

Arnold C. Cooper

By Timothy B. Folta and Charlotte R. Ren

Abstract:

N/A

Definition:

Arnold C. Cooper has been a pioneer and a world-renowned authority on entrepreneurship. He has made key contributions to the fields of entrepreneurship and strategic management in diagnosing the “small firm effect”, and a more complex understanding of both the process of new firm formation and predictors of new venture success.

Arnold C. Cooper

Arnold C. Cooper has distinguished himself as a world-renowned authority on entrepreneurship.

Born in Chicago in 1933, and raised in New Castle, Indiana, he attended Purdue University and earned his Bachelor of Science degree in chemical engineering in 1955 and his Master's degree in industrial administration in 1957. After a year of working for Procter and Gamble, Cooper attended Harvard University and earned a doctorate of business administration in 1962, where he also served as an Assistant Professor. He returned to Purdue University in 1963 as an Associate Professor in the Krannert School of Management, becoming Professor in 1970 and the Louis A. Weil, Jr. Professor in 1984 until retirement in 2005. He was a visiting professor or scholar at Stanford University, Manchester Business School in England, IMD in Switzerland, and the Wharton School at the University of Pennsylvania.

Cooper is the author or co-author of seven books and has written extensively on entrepreneurship, strategic management, and the management of technology. His work has yielded a number of honors and awards, including the 1997 "Global Award for Entrepreneurship Research," a lifetime contribution award; the 1999 "Richard D. Irwin Outstanding Educator Award" from the Division of Business Policy and Strategy of the Academy of Management; the 1993 "Coleman Entrepreneurship Mentor Award" from the Entrepreneurship Division of the Academy of Management; and the 2009 "Entrepreneurship Educator of the Year" from the United States Association for Small Business and Entrepreneurship. He is a Fellow of the Academy of Management and the Strategic Management Society. He has served as major professor for five doctoral students who have won prizes for their dissertations. Purdue University awarded him an Honorary Doctor of Management Degree in 2005. In addition to his scholarly contributions to the field of strategic management, Cooper played an integral role in the field's early development. He organized the first conference in entrepreneurial research in 1970 at Purdue University, and was Chairman of the Division of Business Policy and Strategy in the Academy of Management.

Cooper has been a pioneer and a highly influential scholar in the fields of entrepreneurship and strategic management. His early work examined product development in small firms; one finding suggested that small firms could develop new products at lower cost than large firms (Cooper, 1964). He later examined the processes of new firm formation. He may have been the first to diagnose what is currently known as the "small firm effect," the tendency for smaller firms to spawn more entrepreneurial ventures. In examining the founding of 250 technically-oriented firms in Silicon Valley, he found that the spin-off rate in smaller firms was approximately ten times greater than in large companies (Cooper, 1971). Later, he was involved in examining the responses of established firms to major technological threats (Cooper and Schendel, 1976).

A key contribution to the early development of the scholarly study of entrepreneurship was Cooper's pioneering effort in developing with colleagues a large-scale, longitudinal data set. They tracked over three years 2,994 entrepreneurs who were members of a trade association (National Federation of Independent Business). This paved the way for the rigorous study of two important streams in entrepreneurship research. The first stream centered upon processes of new firm formation. One aspect of this looked at entrepreneurs' perceived chances of success. Cooper and colleagues found that about 95 percent of entrepreneurs perceived their own odds for success better than others' odds, and this optimism was not influenced by objective predictors such as education, experience, and capital (Cooper, Woo, and Dunkelberg, 1988). This study suggested the salient existence of what psychologists would term "post-decisional bolstering" among entrepreneurs, which has immense theoretical and practical implications for understanding entrepreneurs' decision-making processes and risk-taking propensity. The second stream was concerned with predictors of new venture success, one of the most important areas of research in entrepreneurship. Among the long list of predictors examined were human capital, financial capital, parent's entrepreneurial experience, prior working experience, and the similarity of the new business to the entrepreneur's prior organizations (Cooper, Gimeno, and Woo, 1994). One interesting conclusion was that these determinants often differentially affected failure (discontinuance), marginal survival, and high growth. This conclusion inspired another study which found support for the idea that different entrepreneurs have different performance thresholds – defined as the level of performance under which the firm will exit (Gimeno, Folta, Cooper, and Woo, 1997).

Cooper's research contributions continue to serve as a platform for many in the field of strategic management and entrepreneurship.

By Timothy B. Folta and Charlotte R. Ren

References

- Cooper, A. C. 1964. R&D is more efficient in small companies. Harvard Business Review XLII (May-June), 75-83.
- Cooper, A. C. 1971. Spin-offs and technical entrepreneurship. IEEE Transactions on Engineering Management 19 (1), 2-6.
- Cooper, A. C. and D. Schendel. 1976. Strategic responses to technological threats. Business Horizons 19 (1), 61-69.
- Cooper, A. C., C. Y. Woo and W. C. Dunkelberg. 1988. Entrepreneurs' perceived chances for success. Journal of Business Venturing 3 (2), 97-108.
- Cooper, A. C., J. Gimeno-Gascon and C. Y. Woo. 1994. Initial human and financial capital as predictors of new venture performance. Journal of Business Venturing 9 (5), 371-395.
- Gimeno, J., T. B. Folta, A. C. Cooper and C. Y. Woo. 1997. Survival of the fittest? Entrepreneurial human capital and the persistence of underperforming firms. Administrative Science Quarterly 42 (4), 750-783.

cross references:

N/A

keywords (index terms):

Arnold C. Cooper

Entrepreneurship

Strategic management