

EXPLORING THE EFFECTS OF PARENTAL ROLE MODELS ON THE STRATEGIC ACTIONS OF ENTREPRENEURIAL FIRMS

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ABSTRACT

Entrepreneurial firms represent an increasingly dynamic, productive force in the economy and reside at the forefront of adaptation and the growth of new markets (Gavron, Cowling, Holtham, & Westall, 1998). Small firms contribute significantly to economic growth and economic prosperity for well-developed countries (Birch, 1987). Such economic growth is a direct result of the creation of new firms and the strategic actions of entrepreneurs managing existing firms. Because of the social and economic value of entrepreneurial enterprises (Birch, 1987; Schumpeter, 1934), models leading to an improved understanding of the determinants of entrepreneurial strategic actions represent a significant contribution to the literature.

Previous research has identified that childhood experiences, particularly parental employment, are associated with an increased proclivity to entrepreneurial work roles and decisions (e.g., Krueger, 1993; Matthews & Moser, 1996; Morrison, 2000; Ireland, Hitt, Camp, & Sexton, 2001; Aldrich & Cliff, 2003; Drennan, Kennedy, & Renfrow, 2005; Colombier & Masclet, 2008). This paper extends such research by exploring the relationship between parental role models and the strategic actions of the second-generation entrepreneur. It is through previous research findings that we know parental role models have the ability to influence the occupational decisions of their offspring; however, in an effort to better understand this relationship, it is imperative that we, as researchers, address the mechanisms through which this relationship is supported. By addressing the strategic actions of entrepreneurs, and exploring beyond nascent entrepreneurial intentions, this study has the ability to influence vital entrepreneurial tasks such as growth and profitability. It can also assist educators in the structuring of entrepreneurship curriculum; enable business practitioners interested in encouraging the entrepreneurial mindset in youth; benefit individuals interested in facilitating entrepreneurial strategic actions through supportive mentoring relationships; and enlighten parents regarding the impact they have on their children's entrepreneurial actions.

This paper will address the following research questions. First, using Social Learning Theory, what is the relationship between parental role models and each of the following: 1) attitude toward business ownership, 2) perceived family support, and 3) perceived entrepreneurial self-efficacy? Additionally, what relationship does each of these variables (attitude, family support, and self-efficacy) have with the strategic actions of the entrepreneurial firm, using a Theory of Planned Behavior lens? Specifically, do attitude, family support, and self-efficacy have a mediating effect on the relationship between entrepreneurial parental role models and the strategic actions of the second-generation entrepreneur?

The primary goal of this paper is to explore the effects of parental role model exposure on the strategic actions of entrepreneurial firms. This is particularly important in a globally competitive environment because the intersection between entrepreneurship and strategic management sheds light on the variables that promote growth and profitability, and the strategic actions of entrepreneurial firms create a context for exploration and exploitation activities (Hitt, Ireland & Hoskisson, 2001). Other objectives include an investigation of the following mediating variables which may impact the relationship: attitude

toward business ownership, perceived family support, and entrepreneurial self-efficacy. Thus, the implications—both theoretical and practical—warrant further investigation as they have the ability to extend current knowledge on the strategic actions of entrepreneurial firms.

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