



EXTENDED ABSTRACT

Entrepreneurial Management of Universities: strategies for building legitimacy for an intrapreneurial logic within universities

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I. Introduction

Global economies are shifting from being driven by physical capital to knowledge and entrepreneurship (Audretsch, 2014). This led to the idea that the higher education sector could play a crucial role in social and economic development (Gibb & Hannon, 2006). The notion of entrepreneurial universities emerged in the 1980s to describe the universities that leverage their scientific knowledge through new income sources (Guerrero et al., 2023). By leveraging their knowledge, universities can make an economic and social contribution to what has been called the entrepreneurial society (Audretsch, 2009).

Over the last 25 years, the topic of entrepreneurial universities has been extensively covered by researchers (Syed et al., 2023). An external governance perspective was taken, analysing university involvement with external stakeholders through partnerships and alliances (Klofsten et al., 2019). Another focal point in this stream of research is the commercialisation activities in the form of spin-offs, patents, and licenses. This led some academics to equate the entrepreneurial university concept to technology commercialisation and spin-out formation (Philpott et al., 2011). In contrast, entrepreneurial universities' internal governance does not seem well understood.

In the past, universities' internal governance and management were settled matters only subject to incremental changes (Sotirakou, 2004). University governance models have recently become contested, especially with disagreement about notions like enterprise and entrepreneurial universities (Carnegie & Tuck, 2010). The introduction of entrepreneurial universities gave rise to internal tensions and conflicts. University managers were concerned that engaging in entrepreneurial activities might decrease academic research performance (Kirby, 2006). Entrepreneurial initiatives sometimes gave rise to conflicts between various levels of university management (Vestergaard, 2007).

Until now, there has been very little evidence about strategies for managing internal conflicts within the university caused by venturing into entrepreneurial activities (Klofsten et al., 2019). An essential source of conflict seems to be the differing norms and values present within the university management system. Aligning different norms and values is crucial in developing entrepreneurial universities. A case study established that value conflicts are one of the two principal conflicts experienced by heads of departments within the United Kingdom's Higher Education sector (Sotirakou, 2004).

II. Theoretical background

The traditional view of entrepreneurial universities does not seem to be able to cope with the complexities of how conflicts and tensions are managed inside the university management system. Because university leaders lack a specific understanding of how to manage in a challenging world where economic realities are being injected into their institutions, it has been suggested that dynamic capabilities could be applied to the campus leadership of universities. It was found that the presence of campus leadership that can combine strategic thinking and capabilities development enhances the likelihood of the university's competitive fitness and long-term survival (Leih & Teece, 2016).

The dynamic capabilities framework has been proposed as a model for strategic change within the university. Changes in environment and social demands necessitate a process of change based on continuous improvement and the creation of dynamic capabilities (Navarro & Gallardo, 2003). It has been argued that universities are not adequately fulfilling their social responsibilities. The dynamic capabilities framework could help universities maximise their social impact by aligning their strategy and resources (Hayter & Cahoy, 2018).

Over the last few years, the dynamic capabilities framework has been described as a solution for multiple challenges with which the university is confronted. The model was used to explain

how flexible and entrepreneurial management can help universities take up their role in innovation ecosystems (Heaton et al., 2019), and it has been described as a framework for managing campus entrepreneurship (Heaton et al., 2020). It has been argued that resource allocation following the dynamic capabilities framework can enhance the financial performance of the university (Heaton et al., 2023), and that there is a correlation between pre-existing ordinary teaching and research capabilities and the dynamic capabilities of the university (Guerrero & Menter, 2024).

The literature on intrapreneurship seems to give another perspective on how entrepreneurial universities can function in terms of internal governance. Mainly, it seems that the literature on intrapreneurship can help explain how tensions and conflicts may arise in entrepreneurial universities. Intrapreneurship has appeared as a hybrid form of entrepreneurship associated with lower risks and costs. An intrapreneur is a corporate entrepreneur; *id est* someone engaging in entrepreneurship within the boundaries of an existing company (Hisrich, 1990). Intrapreneurship has been regarded as a strategy for revitalising the performance of organisations as it is associated with the dimensions of business venturing, innovativeness, self-renewal, and proactiveness (Antoncic & Hisrich, 2001). Central to the concept of intrapreneurship are the behaviours of individuals that depart from customary ways of doing things in an organisation. (Antoncic & Hisrich, 2003).

This perspective seems to negate the oxymoron interpretation of the notion of an entrepreneurial university. As Schumpeter has noted, an entrepreneur is an individual taking up a new activity. Contrary to general belief, this activity does not need to be developed outside the organisation but can also be developed within the boundaries of existing organisations (Etzkowitz, 2004). Most of the existing studies applying intrapreneurship in a university context looked at this concept from an individual-level perspective, identifying individual-level behaviours within universities leading to entrepreneurial activity as the concept of intrapreneurship (Audretsch et

al., 2024; De Keyser & Vandenbempt, 2023; Engzell et al., 2024a; Flores et al., 2024; Paget et al., 2024; Shekhar et al., 2023).

In a newly elaborated view, dynamic capabilities and intrapreneurship literature have been merged, giving rise to intrapreneurial capabilities as an organizational-level concept. Intrapreneurial capabilities are the organisation's ability to react quickly and innovatively to internal and environmental changes to adapt to and shape new environments (Klofsten et al., 2021). Universities' intrapreneurial capabilities are applied to universities as the higher-level competencies that determine that entrepreneurial organisations can improve and transform their routines into entrepreneurial actions to integrate, build, and reconfigure internal and external resources to address the challenges of the digital economy. The underlying assumption of this model is that the university disposes of ordinary capabilities as an initial input, leading to outcomes associated with teaching and research activities. If the university chooses a new entrepreneurial orientation with new entrepreneurial outcomes, this will require the development of unique and additional intrapreneurial capabilities (Guerrero et al., 2021).

In a process view of universities' intrapreneurial capabilities, two types of capabilities could be identified: enabling capabilities and supporting capabilities. Enabling capabilities refer to the factors that are key to initiating and spreading an intrapreneurial initiative, and the supporting capabilities are those factors that are key to maintaining the intrapreneurial initiatives and spreading them throughout the larger academic community. Within the enabling capabilities, legitimisation is identified as an essential factor in creating intrapreneurial universities (Flores et al., 2024).

Legitimation may be described as the organisational response needed to build support for an intrapreneurial logic within the organisation. It refers to the perceived response from colleagues and external partners, how this support can contribute to financial and economic circumstances for the intrapreneurial initiative, and how media and branding can be leveraged to build internal

support for an intrapreneurial logic (Engzell et al., 2024b). In the case of building internal legitimacy, the object that gains legitimacy is not the organisation itself but an organisational entity like a practice, program, unit, or strategy.

In intrapreneurship literature, four different types of internal legitimacy can be identified: pragmatic, normative, cognitive, and regulative legitimacy. Pragmatic legitimacy arises when an intrapreneurial initiative realises different stakeholders' self-interests. Normative legitimacy arises when an intrapreneurial initiative is in line with the norms and values of different stakeholders. Cognitive legitimacy arises when stakeholders have the perception that the initiative behaves rationally. A last type of regulative legitimacy signals that an intrapreneurial initiative should align with rules, regulations, standards, and expectations (Göcke et al., 2022).

It seems to be a fruitful future research avenue to look into the strategies that can be identified to gain legitimacy for intrapreneurial initiatives, or an intrapreneurial logic, within universities. Strategies like participative strategy-making, corporate fit theory, and stakeholder-specific storytelling have proven to successfully gain intrapreneurial initiatives' legitimacy in the context of corporate entrepreneurship (Göcke et al., 2022).

III. Methodology

This research project focuses on a single case study involving an intrapreneurial initiative within a small university in Belgium. Employing a mixed-method approach, the study will utilise qualitative data gathered from semi-structured interviews with stakeholders in the university management system and quantitative data from surveys. It aims to assess the impact of implementing a strategic intrapreneurial initiative within a university on the legitimacy generated within the university management system. The intrapreneurial initiative integrates various legitimisation strategies like participative strategy-making and storytelling techniques to embed an intrapreneurial logic within the university. The research project seeks to evaluate

the effectiveness of these strategies in gaining legitimacy for an intrapreneurial logic within the university's management system.

IV. Conclusion

This research project adopts an intrapreneurial capabilities approach to understanding the entrepreneurial university. A crucial aspect not fully comprehended within this perspective is the process of legitimising intrapreneurial initiatives within the university. This paper aims to make substantial theoretical and practical advancements by refining a model of how the university's intrapreneurial capabilities are developed. It provides actionable insights for universities on fostering legitimacy for an intrapreneurial logic within the university and expands the scope of entrepreneurial university research to encompass an internal governance perspective.

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