STRATEGIC ORIENTATIONS AND STRATEGY ARCHETYPES OF NASCENT ENTREPRENEURS (INTERACTIVE PAPER)

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Principal topic
In this research, we focus on the individuals and their first time strategy development. We focus on three specific strategic orientations that are highlighted in previous research and hold especial relevance in contexts of novelty, uncertainty and dynamism: the extent of prediction orientation, the risk vs. return orientation, and the orientation towards flexibility. We study whether the experiences of the individual founder (i.e. prior work experience in new firms and prior work experience in established organizations) and the environmental context (i.e. perceived environmental dynamism) impact these three strategic orientations of the nascent entrepreneurs. Moreover, we identify prominent combinations of strategic orientations (strategic orientation clusters) of the nascent entrepreneurs which we call strategy archetypes. Based on the longitudinal data we depict the stability of these dominant strategy archetypes.

Method
Our research is based on a sample of 262 nascent entrepreneurs. We capture their strategy archetypes at two points in time which are six months apart (88 nascent entrepreneurs provided the dual assessments). We apply multiple hierarchical regression analyses. Moreover, we use two cluster-analyses taking advantage of our longitudinal data.

Findings and implications
We find that prior work experience in new firms increases the nascent entrepreneur’s orientation towards prediction. In contrast, prior work experience in established firms decreases the prediction orientation. The flexibility orientation increases with prior work experience in large firms, but is unaffected by prior work experience in new firms. In addition, we find that environmental dynamism increases the orientation toward flexibility and nascent entrepreneurs in more dynamic markets show a stronger orientation toward risk limitation.

In cluster analyses, we identify three groups of nascent entrepreneurs with salient strategy archetypes. The first group of nascent entrepreneurs (i.e., ‘ambitious predictors’) have higher prediction, return and flexibility orientations. The second group is characterized by a high orientation toward flexibility and higher returns, and a low orientation toward prediction (i.e., ‘opportunistic profit-seekers’). The third group is formed by nascent entrepreneurs with higher risk limitation and flexibility orientation combined with low prediction orientation (i.e., ‘flexible risk-avoiders’). The identified strategy archetypes remain salient over time. Our findings contribute to recent subjectivist approaches that underline the role of the individual in identifying opportunities and shaping the strategies of the emergent organization.

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