THE DEVELOPMENT AND VALIDATION OF AN OBJECTIVE ENTREPRENEURIAL ORIENTATION SCALE (SUMMARY)

Patrick Kreiser  
Ohio University

Louis D. Marino  
Alabama University

Carl L. Tolbert  
University of Alabama

William Wales  
James Madison University, waleswj@jmu.edu

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SUMMARY

THE DEVELOPMENT AND VALIDATION OF AN OBJECTIVE ENTREPRENEURIAL ORIENTATION SCALE

Patrick Kreiser, Ohio University, USA
Louis D. Marino, Alabama University, USA
Carl L. Tolbert, University of Alabama, USA
Bill Wales, James Madison University, USA

Principal Topic

Entrepreneurial orientation (EO) is a construct of vital importance to the organizational literature, having been utilized in a wide variety of research settings. However, the most commonly employed operationalization of EO does not allow researchers to objectively assess firm-level entrepreneurial activity (e.g., Jennings & Young, 1990). This is a particularly acute problem given that the dimensions of EO represent attributes that are amenable to objective measurement utilizing secondary data. The primary purpose of this study is to identify and develop a complimentary objective measure that correlates to the well established perceptual measures of EO developed by Miller (1983) and Covin and Slevin (1989).

Method

We have conducted an in-depth search of the management, entrepreneurship, and finance literatures to identify the extent to which the five dimensions of EO are presently being used in other research contexts. For example, the finance literature has long utilized objective measures of the risk-taking construct. Also, proactiveness is an organizational attribute that often appears in studies of pioneering (Song, Benedetto, & Zhou, 1999) and first mover advantage (Lieberman & Montgomery, 1998). Similarly, overlap exists with the other three dimensions of EO (innovativeness, competitive aggressiveness, and autonomy). By expanding the scope of our search, we have been able to identify a broad range of objective measures to capture the five dimensions of EO. After refining these objective measures of EO, we utilized perceptual data to compare and contrast these objective and perceptual measures.

Results and Implications

The identification of an objective measure of EO represents an important and timely contribution to the entrepreneurship literature for several reasons. First, an accurate understanding of entrepreneurial behavior requires researchers to triangulate their measurement of the phenomenon (Lyon, Lumpkin, & Dess, 2000). Second, a secondary measure of firm-level EO enables researchers to better avoid the issue of common method bias when conducting multi-level entrepreneurship research. Third, a secondary measure of EO extends the construct to usage in research settings where primary data collection is atypical. In doing so, the secondary measures we propose provide complementary measurement usages with expanded possibilities for drawing upon and utilizing the EO construct.

CONTACT: Bill Wales; waleswj@jmu.edu; (T): 540-568-4375; James Madison University College of Business, 800 S. Main St., Harrisonburg, VA. 22801.