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EXPLORING UNCERTAINTY AS ORIGIN OF ENTREPRENEURIAL BEHAVIOR: CAUSATION, EFFECTUATION, AND BRICOLAGE (SUMMARY)

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 SUMMARY **EXPLORING UNCERTAINTY AS ORIGIN OF ENTREPRENEURIAL BEHAVIOR: CAUSATION, EFFECTUATION, AND BRICOLAGE**

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Principle Topics

The effectuation theory differentiates two behavioral logics: causation, assuming that means are selected to attain goals, and effectuation, assuming that goals are created based upon available means (Sarasvathy, 2001).

Prior research suggests that ventures are more likely to use effectuation under conditions of uncertainty (Sarasvathy, 2008). However, there exist some inconsistencies about how types of uncertainty are associated with the two behavior logics (McKelvie et al., 2011; Milliken, 1987). For example, whereas some scholars suggest that technology uncertainty (state uncertainty) impacts ventures' choice of effectuation and causation (Sarasvathy, 2001), others suggests that entrepreneurs' inability to predict how to respond to stakeholders (response uncertainty) influences such choice (Reymen et al., 2015). One possible explanation for the inconsistent findings could originate from a lack of process study about how types of uncertainty co-evolve with behavior logics over time (McMullen and Dimov, 2013). This paper investigates (i) how effectuation and causation evolve, and (ii) what is the role of uncertainty in this evolution?

Method

Data collected over a two-year period in a comparative case study of eight ventures enabled us to analyze how uncertainty perception and behavior co-evolve (Eisenhardt, 1989). Since both perception and behavior change over time, we investigated them independently at nascent and infancy stages (Carter et al., 1996). Using both quantification and process flow chart strategies (Langley, 1999; Van de Ven and Poole, 1990), we propose a process model about how entrepreneurs develop different types of uncertainty, and how types of uncertainty were linked to entrepreneurs' choice between causation and effectuation.

Results and Implications

We find the mechanisms of perceiving types of uncertainty are different among novice and experienced entrepreneurs. Further, we propose how these two mechanisms influence ventures' decisions on whether to use causation or effectuation. These findings yield two contributions to the effectuation theory (Sarasvathy, 2001; Arend et al., 2015). First, we clarify how different types of uncertainty can serve as antecedents to effectuation and causation for nascent ventures. Second, we spell out in detail the conditions under which behavior logic shifts as a response to different types of uncertainty.

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