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MAKING SENSE OF DECISIONS ABOUT UNDERPERFORMING VENTURES

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Principal Topic

Decisions about the (dis)continuance of underperforming ventures are critical because of the implications for owner-managers' financial situations, social relationships, and psychological states. Existing research mainly focuses on the factors influencing the likelihood of (dis)continuance with an underperforming venture, with less attention given to owner-managers' thinking about such decisions. To fill in this research gap, we examine the metaphors that owner-managers use to describe their decisions about underperforming ventures and the impact of two self-images—fear of failure as a vulnerable self-image and human capital and entrepreneurial self-efficacy as a competent self-image—on owner-managers' use of metaphor. This research extends our knowledge of entrepreneurial persistence by uncovering owner-managers' theories-in-use when deciding the future of underperforming ventures. It also furthers our knowledge about the role of self-image, especially fear of failure, in the entrepreneurial process.

Methods

Ninety-eight small business owner-managers were interviewed and asked to use a metaphor to describe decisions about underperforming ventures. Information about these owner-managers' individual characteristics was also collected after the interview. To analyze the data, we first conducted content analysis and categorized the metaphors used by owner-managers. These metaphor categories were then regressed on self-images to examine its influence on use of metaphor.

Results

Content analysis revealed five categories of metaphors highlighting (1) a sense of loss (e.g., “leaving part of myself behind”), (2) an analysis of whether to persist (e.g., “stop the bleeding”), (3) the continuance of underperforming ventures (e.g., “It’s like a turtle, moving slow and steady”), (4) positive thinking (e.g., “mixed blessing”), and (5) a balancing act (e.g., “teeter totter”). We also found that owner-managers’ use of metaphor was influenced by fear of failure, entrepreneurial self-efficacy, and general human capital. Furthermore, owner-managers differ on the five dimensions of fear of failure used different metaphors when describing decisions about underperforming ventures.

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