

Organizational Economics, the Firm, & the Entrepreneur: A Motivation for the Emergence of the Entrepreneur as Coordinator of Organizational Resources for Firm Success

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Abstract

Organizational theory and organizational economics both acknowledge the existence of the firm; research about the firm, and the organization of work and people followed the path of tracing responsibility, ownership, control, and the dispensation of the unit of work to create value for the owner otherwise referred to as investor/entrepreneurs and or the owner's shareholders. In attempting to appreciate organizational economics, we discover that it actually is linked to define departments and divisions in the organization, resource allocation, the role hierarchy and control, the important role of contracts in the field, how decisions happen and where they occur from in an organization.

This research then leads to further understanding of organizational configuration which describes the way an organization is organized structurally and how their approach of doing business is described, this school of thought has been a big consideration within management research and thinking for many years; all this synthesized and guided by scholarly wisdom then discusses; an organizational economics view of the firm as a basis for the justification of the entrepreneurial organization's existence and how foundational literature in management and organizational economics can be used to create the modern entrepreneurial organization structure lead by the coordinator called 'The Entrepreneur'.

Keywords and terminologies: Firm, organization, entrepreneur, coordinator, organizational economics, management, structure.

Introduction

The way a business executes its objectives, and thrives to extend and assure its existence or indeed fail into oblivion continues to be a center of multidisciplinary research and academic thinking. The arguments for and against stretch from theory to evidence spanning many years; the central theme however is that every organization and or firms exist to achieve a particular goal and does operate in a given, specialization and business environment for that purpose.

How an organization is organized and which philosophy it chooses to optimize in order to live out its purpose is what motivates this quest of seeking to appreciate an organizational economics view of the entrepreneurial organizational approach to doing business.

Organizational configuration describes the way an organization is organized structurally and how their approach to doing business is described, this school of thought has been a big consideration within management research and thinking for many years (Payne, Short, & Ketchan, 2008; Fiss, 2007; Fox-Wolfgramm, Boal, & Hunt, 1998; Miller, 1987).

The thinking propagated therein enhances the ability of an organization to ability to be a high performer.(Meuer & Rupietta, 2015-81) Further, (Mintzberg H. , 1992)suggests that the purpose of having an organizational configuration is for choosing the best way or approach to meeting organizational goals and objectives as the basic purpose of the organization is to meet its goals and staying true to their vision and mission (Lunenborg, 2012).

Entrepreneurial organizations are rooted in fast paced, little - to no bureaucracy and leadership centered, they are considered to be centralized decision making organizations suggests management and

organizational studies (Mintzberg H. , 1992); however this is a broad terminology which demands an exposition.

According to expository studies, Organizational Economics was considered an extension of administrative theory. (Barney & Ouchi, 1986) in their field of study has been defined as the use of economic logic to understand the existence, nature, design, and performance of managed organizations; it studies the obstacles to coordination of activities in, between and around a firm. (Gibbons & Roberts, 2012).

To conclude this introduction, this paper positions its prepositions and arguments to the understanding of the entrepreneurial organizational approach to doing business: Analysis of the firm, relationships between firms and beyond the firm. (Williamson, 1981) has created foundational principals for the study of the economics of the organization and (Coase R. H., 1937) organization of firms for optimum strategy realization, and provides a base for further study of the entrepreneurial organizational approach to doing business for this paper.

(Mintzberg H. , The Structuring of Organizations , 1979), the choice of organizational economics as lenses for analysis is embedded in the interest to appreciate how an entrepreneurial organization interacts within itself (internal and external aspects of an organization), the external environment and what is beyond its control (a broad view of the business). According to (Gibbons R. , 2005, p. 2) Terminology the 'firm' is borrowed from the economic way of thinking and is respectfully coined to mean descriptive models of firms' 'decision making processes' (Cyert & March, 1963).

Purpose of the study

The purpose of this study is to use organizational economic lenses to bring out the motivation for the existence of the firm, the emergence of the entrepreneurial organization and the role of the entrepreneur as a coordinator of resources in an enterprise, a firm and or organization; further motivate the role of the entrepreneur, and the relationship existing between the two as one without which the firm can survive and or pursue its core purposes or mission.

Research question

1. How did the firm come about and what was the motivation for the emergence of the firm?
2. What does organizational economics say about the firm and the entrepreneur?
3. What is the role of the entrepreneur in the firm, and or business organization?

Significance of the study

The entrepreneur is a key figure in the achievement of business success. The underlining principal for this is that the entrepreneur possesses the know how to answer social problems at a profit but there is little mention of the fact that there is need to marshal resources, coordinate the various actors in an organized way. This paper strives to get that understanding and contribute to the understanding that there exists a relationship around the firm, the entrepreneur, & organizational economics and further present a motivation for the emergence of the entrepreneur as coordinator of organizational resources for firm success.

Methodology

In order to answer to the research questions, the methodology employed was that of a qualitative approach. Further, the paper is an exploratory study. The data contained in this paper was collected via secondary means and was extracted from leading published journals, academic papers, lectures, presentations, and videos; all from reputable sources as evidenced in the reference section of this work.

The choice to arrive at this type of study was motivated by the fact that there have been very few studies in the area of organizational economics which have linked the emergence of the firm to the role of the entrepreneur and how management and organizational studies influence the management of such a firm through different management and organizational structures and systems.

To achieve this task, the researcher took an approach to investigate the foundational studies' in organizational economics and management & organizational studies and compared them to recent research and trends to arrive at a link and or relationship of the studies to form the basis of the arguments.

Related literature review, data analysis, and results

This review is an approached in such a way that it attends to the needs of the research questions bringing to life early and modern studies in organizational economics and management theory and organizational studies as they relate to formation of the entrepreneurial organization and how its existence and its coordinator the entrepreneur are justifiable.

Foundations of organizational thinking: organizational theories

The study of management and organizational theory though officially and systematically related to the 1800s is an old school of thought which is believed to have originated around the period 3000BC (Daft, 2010) to 5000BC, it is said to have been advanced by the Sumerians and Egyptians who organized governments through organizational systems at the time (Önday, 2016).

In addition, how organizations functions, how they affect the environment and how they are affected by the environment in which they operate has come to be known as the basis for the basis organizational theory. Figure 1.1 as adopted from (Growth, 2013) presents a summary of the development and evolution of management and organization theories.

Further, organizational theories are very broad naming each would be number to as many as nine (9) in total suggests (Shafritz, Ott, & Jang, 2005), as cited in (Önday, 2016), but for the purposes of this paper they are categorized as Classical Organization Theory comprised of Scientific Management Approach (SMA), Weber's Bureaucratic Approach (WBA), and Administrative Theory (AT) (Taylor, 1947; Weber, 1947; Fayol 1949); Neoclassical Theory (Roethlisberger and Dickson 1943), and Modern Organization Theory comprised of Systems Approach (SA), Scio-technical Approach (STA), Contingency or situational Approach (SitA) Figure one below elaborately breaks down the theories.

Theories of the firm, and the basis for the entrepreneurial way of organizing a firm: economic and management views

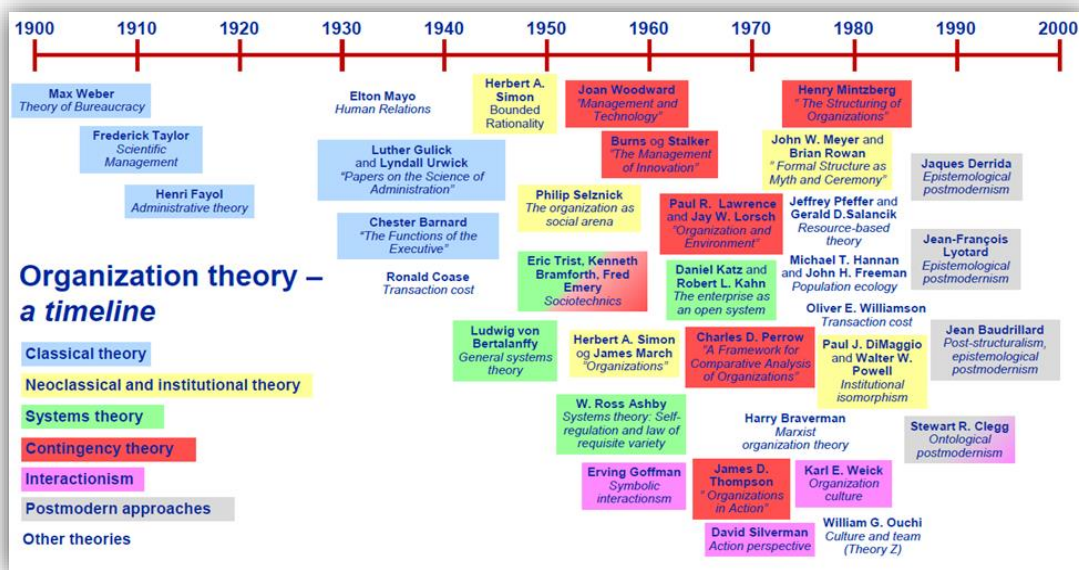


Figure 1a. Timeline and summary of management & organizational theories

Source Adapted from - (Groth, 2013, pp. 8 - 9) Overview of theories on organization and management.

The early economic proponents of theories of the firm were referred to as neoclassical theories of the firm, this focused on the definitions of a firms' extent of existence, boundaries and internal organization (Foss, Lando, & Thomsen, 1999), the pioneering research on these firms' dynamic and economics view were primarily research foundational studies by (Coase R. H., 1937) and (Knight, 1921) this work is further enhanced by the transactional cost approach.

The arguments that information costs are responsible for the rise of the firm and a firm is nothing, but a set of contractual obligations among factors of production encouraging voluntary exchange, and as played out in the markets to which the firms are important actors (Williamson, 1971; Alchain & Demsetz, 1972; Jansen & Meckling, 1976).

In specific reference to theories of the firm, the early thinking was that the consideration of the firm as to view it as one big organization of work which played at a global space and everything else remained constant and fed from it, its primary ethos was that the formulation of the firm was that of obtaining profit maximization as was the objective for the managers (Foss et al., 1999); there was no growth, no increase in the number of management expertise, incentives were not a consideration, efficiency was a given standard as there were no ways it would suffer market shock and internal organizational requirements such as organizational structure, delegation, and decision authority were not considered. Besides all this, this classical approach never limited the extent to which the firm could reach in influence and or business activity (Coase, 1937; Hart, 1999).

While the classical theories were being digested, it was between the mid-1930s and the early 1940s that a fellow by the name of Ronald Corse, ¹came up with the theory of the firm, or the nature of the firm which led to the discussions of the topic of great importance to business and economic thinking called transactional cost. (Coase R. H., 1937).

Coase argued that economists needed to consider a firm in reality and not in theory. He further added that this firm interacted with other firms in the market as managed and coordinated by the entrepreneur via multiple transaction; he suggests that the purpose of the said transactions was to bring about growth as opposed to the price mechanism. Coase further stated that there was however a great limit to what a particular firm can produce in order to achieve growth and profitability.

One big consideration in Coase's theory of the firm was that of the interaction between an entrepreneurial driven firm (a firm coordinated by the entrepreneur possessing entrepreneurial attributes and behavior) and the market was not guided by a perfect market systems as suggested by Adam Smith, but was rather largely influenced by transaction costs such as the cost of obtaining goods and services in the market and the cost of holding a trade secret.(Coase R. H., 1937, pp. 388 - 389).

In further analysis of and furthering of Coase's work, his protégé Williamson (Williamson, 1981) puts across that transactional cost have a huge impact on the organization of a firm, and the more the complex these costs are managed and treated, the higher the cost of running a firm; however his work further suggested that because the simple management approach to transaction cost invite strain, then need arises for there to be different types of organizations managing varied transactional costs in firm and in the context of the market.

An understanding of organizational economics key concepts and footprint

Organizational economics has a footprint in the firm, between firms and beyond the firm. (Gibbons & Roberts, 2012), suggests that organizational economics is used in almost all economics and management fields; it is involved with boundaries (vertical and horizontal) of the firm, management of relationships with

¹ Ronald Harry Coase – born 29 December 1910 and died on 2 September 2013. Coase was a renowned economist and author who in the 1930's argued that economists should study real markets and not theoretical ones, established the case for the corporation as a means to pay the costs of operating a marketplace. [3] Coase is best known for two articles in particular: "The Nature of the Firm" (1937), which introduces the concept of transaction costs to explain the nature and limits of firms, and "The Problem of Social Cost" (1960). (Nobel Media, 2014)

suppliers and customers, asset ownership, coordination, and management of organizational activities, and definitions of governance systems.

Its footprint stretches further to study and understand how to define departments and divisions in the organization, resource allocation, the role of hierarchy and control, and the important role of contracts in the field, how decisions happen and where they occur from in an organization (Gibbons et al., 2012).

Information management is another critical area covered in its footprint, it deals with collection, custody, and application. Power is never a child's play activity in organizations, OE pursues the understanding of how power is achieved and exercised; rewards and impact on behavior and performance and of course the role of leadership.

All the referred to footprint areas for organizational economics are treated as questions² that need answers; we take the words of Gibbons and Roberts in their work in the handbook of Organizational Economics (2012). The duo states that;

"How do the answers to these questions depend on the markets in which the organization operates; the strategies it adopts to compete; and the social, legal, regulatory, and technological environment³ in which it is embedded; and how do all these choices and interact and effect performance?"

Organizational economics and the entrepreneurial organization, what is the link?

Having dealt with the foundations of organizational economics views, the latest work has revealed that there actually exists a link between the entrepreneurial organization, and the concept of the firm and organizational economics.

The link between the organizational economics and the view of an entrepreneurial organization as first introduced by (Mintzberg H. , 1992)Coase is drawn from the identification of the entrepreneur⁴ as coordinator of resources and activities in the firm as advanced by J. B Clark, and the (Coase R. H., 1937, p. 388) manager who coordinates as put forward by Professor Night as cited (Knight, 1921) by Coase. (Coase R. H., 1937, pp. 388 - 89) Further qualified that the use of the entrepreneurs in this discourse has a link with the proponents put across by Mintzberg.

The Coasean model of the entrepreneur is at the heart of the management of the system within the enterprise exerting an authority over the command and direction of resources (Foss, Klein , & Bylund, 2011)which(Coase R. H., 1988b) gives birth to our analysis is limited to the 'organization' the way work and activity flow is organized in an entrepreneurial way and not the concept of the entrepreneur as a person; it contains that an entrepreneurial organization fulfills its existence both in the processes and in the responsiveness to the overall business environment.

This paper observes that an entrepreneurial organization is one which is embedded in quick action, response to customers, and decision-making process lies with the entrepreneur 'coordinating' the flow of resources within the firm to respond to the larger landscape of the market; we wish to put a caveat on the fact that

The entrepreneurial organization: foundations, broad structure and definitions

(Mintzberg H. , The Structuring of Organizations , 1979, pp. 20 - 22) in his work starts out by outlining the five basic components of an organization where he has listed the strategic apex, the middle line, the operating core as the primary components being the core and undisrupted sequence of the firm, while the

² The information is covered in the introduction part of the handbook for organizational economics (Gibbons & Roberts, 2012). The questions in the handbook are phrased in the positive sense to bring to the fore the scope of the work in organizational economics.

³ The social, legal, regulatory, and technological environment are key concepts discussed in this paper to uncover how the entrepreneurial organization can be organized to respond to opportunities and challenges in the market place.

⁴ This paper takes from (Coase R. H., 1937)'s definition on the term entrepreneur to refer to the person or persons who, in a competitive system, take the place of the price mechanism in the direction of resources.

techno-structure and the support as being separate from the line of authority. These parts of the organization form the building blocks for what is referred as the organizational structure and its management layers as it has come to be known today.

This paper takes interest in this clear breakdown of the organizational structure's components to build on to what Mintzberg argued that an organization had a second dimension which he referred to as the prime-coordinating-mechanism⁵. In the prime coordination, the focus was on the definition of supervision, the work process, skill sets, standardization of output of work and mutual adjustment.

Further, (Lunenburg, 2012) using (Chandler, 2003 (1962)) and (Mintzberg H. , The Structuring of Organizations , 1979) as the foundation of his prepositions, suggest that there is a third dimension of an organization which encompasses the type decentralization employed in a particular disposition to arrive at an organizational structure, the study uses the decentralization argument as the basis for to the five organizational structures from which the entrepreneurial organization, or the simple structure stems from.

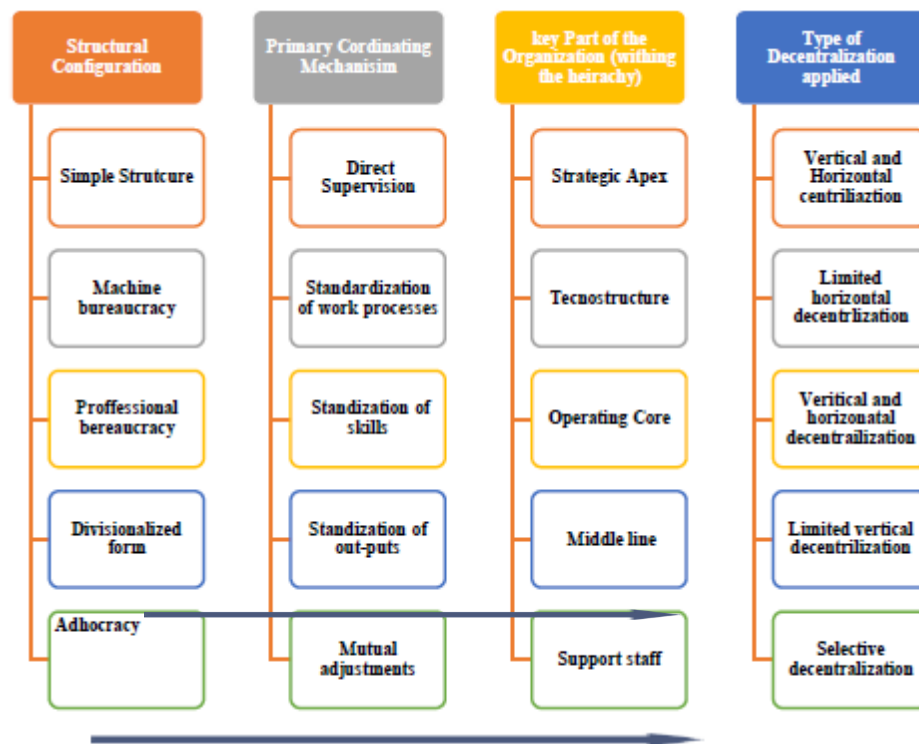


Figure 2. The Mintzberg five organizational structures⁶

This paper adopts the early approach of Chandler and Mintzberg for a broader application of the entrepreneurial organization with the entrepreneur at the center of coordination and resources watch outside of the firm but within the context of the market.

As quoted in the Economists, Jean-Baptiste Say, a French economist who first coined the word entrepreneur in about 1800, said: 'the entrepreneur shifts economic resources out of an area of lower productivity and into an area of higher productivity and greater yield' (Hindle , 2012) . For the purposes of the analysis of the entrepreneur is referred to as a 'coordinator', this paper seeks to define term coordinator, and its meaning thereof; with that in mind, the entrepreneur as a coordinator is the initiator, implementer,

⁵ (Lunenburg, 2012) does an expository study of three type of dimensions of an organization from which strategy and the five organizational configurations comes from but focuses on the school context and referees the entrepreneurial organization structure as such for small organization set-ups which this paper does not agree with and is not comprehensive enough to conclude as such.

⁶ Adapted from (Mintzberg H. , 1979)

and monitor of ideas, strategic intentions, processes, investments, systems, organizational wellbeing and takes ownership of the results thereof. (The Economist, 2009)

That said, it is only right that the definition of the concept and or theory of the entrepreneurial organization start with the definition of the entrepreneur.

The European Commission, (2003) defines the entrepreneurship as a mindset, and a process to create and develop economic activity by combining risk-taking, creativity and innovation with sound management, within a new or an existing organization. It is interesting to note that every enterprise always has two types of people, those who come up with ideas and those who execute those ideas into tangible results; the entrepreneur is said to be both of the idea generator and the idea executor in most cases. (Ericksen, 2002).

Further (Meta, 2013) in their report The Entrepreneurial Organization suggest the following about entrepreneur - what it is and why it matters state ((n.d.). Retrieved March 13, 2019, from <http://www.metaprofiling.com/docs/The-Entrepreneurial-Organization.pdf>)

‘Successful entrepreneurs are opportunists who, through their creativity, drive and vision, create economic or social value. They challenge conventional wisdom by practicing disruptive innovation - innovation that creates new markets through the application of a different set of values. They change the rules of the game by questioning the status quo and upping the stake. They ask: ‘why do we do things this way and how can we do better’.

Could this be the basis for the reason the entrepreneurial organization is? Is the foundation of the entrepreneurial organization a lot more embedded in the ‘person’s character of the entrepreneur and or in the process? Using a macroscopic broad view, the next part of the paper covers these issues.

In addition, it has been observed throughout research that the organization configurations are designed to achieve coherence and behave like a systematic flow among many parts of the structure, this is deliberate to achieve optimum capacity to meet organizational objectives and respond to the conditions outside of the firm as they act and play out in the market system. This is achieved through indulgences’ of authority, information, and decision processes flow throughout the organization and the complex nature of interactions among these parts accordingly (Mintzberg H. , The Structuring of Organizations , 1979, p. 15) citing different theorists from behavioral scientists to contemporary organizational theories.

Entrepreneurial organizational characteristics

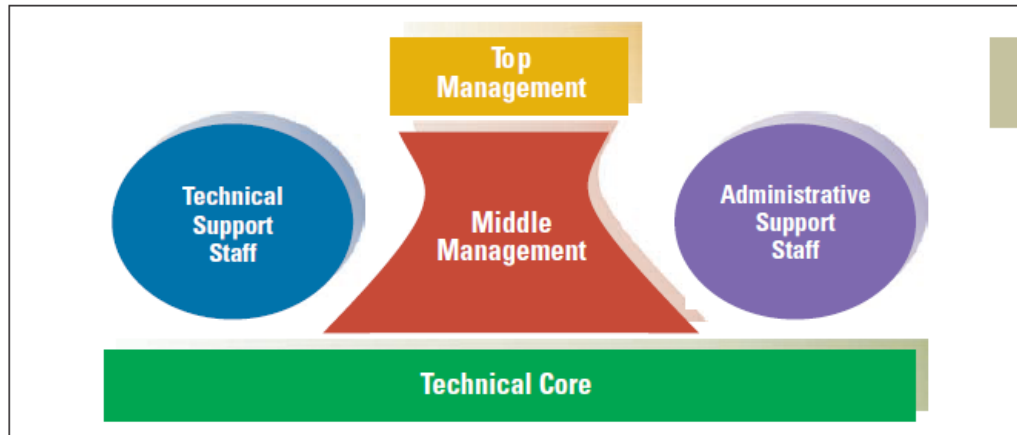
Researchers continue to advance the agenda for an entrepreneurial organization as one were seeking opportunities and innovation coupled with an attribute of being quick to respond to both challenges and opportunities as the key characteristics enshrined therein; the espousers of these school of thought suggest this organization is led by leadership which capable of directing performance of organizational team, groups, and or functions towards achieving of organizational goals (Meta, 2013; Renko, El Tarabishy, Carsrud, & Brannback, 2015). The characteristics of an entrepreneurial organization therefore should possess whole or a semblance of the core requirements given in the definition.

The organization should possess a character which is embedded in a strong and clear vision, a flat organizational structure discouraging the need for bureaucratic tendencies and unnecessary long chains of commands supporting goal getting entrepreneurial leadership. Employees who are proactive, working in an environment which supports a spirit of creative and innovative mind set, opportunism is the order of the day as leadership and all organizational levels seek opportunities internally and externally of the organization; an organization were everyone without repeated instruction or reminders is ready to be involved in execution of the mission to attain the goals and objectives; collaboration holds this structure together so its encouraged at all stages of the organization, high risk tolerance is a behavior and characteristic rather than a policy and employees are empowered to make decisions in the interest of their teams’ and organization as a whole; this structure is supposed to be promoting an open interactive, networking-ready work environment were individuals are self-managed and embrace inclusive culture

(Hmieleski & Ensley, 2007; Schneider, Ehrhart, & Macey, 2013; Kratzer, Leenders, & Van Engelen; Shepherd & Krueger, 2002; Penn, Desylls, & Vaughan, 2003; Denning, 2010).

Entrepreneurial organizational: structure and functionality

The foundations of the studies in structuring organizations and finding optimum fit for different type of institutional dispensations was undertaken by (Mintzberg, 1979) and where (Mintzberg H. , The Structuring of Organizations, 1981) suggested that the organization of business was based on five principal living parts of the organizations which were tasked with different responsibilities from setting the direction of the firm (apex) to execution of the goals of the firm (technical core) figure 3 below shows the breakdown.



Source: Based on Henry Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, N.J.: Prentice-Hall, 1979), 215–297; and Henry Mintzberg, "Organization Design: Fashion or Fit?" *Harvard Business Review* 59 (January-February 1981), 103–116.

Figure 3. Structuring of organizations: The five basic foundations of structuring an organization Adapted from: (Daft, 2010, pp. 40 - 44)

The adhocracy (innovative) structure has been described as a less formalized, decentralized and more informally organized structure whose focused maintaining a pull of expertise to respond to challenges and new opportunities; the team and leadership thrives on mutual adjustments as a means of coordination and subsequently used to meet the core objective of innovation while the simple structure (entrepreneurial [Mintzberg 1979, 1992]) has been described as a structure which is managed and coordinated by direct supervision and is flexible and dynamic for purposes of responding to growth and survival demands of the business environment, this paper argues however that this type of structure is unsuited only for young and small firms (Lunenburg, 2012; Daft, 2010; Mindtools, 2018).

a) Simple (Entrepreneurial) Structure



b) Adhocracy (innovative) Structure



Figure 4. Simple and adhocracy organizational structures

Adapted from (Mintzberg H. , The Structuring of Organizations , 1979) as cited (Daft, 2010, pp. 40 - 44)

Keeping the submission (Figure 4) in mind, this paper proposes a combination of the simple structure (entrepreneurial organizational structure) and the adhocracy structure to be the ideal disposition of the entrepreneurial organizational structure, this is supported by the basic building blocks advanced by Coase, knight, and Mintzberg as submitted for the foundations of this paper. Figure 4 proceeds to state and exemplify the format and structural dimension would take using a four-part building blocks anchored by the entrepreneur as indicated below:

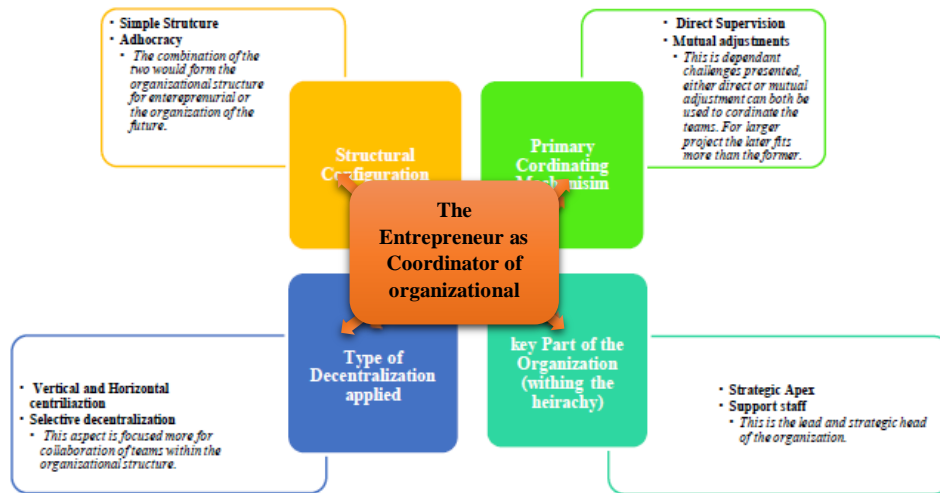


Figure 5. Adapted from (Mintzberg H. , 1992): the preposition of the modern entrepreneurial organizational structure.

i. *The Entrepreneurial Organization Structural Configuration, Primary Coordination, Key Parts of the organization & Type of decentralization.*

This follows that the ideal entrepreneurial organization should be configured in a way which allows for building and operational mechanics of the organization to be supported and not suffocated. As suggested above, this can be extracted from Mintzberg' proposals of the simple and adhocracy structure this paper submits that among the five main organizational configurations studied in management, the only ones with relevant characteristics which link to the demands of an entrepreneurial organization are those are those mentioned here.

These characteristics found herein are innovation, decentralized decision making, specialized fields of operation, rapid adaptation and quick response to business environmental shocks (Mintzberg H. , 1992) as cited in (Lunenburg, 2012):

There are however two factors noticed as a major difference between the simple, and the adhocracy structures, this aspect is of larger support staff found in the adhocracy as opposed to the lean structure found in the simple structure; it has however been observed that there exists absolutely no evidence that

entrepreneurial organization are only suited for small businesses and that their support structure can never be large.

A keen interest in studying organizations such as Naspers (Honda, 2017), Apple, (Mayer & Panmore Institute, 2017) Alibaba Group, (Walter, 2014) which started as entrepreneurial organization and are still operated and organized like one; quashes these assertions that entrepreneurial organizations must be small. In the actual sense humongous heterogeneous organizations can operate small and be strategically fitted to be responsive to the business environment. These companies and many others despite their growth have used a matrix which is decentralized yet harmonized through the strategic application of vertical and horizontal integration management style where decision power despite being originated from the apex does defuse, empowered decision making and or filter through the ranks of the structure, empowering agility, customers response and quick response to internal and external forces. The primary ethos is on empowered managers and teams.

- ii. *The Entrepreneur - Coordinator and allocator of resources:* In this structure there exists an individual at the heart of organization who're responsible for ensuring the organizational goals are translated into both economic and financial profits through coordination; this is in consideration of the process (Olum, 2004, p. 6) of coordination in order to ensure harmony of all strategic, tactical and operational elements of the organization.

The entrepreneurial approach then uses a combination two forms of organizational approach; the simple format (entrepreneurial organization) and adhocracy (innovative organization) of direct the control & resource allocator from the strategic apex, direct supervision on strategic projects, and the innovative approach embedded in mutual agreement and research & development.

This structure is suited to match resources factors in the business environment. A quick response to the outside calls for a strategic fit and alignment within the internal organizational and business infrastructure on the inside of the firm.

Further the entrepreneur is tasked with a job of strategy execution mostly is achieved, operational and resources allocation to respond to market demands in the wider market space as dictated by various elements of the business environmental factors in the micro and macro sectors.

Taking advantage of the flat structure, and high-level execution and market response, it becomes easier to respond to market demands and activity. Speed and fast feedback the controlling core remain central to the success of this structure.

Discussions and conclusions

There continues to exist a lot of debate in justifying the existence of a firm and the entrepreneur as the coordinator and allocator of resources within the context of the firm; in research and practice this debate has been raging and still lacks clarity on whether the firm and the entrepreneurs (Foss et al., 2011). Despite the fundamental arguments and differences in approaching the emergence of the firm and the role of the entrepreneur thereof, this paper argued that there exists the role of the entrepreneur and further emergence of a justifiable and empirically provable actualization of the entrepreneurial organization as lead by the said entrepreneur.

Further, the study of organizing businesses and the formats which these business organizations take is based on the output of the units of production being outputted of the organization; regardless of the specialization of the organization, the basis has always been linked to desired outputs and fulfillment of core organizational mission which is interpreted into the way a firm is a) coordinated, b) the organizational context and structures it uses to respond to business environmental demands c.) The type of decentralization it puts into place d) the final organizational configuration it will go to market with and d) how it will make decisions in response to market stimuli's and or opportunities and threats in quest to achieve its goals (Mintzberg 1992, 1990), (Mintzberg H., The Structuring of Organizations, 1979).

In addition, it is noticed that if the firms' existence is justifiable, and the entrepreneur using it as a vehicle to manage and reduce transactional costs is proven (McKenzie & Lee, 2006), (Coase R. H., 1937) (Fayol,

1949) then the need for organizing the firm emerges as a key priority but how it is organized is a choice the entrepreneur makes, and this paper submitted that at whatever stage and or the size of the business, the organization model of choice is that of which suites the mindset and behavior of decision maker and that is the entrepreneurial organization.

It has been suggested by,(Önday, 2016) that business requires a systems of relationships among functions, peoples, and the entire business environment (external and internal); in fact the coordinator thrives on the data in compiled from historical, existing and future trends make judgment of what the current will need to do in order to assure stability and harmony and keep the firm and its stakeholders protected from the destruction or demise (Scott 1961); if that is the case then this paper is correct to assume that in the conversation of the emergence of the firm from the discipline of the organizational economics, it would be misjudgment to remove the entrepreneur (coordinator) and how he discharges his functions and assure firm success through the critical synthesis of the how the firm emerged and its success thereof.

The entrepreneur is a central theme in the discussion of the firm, it is hoped that the paper will provide more opportunities in research to build on its submission and inspire more research in that's studies, the entrepreneur as coordinator of resources in the context of the firm and organizational economics.

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