ENTREPRENEURSHIP AS SENSEMAKING: AN INDUCTIVE ANALYSIS OF THE VERBAL INTERACTIONS OF A SUCCESSFUL EARLY-STAGE INNOVATIVE ENTREPRENEURIAL TEAM IN ACTION (SUMMARY)

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Principal Topic

Effectuation scholars have suggested that entrepreneurs use sensemaking (Cornelissen & Clarke, 2010; Hill & Levenhagen, 1995; Wood & McKinley, 2010). Sensemaking is inherently social and is primarily achieved through conversations (Roberson, 2006). It can be observed through a team's discussion of information, meaning, and action (Thomas, Clark, and Gioia, 1993; Wilson, 2007).

The assertions about sensemaking in the entrepreneurship literature tend to be based on interviews with founders, not on observations of the sensemaking efforts of teams in action. This study is based on a micro-analysis of a team's naturally-occurring work-related conversations. It offers empirical evidence of sensemaking in the innovative entrepreneurial process; it reveals how an innovative entrepreneurial team uses sensemaking to enact its shared work.

Method

Data came from recordings of an early-stage innovative entrepreneurial team's meetings as they participated in and won a university-sponsored lean startup contest. Using Grounded Theory and borrowing from Conversation Analysis, the analysis attended to the details of the conversational data rather than externally-defined categories.

Conversational episodes selected for analysis focused on either the team's competitive status in the contest or their efforts to create a viable product. In an iterative process, the data was coded utterance by utterance for situated function and grammatical structure. A peer debriefing was included to enhance the credibility and trustworthiness of the research.

Results and Implications

Two empirical findings were made. First, patterns of sensemaking language differed based on the type of uncertainty – lending support to the claim that entrepreneurs use both causal and effectual reasoning (Sarasvathy, 2008). And second, the ascription of meaning – rather than the exchange of information as might be expected (Aldrich & Zimmer, 1986; Sarasvathy, Dew, Velamuri, & Venkataraman, 2005; Von Hippel, 1994) – dominated this team's product validation efforts and consistently animated their conversations in general.

Findings from this exploratory study must be considered with caution: they describe one team competing in one contest and creating one product. However, recordings from early-stage innovative entrepreneurial teams in action are rare. Consequently, the study offers a valuable portal into the means by which a successful early-stage innovative entrepreneurial team accomplishes its work. It presents a linguistic portrait of entrepreneurship as sensemaking.

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