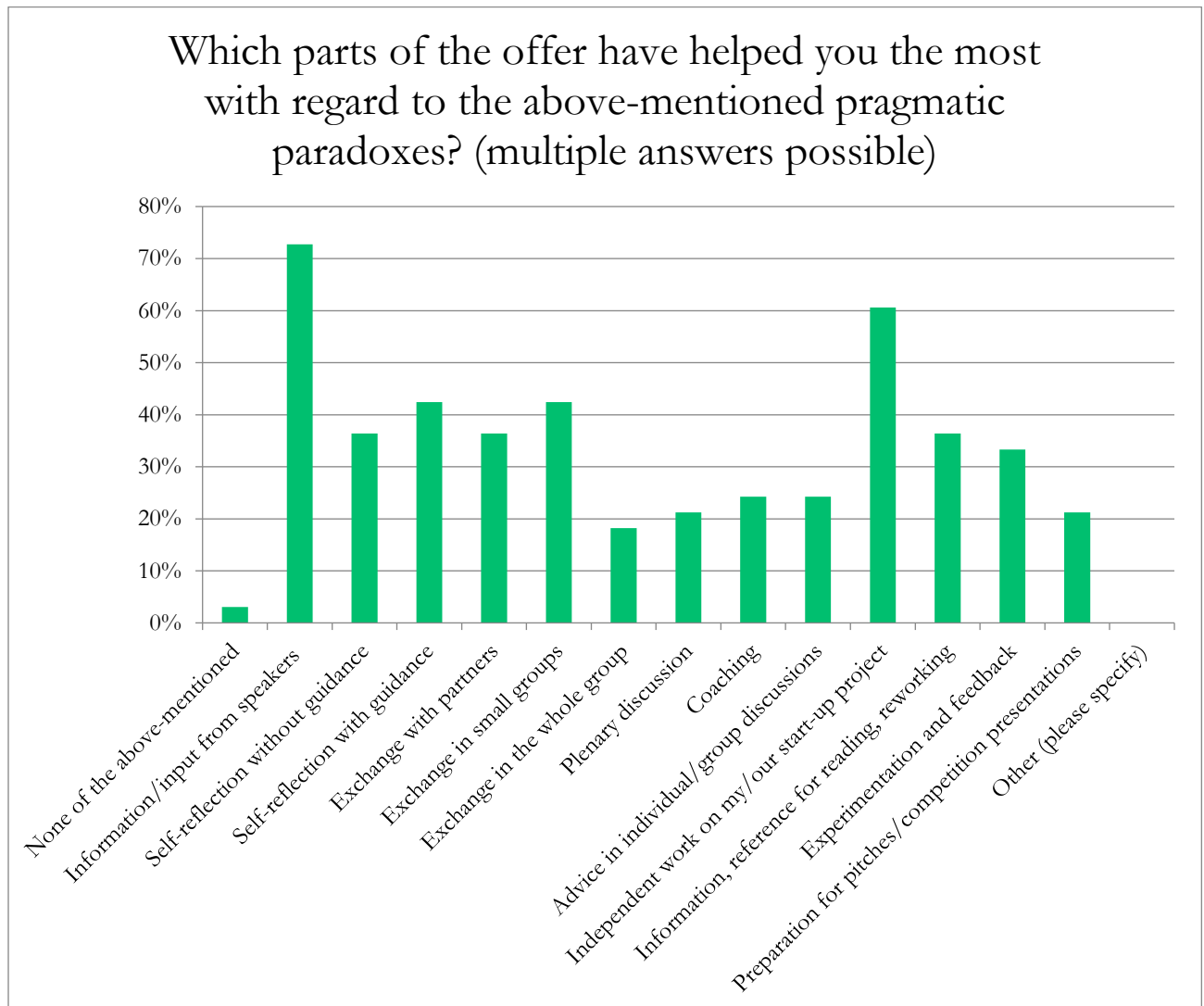

(Source: Own elaboration by the authors)

Two-thirds of respondents felt that two of the most relevant topics were also covered by the courses: "risk-taking vs. risk avoidance" and "planning vs. adaptation", followed by "vision vs. flexibility" and "growth vs. sustainability" (57.6%).

When asked how well the participants felt equipped for the corresponding pragmatic para-doxes after the relevant EE courses, the area of "planning vs. adaptation" dominated ahead of "risk-taking vs. risk avoidance" and "vision vs. flexibility".

In order to gather evidence on which forms of mediation were perceived to be effective by the target group, respondents were asked to state which forms were perceived to be particu-larly helpful in dealing with pragmatic paradoxes (Fig. 3). Respondents rated the input from the speakers and independent work on their own startup ideas (alone or in a group) as par-ticularly effective formats.

Figure 3 **Effectiveness of different formats in the target group's memory**

Which parts of the offer have helped you the most with regard to the above-mentioned pragmatic paradoxes? (multiple answers possible)

(Source: Own elaboration by the authors)

5 DISCUSSION AND FURTHER RESEARCH

By considering the three paradoxes that were rated as particularly important, it is noticeable that "focus vs. 'big picture" was identified as relevant, but from the respondents' point of view was dealt with less intensively compared to "vision vs. flexibility". Respondents felt less well prepared here. There could also be a demarcation problem here when it comes to focusing or looking at the big picture. It is therefore worth concluding by briefly linking the three dominant pragmatic paradoxes with corresponding EE methods:

"Risk-taking vs. risk avoidance"

It is by no means the case that successful founders and entrepreneurs do not avoid risks wherever possible, but they are only prepared to take unavoidable risks. The high level of willingness to take risks that is often cited as a key characteristic of entrepreneurs should therefore be viewed in a different way (Butler, 2018). One method could be a talent analysis in which participants consider their personal talent as "risk-takers" (Badal, 2014: 134).

"Focus vs. the 'big picture'"

This paradox is closely linked to others (see above) and is therefore often dealt with indirectly. In relation to the orientation toward economic scope, this can be illustrated in the talent "business focus" (Badal 2014). More decisive, however, is the support of participants in practical implementation, for example through elements of action learning (Rasmussen & Sorheim, 2006; Neck & Greene, 2011), which enable a high degree of individual skills training (Dobson, 2021). Ott and Eisenhardt (2020) were recently able to determine on the basis of long-term case studies that a constantly dynamically adapted focus on current strategic priorities clearly promotes the success of young companies. Their resulting management concept ("decision weaving") can also be implemented in EE (Ott & Eisenhardt, 2020).

"Planning vs. adaptation"

There is a close connection between the pragmatic paradoxes of "focus vs. 'big picture'", "vision vs. flexibility", "enthusiasm vs. objectivity" and "planning vs. adaptation". They are all based on the need to pursue an idea in a targeted and focused manner while at the same time being able to change and adapt accordingly. EE uses the possibility of "experimental learning" to meet these requirements (Neck *et al.,* 2014; Parry, 2021). This paradox also has a counterpart at the level of real management tools in Eric Ries' lean startup method. The iteration provided in the model and the fundamental correction through pivots for fundamental changes, for example those resulting from disruptive conditions (Christensen, 2006), make it easier to deal with the central pragmatic paradox of the startup and entrepreneurship sector (Fig. 4).

Figure 4 **Lean startup method from Eric Ries**
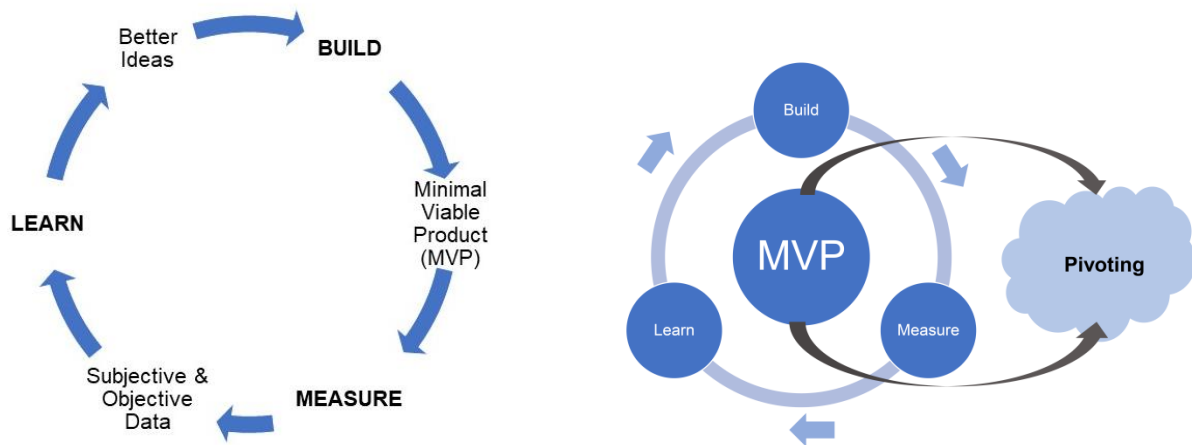
(Source: Ries, 2013: 73; Breyer-Mayländer, 2017: 82)

The widespread use of this method (Blank, 2018) can also be explained by the fact that it makes the series of pragmatic paradoxes described above manageable for founders in different phases of the startup process.

The direct assignment of further methodological approaches and formats from education, training and consulting for founders in connection with management tools for the startup sector would be a further development of this brief case analysis. Further development could take place by not only analyzing the short-term impact of information, training and consulting formats from the perspective of people currently involved with startup ideas, but also by evaluating the significance of different paradoxes and their relevance in the course of the startup process of established founders with several years of experience. Further research could address this area.

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