SUMMARY
When starting a new-venture, entrepreneurs go up against a stream of tremendously varied decision-problems plagued with extreme levels of uncertainty. Whether it is coming up with a business idea, developing a product or service, gauging the competitive landscape, acquiring resources, or putting a team together, what entrepreneurs do in the face of uncertainty is crucial to the evolution of their firms. Interestingly, as they traverse this initial set of “typical” entrepreneurial problems, people often ride the tracks laid by their own past – a mosaic juncture of accumulated career experiences. Yet, how does career experience (or the lack thereof) influence the ways in which entrepreneurs reason, make decisions, and act under uncertainty? To what extent can resources brought by experience enhance venture performance? And what are some of the mechanisms that may enable entrepreneurs to better deal with uncertainty as it arises on their paths? Considering the potential of entrepreneurship to create value for individuals, organizations, and society, it is of paramount importance to understand these aspects of the entrepreneurial journey. Accordingly, this dissertation sets out to examine how entrepreneurs use their careers when engaging in decision-making and action under uncertainty, thus shaping the performance of their ventures. Through four studies, using a hybrid research design of multiple methods, I take this central question apart and explore different aspects of it in turn.

In Chapter 2 I begin by examining the extent, and conditions under which, founders’ career resources influence new-venture performance. Providing a systematic review and utilizing meta-analytical techniques, I draw on contemporary career theory to advance our understanding of the relationship between founders and firms. While I find that founders’ career resources are positively related to new venture performance, the results indicate that these effects are relatively small in size and are further moderated by contextual factors related to uncertainty. These findings provide a more coherent view of entrepreneurs’ career resources, and substantiate the overall relevance of careers in this domain. At the same time, the results also urge us to go beyond any straightforward relationships between individual resources and venture performance and start exploring the mechanisms that may link them together.

Chapter 3 builds on the results of chapter 2 by empirically exploring how prior career experiences shape entrepreneurs’ decision-making – reflected in their preference to rely on effectual and causal logics throughout the venture creation process. The results of a detailed analysis of qualitative data, comparing entrepreneurs’ careers and their decision-making tendencies, lead to a framework of four career profiles, which in turn are related to different
emphases on effectuation and causation. In other words, I show how different career behaviors, as enacted over time in response to experiences with career uncertainty, are distinctively related to later use of effectuation and causation. Implied by these results is the idea that people who treat their own career as a start-up may acquire important aspects of entrepreneurial thinking, which in turn, are to be applied to the entrepreneurial task if and when they take the plunge and build their own venture.

In Chapter 4 I further investigate antecedents of entrepreneurial decision-making with the restrictive, but highly realistic, assumption that past experience is not always available. Paradoxically, inexperienced entrepreneurs tend to rely on predictions even when what they decide on is extremely unpredictable. Yet, this study shows that it is possible to mitigate the seemingly negative consequences of an “experience deficit” and promote the use of effectuation. The results of an experiment show that as they gain confidence in entrepreneurial ability (i.e., entrepreneurial self-efficacy), inexperienced individuals are more likely to switch from a predictive-causal approach to a non-predictive-effectual one. This is explained by showing that a confidence boost makes entrepreneurs look at an uncertain situation as an opportunity to act. Together, these results uncover intriguing mechanisms through which to induce effectual thinking among entrepreneurs, regardless of their career experience.

Chapter 5 builds on the idea that effectuation can be seen as a general model of entrepreneurial decision-making, and then use it to inform conceptualizations of entrepreneurial networking behavior under uncertainty. Starting with a critical review of the nascent literature about entrepreneurial networking, I develop conceptual arguments about how it may progress by incorporating the notion of uncertainty into investigations of how entrepreneurs engage in networking. Taking a novel perspective on the topic, I then work to flesh out an effectual networking process and discuss how it may stimulate a broader research agenda.

In sum, these studies make several contributions to current discussions on careers, uncertainty, entrepreneurship, and the relationship between them. The findings demonstrate that careers have an impact on what entrepreneurs do and how they handle uncertainty. Indeed, careers can also shape venture performance. By further illuminating these issues the findings presented in this dissertation offer guidance to future research, encourage exciting teaching opportunities, and inform practicing entrepreneurs about issues relevant to them.