SYMBOLIC ACTIONS AND STAKEHOLDER MANAGEMENT IN ENTREPRENEURIAL FIRM DEVELOPMENT (INTERACTIVE PAPER)

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Principal Topic

For founders starting new ventures, demonstrating entrepreneurial competency and legitimacy to external stakeholders is crucial for the firm’s development. An important way entrepreneurs facilitate this development is through the awareness and skillful application of the symbolic dimensions of their actions. While all actions contain an intrinsic dimension that has tangible and objective properties, the symbolic dimension of actions conveys important socially constructed meanings. In the entrepreneurial context, this symbolic dimension plays an important role in how entrepreneurs are perceived and ultimately accepted or rejected by external stakeholders. Our work examines the types of symbolic actions entrepreneurs in our sample of entrepreneurial firms at various stages of growth perform and why they choose to exercise these particular actions. We work towards developing a fuller theoretical picture of how entrepreneurs employ symbolic actions within their firms for purposes above and beyond securing resources.

Method

We utilized a qualitative, case-study based methodology, involving 11 Canadian entrepreneurial firms. We followed the organizational development of these firms for the period between 2006 and 2011. The primary data was collected through a series of semi-structured, in-depth interviews with the founding entrepreneurs or owner/managers. The qualitative analysis consisted of an iterative procedure of interpreting and coding the data for emergent themes.

Results and Implications

Our preliminary results support past research about the importance of symbolic management in entrepreneurship. We believe that we also add to our understanding of this phenomenon by exploring its importance to entrepreneurs as their firms continue to develop. The general consistency of these symbolic actions, such as the communication of values, expressing honesty and appreciation to stakeholders, and prioritizing win-win relationships, among our sample of entrepreneurs suggests a repertoire of symbolic actions employed to successfully maintain their stakeholder relationships. These actions holds promise for future research in helping researchers to better understand the use of symbolic management among entrepreneurs. Additionally, for practicing entrepreneurs, it emphasizes and explains the important value that symbolic actions have for not just securing much needed resources, but hanging on to them over time.

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