ENTREPRENEURIAL INTENTION, ORIENTATION, AND ACTION (SUMMARY)

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SUMMARY

ENTREPRENEURIAL INTENTION, ORIENTATION, AND ACTION

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Principal Topic

A central construct in firm-level entrepreneurship is entrepreneurial orientation (EO), which captures a firm’s strategic postures (Covin & Slevin, 1991) and processes (Lumpkin & Dess, 1996) that lead to new entry. Some scholars have been critical of EO due to a perceived lack of clarity between intention (what entrepreneurial firms want to do) and the action (what entrepreneurial firms actually do) (Wiklund, 1999; Zahra, Jennings, & Kuratko, 1999). Since intention and action are conceptually different and intention does not always lead to the expected action (Mintzberg & Waters, 1985), it is useful to distinguish between entrepreneurial intention and action.

We elucidate entrepreneurial intention (EI) and entrepreneurial action (EA); EI captures a firm’s intention to seek new opportunities and rapid growth (Mintzberg, 1973; Penrose, 1959; Stevenson & Jarillo, 1990), and EA reflects a firm’s new market entry and new product development activities (Jennings & Lumpkin, 1989). By clarifying the distinctions between EI, EO, and EA, we propose that the process from EI to EA is realized through EO.

Method

By surveying 846 new ventures (eight years old or younger) sampled from Dun & Bradstreet’s Canadian Manufacturers Directory (2008), we obtained 196 responses. We developed four items to measure EA (new markets and products) (Jennings & Lumpkin, 1989), and measured EI (opportunity and growth intents) and EO (innovation, proactiveness, risk-taking, and competitive aggressiveness) using established scales (Brown, Davidsson, & Wiklund, 2001; Covin & Slevin, 1989; Lumpkin & Dess, 2001).

Results and Implications

We found that EI, EO, and EA are distinct constructs, and EO mediates the relationship between EI and EA. While the original definition of EO focused on a firm’s (Miller, 1983) or its top management’s (Covin & Slevin, 1988; 1989) “willingness” to pursue innovative and proactive strategies, more recent research has used a process perspective to conceptualize EO. This view considers EO as a series of specific processes (i.e., EO dimensions) that may lead to new entry (Lumpkin & Dess, 1996). The mediation effect of EO found in this study implies that EO does have this process property; that is, orientation facilitates the processes through which intention is transformed into action.

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