CORPORATE ENTREPRENEURSHIP STRATEGY MAKING: THE IMPACT OF PERSPECTIVE-TAKING ON ENTREPRENEURIAL ORIENTATION (SUMMARY)

Andrew C. Corbett  
*Babson College, acorbett@babson.edu*

Pankaj C. Patel  
*Ball State University*

William J. Wales  
*James Madison University*

Recommended Citation

Corbett, Andrew C.; Patel, Pankaj C.; and Wales, William J. (2012) "CORPORATE ENTREPRENEURSHIP STRATEGY MAKING: THE IMPACT OF PERSPECTIVE-TAKING ON ENTREPRENEURIAL ORIENTATION (SUMMARY)," *Frontiers of Entrepreneurship Research: Vol. 32: Iss. 17, Article 7.*

Available at: http://digitalknowledge.babson.edu/fer/vol32/iss17/7

This Summary is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
SUMMARY

CORPORATE ENTREPRENEURSHIP STRATEGY MAKING:
THE IMPACT OF PERSPECTIVE-TAKING ON
ENTREPRENEURIAL ORIENTATION

Andrew C. Corbett, Babson College, USA
Pankaj C. Patel, Ball State University, USA
William J. Wales, James Madison University, USA

Principal Topic

Entrepreneurial activities in existing organizations are driven by various configurations and are dependent upon variables such as firm size, CEO personality and other aspects of structure and process (Miller 1983; 2011). In this study we examine how entrepreneurial orientation (EO) interacts with an individual level construct – perspective-taking: the process of imagining the world from another’s vantage point in order to facilitate and foster social bonds (Galinksy et al. 2005). We do so for two reasons. First, research demonstrates that certain CEO personality traits may have a strong influence on their firm’s EO (Simsek et al., 2010). Second, it is our thesis that individuals who can understand and react to the perspective of others may be better suited to lead the change necessary for entrepreneurship and entrepreneurial strategies within the firm.

Methodology

Our data comes from a survey of firms located in the Midwest region of the United States. Using the Russell 3000 Index, the CEOs and other members of the organization’s top management team from 930 randomly chosen publicly traded mid- and small-cap firms were sampled. Completed surveys were returned by CEO-TMT member dyads of 128 organizations for an effective response rate of 14%.

Results and Implications

Our preliminary findings are in line with our broad underlying thesis that CEO perspective-taking meaningfully influences the non-linear relationship between EO and firm performance. Closer inspection shows that within firms with low levels of EO (i.e., more conservatively oriented firms) internal perspective-taking has a negative to marginally positive effect on firm performance. External perspective-taking on the other hand greatly improves the performance of low EO firms. The exact opposite is observed for firms with high levels of EO (i.e., more entrepreneurial firms). With high EO, external CEO perspective taking manifests diminishing, even harmfully negative consequences for firm performance. However, when examining internal perspective taking in high EO firms we find differential, somewhat counterintuitive results: with high EO greater internal perspective taking significantly improves firm performance.

We draw out in our discussion the theoretical implications of our work for other scholars and also help map potential entrepreneurial strategies for practice.

CONTACT: Andrew C. Corbett; acorbett@babson.edu; (T) 781-239-5798; Arthur M. Blank Center for Entrepreneurship, Babson College, Babson Park, MA 02457-0310.