PERSISTENCE AND START-UP SPEED OF INTRAPRENEURS (SUMMARY)

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PERSISTENCE AND START-UP SPEED OF INTRAPRENEURS

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Principal Topic

We analyze differences between intrapreneurs and entrepreneurs regarding persistence and speed in their nascent start-up efforts. Despite established research that compares intrapreneurs and entrepreneurs (Weiss, 1981; Zahra, 1996; McDougall, Robinson Jr, & DeNisi, 1992; Shrader & Simon, 1997) and recent findings on the persistence of entrepreneurs (Holland & Shepherd, 2013; DeTienne, Shepherd, & Castro, 2008; Gatewood, Shaver, Powers, & Gartner, 2002), it remains less clear how the venturing mode (independent entrepreneur or intrapreneur) influences persistence and expeditious market entry in the earliest venturing stages. Understanding how entrepreneurs and intrapreneurs differ in speed and persistence helps interpreting findings based on existing ventures and set managerial expectations. It also contributes to the discussion on organizational impact on new venture creation. We offer theoretical explanations concerning differences in resource endowments, imprinting effects, embeddedness, legitimacy concerns and bureaucracy that influence both groups in their nascent venturing phase.

Method

To test our hypotheses, we utilize individual level data from the second US Panel Study of Entrepreneurial Dynamics. These data allow us to compare nascent start-up efforts of American intrapreneurs and entrepreneurs. The data reliably track start-up efforts in terms of persistence, withdrawal, and the time it takes to bring a nascent venture to market (Parker & Belghitar, 2006). Following 272 intrapreneurs' and 680 entrepreneurs, we develop a competing risk model inclusive of opportunity characteristics and organizational characteristics to analyze differences between intrapreneurs and entrepreneurs.

Results and Implications

Our findings suggest that intrapreneurs are more likely to persist with their early nascent venturing efforts than entrepreneurs. These effects are particularly strong in the early months after conception of the business idea, consistent with the notion of initial resource endowments and imprinting effects by the employer’s organization. However, intrapreneurs are no faster in reaching the market than entrepreneurs. Theoretically, our findings show that the venture mode explains some differences in individual persistence with a nascent venture. For practitioners it becomes important to watch how intrapreneurs persist with their ventures. At present, it remains untested whether the higher persistence of intrapreneurs with their start-up efforts is a positive notion. Corporate decision makers might then want to consider the intrapreneurial venturing mode especially for the development of long and arduous projects where persistence is at a premium.

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