

# Why are firms conducting entrepreneurial actions?

Towards a reconceptualization of entrepreneurial orientation

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## **Why are firms conducting entrepreneurial actions?** Towards a reconceptualization of entrepreneurial orientation

This dissertation is concerned with the concept of entrepreneurial orientation (EO) and, more specifically, the question ‘Why are firms conducting entrepreneurial actions?’ This question rests upon two premises. First, entrepreneurial actions represent an important domain of scientific inquiry. Essentially, this makes the concept of EO, wherein entrepreneurial actions are treated as equivalent to that of the concept of EO (i.e., engaging in innovation, proactively entering new markets, and engaging in risky ventures), relevant for investigation. Second, to adequately answer the question, the concept of EO needs to be reconceptualized. More precisely, I argue that (1) EO represents a form of being; that is, a firm either is or is not ‘entrepreneurially oriented’, a necessary condition for conducting entrepreneurial actions; however, (2) EO is not the same as entrepreneurial actions; that is, being entrepreneurially oriented is not the same as the actions that are to be explained.

This dissertation consists of four appended papers that, together with seven chapters, serve to provide an answer to the question raised above. What the joint retroductive analysis clarifies has to do with the nature of being entrepreneurially oriented. In particular, the nature of EO concerns a practitioner’s (a) belief in the existence of an opportunity to actualize profits; (b) belief that there are ways of combining resources in a profitable manner; and (c) social identity embracing such beliefs. As such, the dissertation reconceptualizes EO. Specifically, it constructs the ‘actualization approach to entrepreneurial orientation’. It allows scholars to explain (1) why entrepreneurial actions exist, (2) that EO is not what EO does (i.e., innovativeness, proactiveness, and risk-taking) but what it is capable of doing, and (3) that EO is an individual-level (not firm- or unit-level) concept that matters for entrepreneurial actions at various levels. Implications for practitioners and policy makers are discussed.

**Keywords:** entrepreneurial orientation; actualization approach; entrepreneurial actions