PASSIONATE ENTREPRENEURS IMPROVISE MORE WITH THEIR RESOURCES – AND THAT HELPS THEM STAY AFLOAT (SUMMARY)

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PASSIONATE ENTREPRENEURS IMPROVISE MORE WITH THEIR RESOURCES – AND THAT HELPS THEM STAY AFLOAT

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Principal Topic

The image of entrepreneurship as an intentionally planned and rationally orchestrated activity has been challenged by a scholarly interest in which irrationalities, such as passion and improvisation, are recognized to be important. Passion, in particular, can be an important driver of entrepreneurial behaviors. Even if entrepreneurial passion has face value as a predictor of start-up success, empirical research is only starting to explore the various mechanisms through which the effects of passion are channeled to outcomes. Our study contributes to this emerging line of research by suggesting that improvisational activities and, specifically, bricolage, are central to realizing the potential benefits of entrepreneurial passion and to enhancing new venture survival.

Method

Survey data were collected between November 2011 and January 2012 from Finnish entrepreneurs who had started new businesses between 2005–2010. The study population covered all individuals (n=47,154) who had received a start-up grant from the Finnish government during the specified period of time. Of the surveyed individuals, 3,380 responded (25% response rate). After excluding those respondents who were still receiving the start-up grant at the time of our survey, our final sample size is 2,746.

In testing the hypotheses, we used structural equation modeling (SEM) with weighted least squares method and WLSMV estimator by using MPlus 6.0 software. Our dependent variable, new venture survival, is a dummy variable coded as “1” for those businesses still in operation at the time of the survey, otherwise “0”. Entrepreneurial passion is measured using the “passion for developing” scale developed by Cardon and the others (2009; 2012). Bricolage is measured by an eight-item scale developed by Senyard and colleagues (2011). Appropriate controls were included in the models.

Results and Implications

We find that bricolage partially mediates the relationship between entrepreneurial passion and new venture survival. The results suggest that entrepreneurial passion enhances the chances of survival. Moreover, it amplifies improvisational “make do” behaviors, and thus indirectly increases the probabilities for new venture survival. The key takeaway from this study is that passionate entrepreneurs who channel their positive energy towards new combinations of existing resources improve the likelihood of their ventures’ survival.

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