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ENTREPRENEURIAL TRAITS, ENTREPRENEURIAL ORIENTATION, AND INNOVATION IN THE PERFORMANCE OF OWNER-MANAGER LED FIRMS: A META- ANALYSIS (SUMMARY)

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≈ SUMMARY ≈

**ENTREPRENEURIAL TRAITS, ENTREPRENEURIAL
ORIENTATION, AND INNOVATION IN THE PERFORMANCE
OF OWNER-MANAGER LED FIRMS: A META-ANALYSIS**

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Principal Topic

The usefulness of entrepreneurship-specific personality traits in the explanation of entrepreneurs' success has been discussed controversially in the literature (e.g., Carland, Hoy, and Carland 1988). Although previous research has contributed to our knowledge by examining various entrepreneurial personality traits that directly influence a firm's performance, there is a lack of clarity on the mediating role of a firm's strategic orientation and strategy in this relationship. The Giessen-Amsterdam model of entrepreneurial success (Rauch and Frese 2007) posits that, an entrepreneur's personality traits, human capital, and goals indirectly influence entrepreneurial success through a firm's strategy. Strategies are a main determinant of actions (Rauch and Frese 2007), leading to firm performance, which is then evaluated by the owner-manager deciding whether to pursue the strategy. The main purpose of this study is to meta-analytically identify the process through which owner-managers' entrepreneurial traits influence firm performance and test whether three specific entrepreneurial traits (achievement motivation, locus of control, and self-efficacy) influence firm performance through the sequential mediating effect of an owner-manager led firm's entrepreneurial orientation and innovation strategy.

Method

An extensive literature search provided 56 studies with 63 independent samples encompassing 12,286 owner-manager led firms. We meta-analytically tested (Hedges and Olkin 1985) the relationships between the variables and used structural equation modeling to test the mediating effects of entrepreneurial orientation and firm innovation in the relationship between entrepreneurial traits and firm performance.

Results and Implications

Our findings suggest that the relationship between entrepreneurial traits and firm performance is fully mediated for self-efficacy as well as achievement motivation, and partially mediated for locus of control. While achievement motivation and self-efficacy influence firms' strategic orientation, locus of control directly affects firms' strategy and firm performance, suggesting that owner-managers' entrepreneurial traits are reflected in different stages of the strategy process of small firms. Furthermore, our results show that in owner-manager led firms entrepreneurial orientation has a positive effect on firms' innovation strategy, which, in turn, has a positive effect on firm performance.

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