ENTREPRENEURIAL LEARNING, REPEAT ENTREPRENEURS AND BUSINESS OWNERSHIP SUCCESS AND FAILURE EXPERIENCE (SUMMARY)

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ENTREPRENEURIAL LEARNING, REPEAT ENTREPRENEURS AND BUSINESS OWNERSHIP SUCCESS AND FAILURE EXPERIENCE

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Principal Topic

Practitioners are promoting entrepreneurship and a learning society to generate the economic benefits associated with new venture formation and growth. Experimental learning theory (ELT) asserts that the acquisition and transformation of experience is central to the learning process. However, there is debate and limited empirical evidence over whether prior failure rather than success shapes organizational learning, particularly in relation to types of habitual entrepreneurs.

Methods/Key Propositions

Building upon insights from ELT, and Cope’s entrepreneurial learning framework this study uses a unique and representative sample of 570 entrepreneurs in Great Britain to explore the outcomes of prior opportunity exploitation (i.e., varying combinations of prior private business success and/or failure experience to mobilize) with regard to the nature of learning relating to commitment to learning, open-mindedness and shared vision. This study explores the following research question: To what extent does the nature and pattern of the success and/or (economic and/or non-economic) failure outcome(s) from PBOE affect whether different types of experienced entrepreneurs report more learning from their entrepreneurial activities than novice entrepreneurs?

Results and Implications

Regression analysis revealed that sequential entrepreneurs with solely non-economic failure experience reported significantly higher levels of learning relative to novice entrepreneurs. A mix of prior ‘pure’ success and failure was associated with higher learning, but sequential and portfolio entrepreneurs with the same mixes did not consistently report superior learning to novice entrepreneurs, and one another. Portfolio entrepreneurs with no experience of selling or closing their private independent businesses reported significantly superior learning than other entrepreneurs. This suggests that Cope’s entrepreneurial learning framework needs to incorporate distinct categories of prior business ownership experience.

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