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IT’S COMPLICATED: PERSONALIZED AND COMMERCIALIZED ACCOUNTS OF ENTREPRENEURIAL EXIT IN REGIONS OF POLITICAL TURMOIL (SUMMARY)

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IT'S COMPLICATED: PERSONALIZED AND COMMERCIALIZED ACCOUNTS OF ENTREPRENEURIAL EXIT IN REGIONS OF POLITICAL TURMOIL

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Principal Topic

Drawing on multi-disciplinary insights from the literature on terrorism, psychological distress and trauma, and socio-emotional adaptation, we develop an inductive account of how entrepreneurs proactively respond to emergencies that threaten the continuation of the individual-venture relationship. We contribute to the literature on entrepreneurial exit (DeTienne, 2010) by exploring why, when and, especially, how one leaves a firm that one helped to create by focusing on turbulent contexts where competent entrepreneurs are forced to exit prematurely.

Method

Our paper builds on longitudinal accounts of 27 entrepreneurs, 19 of them serial entrepreneurs, each having confronted multiple disruptions. We conducted a qualitative study of Lebanese entrepreneurs to understand their exit decisions and strategies over the 2005-2015 period. The primary data came from private interviews with the entrepreneurs, and our interviews provided 57 personal accounts of events that caused entrepreneurs to contemplate exit.

Results and Implications

We induce three constructs—emergency, exit and re-entry—and theorize how contextual pressures to terminate otherwise successful ventures motivate repeated, ingenious, and sometimes successful re-entry in dangerous settings. We distinguish between two frames for exit: a personalized one that emphasized the impact of the exit on the individual, and a commercialized one that focused instead on affected others. Before resigning to exit, while they responsibly went about preparing for exit, entrepreneurs took multiple steps to fix and/or salvage their ventures.

Our findings suggest that entrepreneurial exit can be more richly understood by unpacking the foundational individual-venture relationship. We specifically broaden the scope of the exit construct to explicitly explore what happens before exit.

Our key insight is that entrepreneurial exits are managed prospectively through re-entry, and some entrepreneurs and/or ventures successfully survive emergencies by exploiting radically different opportunities. By revealing the systematic coupling between exit and re-entry in response to emergencies, our study reframes exit and re-entry as intertwined.

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