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## THIS IS MY FIRM! THE INFLUENCE OF PSYCHOLOGICAL OWNERSHIP ON ENTREPRENEURIAL EXIT INTENTION AND EXIT STRATEGIES (SUMMARY)

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≈ SUMMARY ≈

## THIS IS MY FIRM! THE INFLUENCE OF PSYCHOLOGICAL OWNERSHIP ON ENTREPRENEURIAL EXIT INTENTION AND EXIT STRATEGIES

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### Principal Topic

Despite the high practical relevance of entrepreneurial exit (DeTienne, 2010), research has just started to analyze entrepreneurial exit as a critical part of the entrepreneurial process (e.g., DeTienne & Cardon, 2012; DeTienne, McKelvie & Chandler, 2014).

An individual-level trigger that is considered highly relevant in theory is psychological ownership (DeTienne, 2010), which refers to “the feeling of possessiveness” (Pierce, Kostova & Dirks, 2001, p. 299). An entrepreneur with high psychological ownership should not have an exit strategy or prefer a stewardship exit strategy, which can secure the continuation of the company and may enable higher involvement with the company after the exit (DeTienne, 2010). In addition, a person with low psychological ownership should be more likely to pursue a financial harvest strategy, which allows the founder to maximize financial gains regardless of the individual involvement with the company.

This study explores the effect of entrepreneurs’ psychological ownership on their exit intentions and different exit strategies.

### Method

To examine these issues, we conducted a survey among founder-CEOs of German ventures, which compete in the software and industrial equipment industries and have a maximum company age of eight years.

The dependent variables are operationalized by Leroy, Manigart, Meuleman, and Collewaert’s (2013) 3-item assessment of the exit intention and DeTienne et al.’s (2014) intended exit strategy probability items, measured on a 7-point Likert scale. The items for the independent variable psychological ownership are borrowed from Van Dyne and Pierce (2004). Among others, we control for gender, founder age, education, motivation and number of employees. Hierarchical linear regression is used to test the determinants of exit intention and strategies.

### Results and Implications

Our results support the main hypotheses and expose that psychological ownership decreases the likelihood of exit intentions. In terms of exit strategies, we reveal a negative influence of psychological ownership on exit to financial investors and a positive effect on the stewardship strategy family succession. Interestingly, we find a negative influence on the stewardship strategy founding team exit. In addition to the academic contribution, our research helps practitioners to understand potential consequences of their emotional ties to their venture.

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