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DEVELOPMENT OF EFFECTUAL BEHAVIOR – AN ENTREPRENEURIAL LEARNING APPROACH (SUMMARY)

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≈ SUMMARY ≈

**DEVELOPMENT OF EFFECTUAL BEHAVIOR – AN
ENTREPRENEURIAL LEARNING APPROACH**

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Principal Topic

This study analyzes the role of experience and learning on the development of effectual behavior (Sarasvathy 2001, 2008) among entrepreneurs during the start-up of a new firm. We take a human capital perspective to examine the various experiences of the entrepreneur and their influence on the development of effectual versus causal behavior. Following Unger et al. (2011), we do not limit our analyses to the static measures of human capital, but also seek to understand the influences of dynamic views related to learning, knowledge acquisition, and the transfer of knowledge to entrepreneurial tasks.

Method

We conducted longitudinal in-depth interviews with entrepreneurs from 5 businesses who were in the process of starting a new business within the experience based tourism industry in Norway. The first interviews took place early January 2013, and focused on the process of starting the businesses, which activities they undertook during the start-up process and cognitive elements in terms of decision making concerning different aspects of starting and running the business. Follow-up interviews were conducted 14 months after the first round and focused on entrepreneurial behavior (activities and cognitive elements) as well as entrepreneurial learning, to identify changes in behavior and potential relation to learning.

Results and Implications

Results indicate that human capital measured by education and different types of experience seem to be related to entrepreneurial behavior in rather complex ways. Situation specific entrepreneurial learning shapes and reshapes behavior of the entrepreneurs. For instance, learning through interaction with external partners, such as potential investors, tend to move the entrepreneur from effectual to causal behavior to meet expectations of external parties. However, while activities may relate to causal reasoning, their reasoning about this behavior may also include effectual elements, illustrating the potential variations in cognitive compared to the activity perspective of entrepreneurial behavior. This study contributes to the literature by examining the relationship between experience, learning, and entrepreneurial behavior. Hence, it also responds to calls for more empirical knowledge on antecedents to effectual and causal behavior (Perry, et al. 2012), and on the development of effectual and causal strategies over time (Smolka et al, 2013).

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