CHAPTER V. ENTREPRENEURIAL MOTIVATIONS

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VICTIM ENTREPRENEURS DOING WELL BY DOING GOOD: VENTURE CREATION AND WELL-BEING IN THE AFTERMATH OF A RESOURCE SHOCK (INTERACTIVE PAPER)

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Principal Topic

Recently, research has explored how established entrepreneurs react to adversity, and how variance in responses influences the entrepreneur’s identity and subsequent strategic response to that adversity. Specifically, Powell and Baker (2014) found that ventures functioned as a vehicle for identity transformation following an adversity event. Other recent studies explore changes in identity after a traumatic injury, where entrepreneurial venturing influenced a change from a prior identity (soldier identity) to an entrepreneur-identity, providing a pathway to change. Consistent with these studies is the emerging literature on compassion-motivated ventures, which have extended the scope of the traditional enterprise. While these themes are gradually reshaping traditional perspectives of entrepreneurial venturing and value creation, there is a considerable gap in our knowledge of how venturing to help others impacts the entrepreneur him- or herself. I address this gap by exploring venture creation by victims of a natural disaster and by asking the following question: how does venture creation to alleviate the suffering of others impact those entrepreneurs (and non-entrepreneurs) who are also victims (i.e., are also suffering)?

Methods

I study my research question in the context of the Black Saturday bushfire (2009). In testing my research question and hypothesis I develop a novel dataset from 89 witness statements. I used content analysis to code and prepare the data for analysis using Structural Equation Modeling.

Results and Implications

I find that venture creation mediates the positive relationship between human capital and functioning and that for those who do not create ventures, human capital is negatively related to functioning—highlighting the important role of venture creation for the victim-actor following a disaster event. These findings offer three contributions. First, it extends our understanding of what forms of value are derived from new venture creation for the entrepreneur and how venture creation as a work activity assists in helping individuals compensate for loss. Second, it enhances our understanding of how individuals extract value from human resource stocks, highlighting the importance of action, specifically, in this case, the creation of new ventures. Finally, it enhances our understanding of responses to extreme stressors and the activities that influence positive outcomes for victims.

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