

# **E is for Empirical: How Scholarly Business Texts, Blogs, and Trade Journals Conceptualize and Critique Entrepreneurism**

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Read through the modest but expanding literature on entrepreneurial journalism education and you'll discover embedded in the texts a sort of syllogism that unfolds as follows:

- A. Innovation is essential for the survival of journalism: "We want to help produce the innovators and innovations our industry desperately needs," writes Jeff Jarvis, Director of CUNY's Tow-Knight Center for Entrepreneurial Journalism, of its educational mission (Jarvis 2012).
- B. Journalists need to understand the business and economics of journalism: "It's an imperative in the new digital landscape," observed a participant at a 2010 international entrepreneurial journalism education conference hosted by CUNY (Vazquez Schaich and Klein 2013).
- C. Therefore, journalism educators must embrace entrepreneurial journalism: "All agree that entrepreneurship is a way to teach both innovation and business" (Jarvis 2010). This was the unanimous view of the attendees of the 2010 CUNY conference, according to Jarvis, who organized it. At a later international conference of entrepreneurial journalism educators, hosted by the Scripps Howard Journalism Entrepreneurship Institute in January 2012, one participant summed it up: "Entrepreneurship should be an essential element of journalism education from this point forward" (Barrett Ferrier 2013).

Few would argue with the first two claims in this syllogism: the need for innovation and the need for economic literacy among journalists. The question is: How did A plus B come to inexorably

lead to C? To the imperative, uttered again and again, that journalism programs must introduce entrepreneurship into their curricula?

Although the move toward entrepreneurial journalism education is happening more broadly and quickly in the United States than in Canada, in just the past few years in this country entrepreneurial journalism courses have been developed at several schools, including Carleton, Ryerson, and University of Kings College (which launched an MA in Entrepreneurial Journalism a few years ago). The promise of entrepreneurial journalism education was also on offer at two recent national journalism education conferences. In 2014, at Toward 2020: New Directions in Journalism Education, hosted by Ryerson University, the keynote speech by Robert Picard included a call for entrepreneurial journalism education.<sup>1</sup> In 2013, this author moderated a panel discussion with the directors of journalism programs on the future of graduate journalism education at the Canadian Communication Association. One panel member argued that j-schools need to provide students with entrepreneurial skills and training, a position that was met with approval from the other panelists.

Few would deny that in the face of rapid technological change and the shrinking and closing of news organizations across the country, journalism schools must adapt and change. This paper, however, asserts that the logic – and evidence – behind the entrepreneurial “solution” is faulty, and that entrepreneurial journalism is not the answer to questions about how to innovate journalism education and protect and support strong, independent media in our country. In fact, research studies on entrepreneurship raise serious questions about its increasing presence in journalism education and about whether this trend is in the best interests of our students, of the profession, and, more broadly, of the public(s) we aim to serve. This conclusion is based on a survey of trade journals, business texts, and entrepreneurship blogs (including several on the *Harvard Business Review* site), as well as on studies by entrepreneurial scholars that “fact-check” claims made about entrepreneurship. It also factors in a review of the emerging scholarly and professional literature on entrepreneurial journalism in practice and education.

Contemporary texts on entrepreneurship almost always invoke innovation – indeed, they tend to use the two terms synonymously or interchangeably (Stevenson and Jarillo 1990). Sledzik (2013) and Allen (1994) place some of the blame for the erroneous blurring of these two distinct concepts at the feet of Joseph Schumpeter, the godfather of entrepreneur scholarship, whose earlier work did not adequately distinguish between the two terms, which triggered “semantic confusion” (Sledzik 2013) that continues to this day.

Schumpeter referred to innovation as “creative destruction” (2003). More recent texts on entrepreneurship often refrain from defining innovation and let the reader infer its meaning from

the context in which it is employed. Still, there is little variation in how the word is used; it is linked to idea generation, creativity, and invention – the same descriptors, it should be noted, that so often are paired with entrepreneurship (Anderson, Bell, and Shirky 2014; Baines and Kennedy 2010; Briggs 2012, Carland et al. 1984; Cunningham and Lischeron 1991; Hang and van Weezel 2005; Hunter and Nel 2011; Jarvis 2010, 2012; Sledzik 2013; Stevenson and Jarillo 1990).

“Entrepreneur” and “entrepreneurship” tend to be defined more explicitly in business texts, but alas, there is little consistency in these definitions. In their literature review of the concept, Hang and van Weezel (2005) lament that “offering a specific and unambiguous definition of entrepreneurship is still challenging. This is not because the definition is not available, but because there are too many, and even these definitions rarely agree with each other.” However, in the media, the business literature, business school parlance, and trade publications, an entrepreneur refers to someone who starts a business from scratch (i.e., a “start-up”) usually based on a creative, innovative, or “new” idea or process. Thus, a successful entrepreneur is someone who generates wealth from these activities (Shane 2008).

“Entrepreneur” is derived from the French word *entreprendre*, “to undertake.” In the eighteenth century, French economists appropriated the term to describe those economic actors who could be relied on to “get things done” (Sledzik 2013). It was Schumpeter who rigorously developed the concept – and the theorizing behind it – in the early to mid-twentieth century. His entrepreneur was a heroic risk taker whose ability to create wealth from innovative ideas benefited all of society. In other words, he was an idea generator (innovator) and wealth creator (entrepreneur) all in one swashbuckling guy. “Commentators have often pointed out that Schumpeter developed a romantic and fairly idealistic view of the entrepreneur ... His hero has an aristocratic and disinterested touch” (Villette and Vuillermot 2009).

But Schumpeter’s later work distinguished between, and separated, the idea generator from the person who makes money from the idea (Schumpeter 2003; Sledzik 2013). The entrepreneur here does not create ideas; rather, he exploits the ideas of others (Carland et al. 1984). Tom Klaff, author of the *Entrepreneurs-in-Residence* blog, writes that “there is a distinct difference between innovation and entrepreneurship. Rarely have I seen innovators and entrepreneurs share the same brain” (2011).

This conclusion is supported by research gathered by Scott Shane, the A. Malachi Mixon III Professor of Entrepreneurial Studies at Case Western Reserve University. His research (2008) found that the vast majority of successful entrepreneurs bought their business from someone else instead of building it from their own invention or idea.

A rigorous and well-received 2005 study on American and French entrepreneurs, *From Predators to Icons: Exposing the Myth of the Business Hero*, by two French business scholars, Michel Villette and Catherine Vuillermot (2009), found too that those who achieved great success as entrepreneurs did not initially strike it rich because of their ability to innovate. The authors did, however, discover a common denominator among this group: predation. In his preface to the English-language edition of *From Predators to Icons*, John Kimberly, the Henry Bower Professor of Entrepreneurial Studies at Wharton, described predation as “a sort of Darwinian scenario in which the success of some is built on the backs of those who are less agile or who simply don’t see opportunity the same way” (Kimberly 2009). Villette and Vuillermot (2009) document in minute detail evidence of questionable ethics in successful entrepreneurs. From this, their conclusion: “No rapid achievement of wealth is possible while respecting both the spirit and the letter of the social ethics of the time ... The businessman spends his time getting around the laws and the ordinary conceptions of morality.”

Revisiting the etymology of *entreprendre*, but this time tracing the word back to its origins in the fourteenth century, before it was adopted by economists (most famously by Schumpeter), one finds that back then, it was used to describe attacks on “a person or a castle for pillage or to take prisoners for ransom” (Villette and Vuillermot 2009). Given the common trait of predation among entrepreneurs that Villette and Vuillermot uncovered in their research, this original definition, ironically, seems more accurate than Schumpeter’s, or those found in the contemporary business literature.

More recent evidence does support Schumpeter where he contends that achievement in entrepreneurial endeavours requires “aptitudes that are present in only a small fraction of the population and that define the entrepreneurial type” (Schumpeter 2003). Shane’s data support the claim that successful entrepreneurs are indeed rare. Furthermore, “the typical entrepreneur forms a business that is gone within five years”; only 10 per cent of these businesses ever grow; and entrepreneurs earn 35 per cent less than if they worked for someone else and enjoy fewer job-related benefits. In fact, downward mobility is common among entrepreneurs (Shane 2008). Ignoring and overlooking these grim statistics has contributed to what Morra Aarons-Mele on her *Harvard Business Review* blog has called “entrepreneurship porn,” or the media hyping of the “air-brushed reality” of start-up life (Aarons-Mele 2014). Or as Silicon Valley entrepreneur Eric Reis expresses it, contributing to “the delusion that starting a company is something anyone can do” (Marmer 2012).

This is a sobering message for journalism educators, but one that many seem unable to hear. Instead they repeat the hype, insisting, for example, that “an entrepreneurial attitude is

needed to shape the future of an industry in transformation” (Vazquez Schaich and Klein 2013) and that “entrepreneurs will ... be the salvation of news ... The opportunities are indeed endless” (Jarvis 2012). Of course, some journalism start-ups will flourish. Shane (2008) argues that “entrepreneurship is a lot like gambling. The average outcome is negative ... But some people win and they win big.” Unfortunately for journalism and for journalism students, these rare occurrences have been falsely recast by entrepreneurial educators as a future available to those willing to participate.<sup>2</sup>

The data are slim, but the early evidence on the financial success of journalism start-ups challenges the certainty and optimism of those promoting entrepreneurial journalism education. Wendy Wallace provides one-week intensive workshops in entrepreneurial journalism at the Poynter Institute. In a survey she conducted in 2011 with over half the alumni from the Poynter program, almost all of the graduates were still involved in entrepreneurial projects. However, half of those who responded expected to lose money that year. An additional 31 per cent “were on track to break even but not pay themselves a salary” (Wallace 2012).

Most disturbing and confounding is the tendency among educators to rebrand underpaid, precarious freelance journalists as independent entrepreneurs (Baines and Kennedy 2010; Barrett Ferrier 2014; Hunter and Nel 2011; Picard 2014; Vazquez Schaich and Klein 2013; Batist 2015). Robert Picard observed that “entrepreneurial journalism courses are becoming fashionable, but ... many are primarily teaching students to become freelancers” (2014). Danielle Batist’s workshops in the UK on entrepreneurship for journalism students and freelancers seem a case in point. As her website explains:

Despite the industry’s transformation, media remains a popular area of study with tens of thousands of talented graduates joining the field each year. Like those affected by the ongoing redundancies in traditional media, most of them will – by choice or out of necessity – become freelancers ... In order to be successful and sustainable, independent journalists need to adopt more business skills and think like entrepreneurs. They need to become journopreneurs.

Changing monikers does not change reality. In 2009, Nicole Cohen (2012) surveyed two hundred Canadian freelance journalists and found that 45 per cent of them reported earning less than C\$20,000 before taxes. In terms of global trends, Mark Deuze (2009) paints a bleak picture internationally of the digital freelance life, with downward pressure on wages and quality of work. Baines and Kennedy (2010), who are among the scholars reframing freelance work as

entrepreneurship, acknowledge that the current media climate “has heavily disadvantaged freelance[r]s.”

And it heavily disadvantages quality journalism. The independent entrepreneurial journalist (formerly known as the freelancer) lacks the deep pockets for necessary adequate legal protection – a significant obstacle to reporting stories that challenge or question those with money and/or power. For example, Jesse Brown, the self-employed Canadian podcaster who broke the story about Jian Ghomeshi’s alleged history of sexual violence, acknowledges that he gave the story to the *Toronto Star* to publish because he could not afford the legal bills such reporting often generates (Brown 2014).

If the entrepreneurial model of journalism does prove itself to be a path to both economic viability and consequential journalism, is it a model that fits the skills and proclivities of those students who want to be journalists? Hunter and Nel evaluated journalism students in the UK who attended a workshop on entrepreneurial journalism. They found that after the workshop, students still perceived “a marked difference between the skills profile for a journalist and that of an entrepreneur, suggesting that while students were able to recognize, to some extent at least, the importance of skills such as innovation, self-management, and business skills for a journalist, they did not equate [these with] the role of the journalist” (2011). After examining CUNY’s entrepreneurial journalism program the year it opened, Dane Claussen concluded that “student demand for anything business-related continues to be underwhelming, as it apparently always was, and this is true at almost all, if not all, j-schools” (2011).

Perhaps these attitudes among journalism students will change and are in fact changing today. But altering perceptions will not alter the reality of entrepreneurship as uncovered by Shane, Villette and Vuillermot, and others: exceedingly rare is the person who can create a profitable business from his or her own ideas or innovations.

This has led to what Villette and Vuillermot describe as “the naive and misleading view of the entrepreneur current in the academic world, in business schools, and in books on management” (2009). Journalism educators should be added to the list.

Columbia University’s Tow Center for Digital Journalism published a document in 2014 on the state of the industry. In it, the authors note with some concern that “the idea of the ‘entrepreneurial journalist’ is ... increasingly encouraged in both teaching programs and within certain news organizations” (Anderson et al. 2014). Although this trend has yet to permeate journalism education in Canada to the extent it has in the United States, it is slowly taking hold. Research into entrepreneurial journalism education is just emerging, yet even in these early days,

one cannot help but note the absence of outcome measures and of verified claims about its benefits and potential.

Journalism is in crisis and so too is journalism education. Educators need to respond. A good place to begin would be to reject as faulty the syllogism of entrepreneurial journalism education and instead focus on building a new set of claims. How about something like this?

- A. We need to innovate.
- B. We need to equip our students with an understanding of the economics of journalism in the digital age.
- C. Therefore we need to research, collect facts, and verify claims about how to achieve these goals before we make any claims about best the way forward for journalism education. To do otherwise is to fail our students and the public(s) we aim to serve.

The next time we hear a seductive spiel about the entrepreneurial education cure, we should think about the words of *Harvard Business Review* blogger and entrepreneur, Morra Aarons-Mele: “It’s just not possible that every smart young graduate can launch her own successful enterprise” (2014). It makes no sense to base our programs on a model of education and practice that, according to the evidence, will do little for the vast majority of our students except set them up for failure.

## NOTES

<sup>1</sup> For Picard’s address, see pages 4-10 in this volume.

<sup>2</sup> For more examples, check out the relentlessly positive and promotional coverage on [mediashift.org](http://mediashift.org)’s special section on entrepreneurial journalism education from its inception in 2014 onward: <http://mediashift.org/education/entrepreneurship-education/page/3>.

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