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Entrepreneurial Process and Learning for the New Ventures

Effectuation, Causation and Environment perspective

Business Economics
2021

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ABSTRACT

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Title	Entrepreneurial Process and Learning for the New Ventures
Year	2021
Language	English
Pages	41
Name of Supervisor	Teemu Myllylä

In this research, entrepreneurial processes and entrepreneurial learning are key subjects. The aim is to see how entrepreneurs transform themselves from an idea into a viable enterprise through an entrepreneurial process. If a chance is recognized, an entrepreneur might use the entrepreneurship process to start a new company. The characteristics of the processes include effectuation and causality. It has been stated that high knowledge, instead of low salaries, poses the greatest risk to our economy. Consequently, learning is necessary to have a competitive edge. Entrepreneurial learning is characterized as learning throughout the start-up phase. Due to the similar features of performance and exploration, they are proposed to be connected. The major research technique was a qualitative measuring tool. Because research in this area is so limited, a grounded theory approach appeared the most suitable for my research interests. The results suggest that these notions are to some extent linked, but that these relationships are complex. It has been shown that there are strong linkages to the background of business operations and learning. As a result, additional large-scale study on the topic with the entrepreneurial process as the backdrop is recommended.

Keywords: Entrepreneurship, entrepreneurial process, new ventures, effectuation, and causation

Contents

LIST OF FIGURES AND TABLES

1 INTRODUCTION

This is the age of the entrepreneur. In 2010, more than 500 million people throughout the world were either actively seeking to establish a new business or were owner-managers of a new firm. There has been a growing interest in entrepreneurship and new ventures throughout the years. Not only is entrepreneurship seen to help the economy in which it thrives, but it is also thought to be the engine of growth and innovation (Reed, Sarassvathy, Dew, Wiltbank, & Ohlsson, 2011). Businesses have been supported by the government, institutions, agencies, and social networks as well as by their research (Bridge, O'Neill & Martin, 2009). Despite the expanding corpus of data, there is still a lack of a uniform notion of entrepreneurs and their relationship to the formation of new businesses. Recent research has begun to differentiate between entrepreneurs and owner-managers in general, as both operate small businesses. Entrepreneurs, on the other hand, are linked to innovation and corporate development (Burns P., 2007).

Another major area of this article is the entrepreneurial process for new companies. Understanding how an individual becomes an entrepreneur is an important question to promote entrepreneurship, which is seen as critical to economic progress (Baumol 1990; Murphy et al. 1991). Academic students studied individual values and individual traits like gender, experience, expertise, and culture in their decision-making process (Díaz-Casero et al. 2012).

1.1 Research Objectives and Questions

Therefore, this study aimed at checking and analyzing the entrepreneurial process and significant elements affecting the enterprise process for a new enterprise. The following research questions are created to fulfill this task:

i. What are entrepreneurs and entrepreneurship?

ii. What are the characteristics of entrepreneurs?

iii. How to evaluate the opportunities for new ventures?

iv. How effectuation, causation and environment effect the entrepreneurial process?

The research questions are aimed at providing a structure that can me thodologically address the research topic. The study objectives are given below based on the above questions:

• Objective 1: Review the existing research body on this topic.

• Objective 2: Developing and ethically performing empirical study techniques based on credible ideas and research resources.

• Objective 3: Compared with the theories examined to assess, debate, and document results and, where relevant, make ideas for additional research.

• Objective 4: How far are the effectuation and causation of business learning modes and the amount to which they are regulated by external environmental components?

1.2 Structure of the Study

This paper is divided into four areas: the introduction which provides an overview of the research history, the literature review of contemporary entrepreneurial theories and new companies, the methodology of research which illustrates how the research was carried out and the final section which investigates and analyses entrepreneurial work according to theories.

1.3 Limitations of the Study

The research has only been investigated in conceptual technique, but the substance of the new undertakings is extremely complicated and varied. It is a purely conceptual review paper and studies are carried out using secondary sources, such as several highly scientific publications in the top journal. Due to the Covid-19 pandemic, the survey

respondent and the collecting of data were extremely hard to find. This study adopted the conceptual approach for this reason.

2 LITERATURE REVIEW

This portion of this thesis seeks to introduce the latest business and entrepreneurial philosophies. It is separated into two primary elements: general ideas and business processes.

2.1 General Concepts

This section is designed to introduce the definitions that are accessible about entrepreneurship, businesses, and entrepreneurial traits. It also seeks to build an entrepreneurial profile based on a summary of prior studies.

2.1.1 Entrepreneurship

It's a fascinating history and the meaning has been analyzed by experts. Although there is no comprehensive view on entrepreneurship, we may address and debate the issue in many ways. The entrepreneurship of tiny new businesses is universally considered to be established and managed (Gibb, 1996). But it remains a contentious subject whether all owner-managers of small companies can or may not be considered to be part of entrepreneurship. The idea of entrepreneurship has been reinterpreted in increasingly advanced ways, together with the creation of new entrepreneurs and the diversity of their projects. Carland et al. (1984) established a clear line between businessmen and employees as he proposed entrepreneurs develop strategic and innovative business ventures for profit and growth, while small business managers seek to meet their individual needs and wants with their ventures that are neither dominant nor innovative in this sector. However, the disadvantage of this notion is that, if not in founders of tiny companies, the purpose of profit and expansion and the objective of personal wishes are not mutually incompatible. There is no accurate indication or benchmark of how much the company has to be regarded entrepreneurial in its own Strategic and Innovative Strength and whether it would describe this as such as innovative and strategic firms in bigger companies.

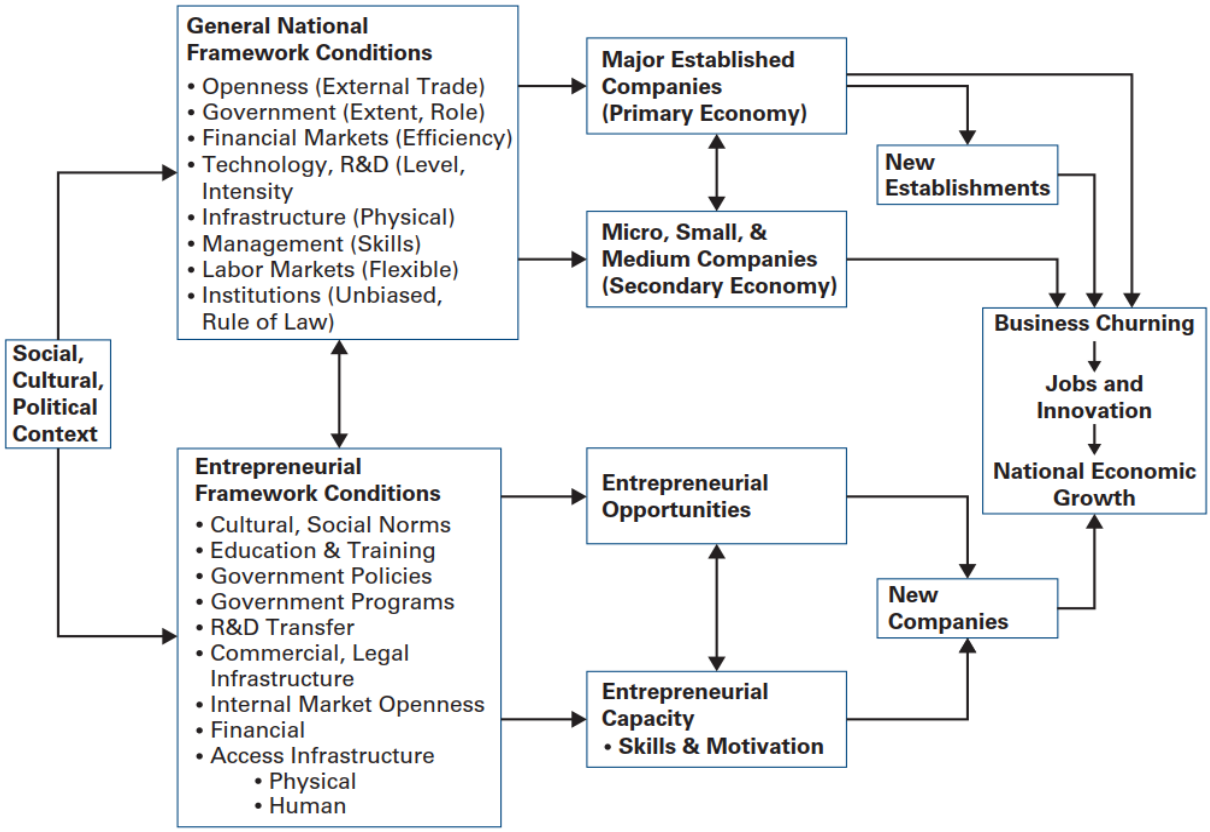
The importance of entrepreneurship becomes more and more. Entrepreneurship has been a rising area of inquiry in recent decades. One of the most essential, vibrant, and significant fields of social science was entrepreneurship (Wiklund et al., 2011). Entrepreneurship is essential because innovation, job creation, productivity growth, and economic growth are regarded as the driving force (Van Praag & Versloot, 2007). "Everyone is getting freer and more enterprising in business around the globe," says Sarasvathy (Sarasvathy, 2001, p. 244). In addition, the business enterprise must be considered, because enterprise may be used to transform technology into goods and services, the business enterprise must be utilized to identify and improve inefficiencies in the economic and entrepreneurial sphere (Shane & Venkataraman, 2000). The many streams of entrepreneurial study are divided into defining, characteristic, success tactics, creating new companies, and impacts of environmental variables. Bull and Willard (1993).

In the earlier scientific literature, the definition of entrepreneurship with many various views and opinions was problematic. As an example, Gartner (1990), by asking academic professionals, business executives, and politicians to define entrepreneurship, has carried out a study into the definition of entrepreneurship. There was no one definition in any of the research participants. The company was split into two streams by Gartner (1990). One stream focuses on the entrepreneur's qualities, and one on creating value. The argument concerning the attributes of the contractor has been largely dropped because no "typical" contractor exists (Bull & Willard, 1993). Instead, business is considered a dynamic activity. Bruyat & Julien (2001), for example, describes enterprise as the dynamic between entrepreneurship and the production of new value. In this research, however, Shane & Venkataraman's definition of entrepreneurship is employed (2000, p. 218): "a scientific review of how, by whom, and with what consequences the possibilities of creating future products and services are identified, assessed and used". In other papers, conceptual and empirical, in entrepreneurial literature, this term may often be found. In addition, the theory employed in this research has close connections to Shane & Venkataraman. The concept by Shane & Venkataraman (2000) has several elements: potential sources,

exploration, assessment, and exploitation, and the entrepreneur who passes through the process. In summary, the point of view of the entrepreneur is used to explore, find and take advantage of possibilities. In this sense, entrepreneurship implies the existence of entrepreneurs and an entrepreneur (Shane & Venkataraman, 2000). "[...] putting [the] entrepreneur (individual) and market (opportunity) in an innovative manner" is Sarasvathy (2008, p. 9).

The GEM measures that approximately 50% of business visionaries worldwide are between 25 and 44 years old. The GEM assesses how many businesses are active. In addition, the summary shows that 25-34-year-olds show the highest rates of business activities in each geographical location analyzed. Latin America and the African sub-Saharans are more seasoned visionaries with a 33% drop in the ages of 45-64. The non-EU economies in Europe then again indicate that most of the visionaries are from 18-34 years old. China was equally clear in terms of ensuring a high proportion of young visionaries, around the age of 18 and 34 with 57 percent. Now let's look at some of the main developments that have fueled the business revolution in the framework circumstances (see Figure 1).

Figure 1. GEM model of economic growth (taken from Acs et al. 2005, p. 14)



2.1.2 Entrepreneurs Characteristics

As noted above, it has proven difficult and unreliable to try to connect entrepreneurs with a series of personal qualities. Since, however, it cannot be disputed that the personality of an entrepreneur affects his or her firm in many respects, this theory illustrates quickly the number of characteristics linked with business. The following traits that were judged beneficial to an entrepreneur have been discovered in older Timmons trials: Determination and commitment, leadership, opportunity, tolerance for risk, innovation, independence and flexibility, and the requirement of excellence (Timmons, 1994). Such characteristics may nevertheless be attributed to a significant number of successful individuals who are not necessarily entrepreneurs, including

athletes, policymakers, major companies, etc. Table 1 illustrates the most essential qualities of successful entrepreneurs.

Table 1. The 10 Ds—The most important characteristics of a successful entrepreneur (Source: William D. Bygrave, Critical Factors for Starting a New Enterprise)

Dream	Entrepreneurs have a vision of what the future could be like for them and their businesses. And, more important, they can implement their dreams.
Decisiveness	They don't procrastinate. They make decisions swiftly. Their swiftness is a key factor in their success.
Doers	Once they decide on a course of action, they implement it as quickly as possible.
Determination	They implement their ventures with total commitment. They seldom give up, even when confronted by obstacles that seem insurmountable.
Dedication	They are dedicated to their businesses, sometimes at considerable cost to their relationships with friends and families. They work tirelessly. Twelve-hour days and seven-day workweeks are not uncommon when an entrepreneur is striving to get a business off the ground.
Devotion	Entrepreneurs love what they do. It is that love that sustains them when the going gets tough. And it is the love of their product or service that makes them so effective at selling it.
Details	It is said that the devil resides in the details. That is never more true than in starting and growing a business. The entrepreneur must be on top of the critical details.
Destiny	They want to be in charge of their destiny rather than dependent on

	an employer.
Dollars	Getting rich is not the prime motivator of entrepreneurs. Money is more a measure of success. Entrepreneurs assume that if they are successful they will be rewarded.
Distribute	Entrepreneurs distribute the ownership of their businesses with key employees who are critical to the success of the business.

2.1.3 Entrepreneurship and opportunities

Opportunities may generally be described as: "a perceived way of creating economic value (i.e. profit) that is not previously used and is not used by others" (Baron, 2006, p. 107). In turn, Baron (2006, p. 107) defines the identification of opportunity as "the cognitive processes (or processes) via which individuals determine that an opportunity has been discovered." In particular, Casson (1982) established a commonly used definition of entrepreneurial possibilities: "Business opportunities are circumstances in which new commodities, services, raw substances, and organizational techniques may be introduced and sold for more than their production costs." (as cited by Sarasvathy, 2008, p. 175; Shane & Venkataraman, 2000, p. 220). Entrepreneurship prospects thus include the identification of new relations. Discovery happens when a contractor makes the best use of specific resources. Each contractor should interpret these resources differently since otherwise there would be no potential. If entrepreneurs believe in all resources, there is no way of making a profit, therefore losing incentives to seek a chance (Shane & Venkataraman, 2000). Alvarez & Barney (2007) refer to this idea as the theory of discovery or mountain climbing, metaphorically speaking. Mountains might be built, as opposed to existing chances to be used (to climb a mountain already existent). This indicates that entrepreneurs may also create opportunities in addition to identifying existing possibilities. Alvarez & Barney (2007) suggest that learning opportunities may be produced through a procedure.

Sarasvathy et al. (2003) are more explicit in terms of three different approaches of identifying possibilities through recognition, discovery, and production. It should be noted that insecurity is not the same as danger. In a dangerous scenario, the distribution of the probability is known to determine the likelihood of specific outcomes. The distribution of probabilities is not known (or even not known for an existing distribution) in an uncertain scenario and the likelihood of specific events cannot be computed, only guessed (Sarasvathy, 2001; Sarasvathy et al., 2003; Sarasvathy, 2008). When supply and demand come together and matchups are acknowledged opportunities. A chance is discovered when there is no demand for supply and the opposite side is identified so that supply and demand might meet again. Concerning creation, there is no demand and the supply side and possibilities must be generated (Sarasvathy et al., 2003).

The type, when, and how some and others use the chances they have found, are the reasons for the opportunities and disparities amongst entrepreneurs. The nature of the opportunity implies the expected value of a chance that impacts the entrepreneur's desire to take up that opportunity. The different elements are various: cost of the opportunity, perception, optimism, the self-efficient individual, a larger internal control locus, better tolerance for uncertainty, and a strong requirement for accomplishment (Shane & Venkataraman, 2000). Sarasvathy (2008) believes that individuals are turned into entrepreneurs in several forms such as: usual (in the person's nature) need (for example when people are dismissed from work) (for example to make the world a better place).

2.1.4 Entrepreneurship from a learning perspective

It is vital to study so that an entrepreneur recognizes, discovers, and creates possibilities. Alvarez & Barney (2007) suggest that learning opportunities may be produced through a learning process. Leaning, as it may give individuals a competitive edge, is vital, argues Harrison & Leitch (2005). Franco & Haase (2009) also suggest that the highly-trained economies are more economically vulnerable than the low-income nations. The external environment, not just globalization, but also the

responsibility for new things, frequently challenges entrepreneurs (Van Gelderen et al., 2005; Politis, 2005).

Entrepreneurial learning has evolved at the junction of business and organizational education as a concept (Wang & Chugh, 2013). Large companies have been focused on organizational learning (Politis, 2005). Entrepreneurial learning is more organizational than big established organizations but more specialized for people in smaller companies (such as startups). "A continual process that allows acquisition of required knowledge to effectively establish and manage new enterprises" (2005: p. 401) is defined by Politis as the "[...] continuous process". Enterprise learning (learning by doing) is a process of experience that takes occurs within the business process. It is a process of learning to turn information into the experience (Politis, 2005). This metamorphosis is divided into two modes: exploration and use (March 1991). It is hoped to impact the way entrepreneurs learn (via exploration or exploitation) (Politis, 2005). The literature study discusses exploration and exploitation fully as entrepreneurial learning strategies.

2.1.5 Entrepreneurship and the external environment

Entrepreneurship is explained by external environmental variables (Bull & Willard, 1993). The processes of entrepreneurship are both said to be driven by external forces in the environment (Bierly & Daly, 2007; March 1991; Sarasvathy, 2001). Enterprises frequently operate in changing, complicated and hostile settings (Van Gelderen et al., 2005). The use of entrepreneurial possibilities depends on environmental variables that encourage the employer (Cuervo, 2005). Business companies so often find themselves in dynamic and challenging settings (Miller & Friesen, 1982). Environmental dynamism is about how quickly the environment changes and how unexpected it changes (Miller & Friesen, 1982). Hostility is an ongoing menace for organizations like competition and technology renewal (Covin et al., 1999). The variety of the environment, apart from these external effects, also affects entrepreneurs' behavior and their opportunities to recognize, discover or create. Environmental heterogeneity is characterized by an organization's number of different unconnected marketplaces (Miller & Friesen, 1982).

2.2 Entrepreneurial Process

The entrepreneurial process encompasses everything that is part of the awareness of and organization-building opportunities. But is a new company merely birth occurring and its success or failure just a random process? Can entrepreneurial art and science be taught otherwise? Start with a look at the business process (see Figure 2). These are the individual, social, organization, and environmental elements that bring about a new business and influence how it grows from a concept to a successful company. A person is given an idea for a new company through a purposeful search or an opportunity. It relies on variables such as other job possibilities, families, friends, role models, the status of the economy, and the availability of resources whether or not the person decides to follow this notion.

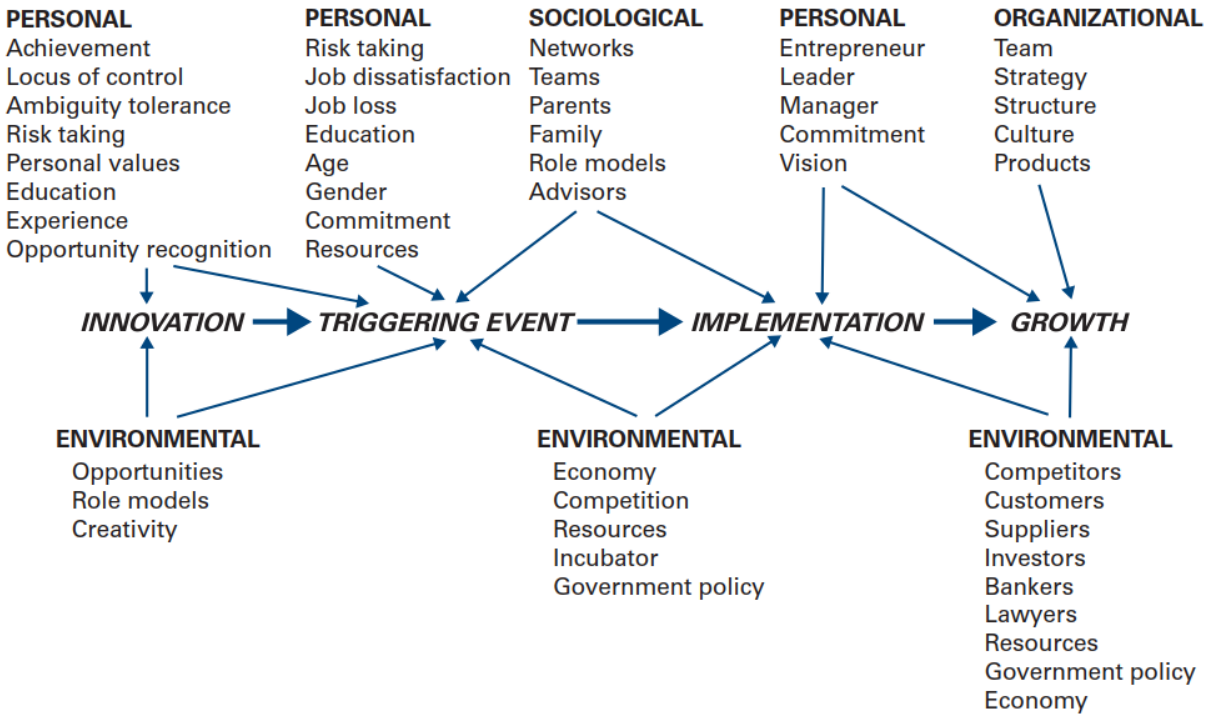


Figure 2. A model of the entrepreneurial process
Source: Based on Carol Moore's Model

2.2.1 Personal Attributes

There are no nice sets of qualities that allow us to distinguish businesspeople from non-businesspeople. An individual, whether an entrepreneur or a business manager, who gets to the top of the job is a performer. Admittedly, every prospective contractor must be necessary, but everybody else who wants to succeed must succeed. It would indicate that businessmen have greater power over non-businessmen internally, which suggests they want to manage their destiny more effectively (Brockhuas, 1980). Many polls in which entrepreneurs claimed that independence was a very significant motive to start their firms confirmed that. They offered key reasons for independence, financial success, self-fulfillment, recognition, innovation, and role (to continue a family tradition, to follow the example of an admired person, to be respected by friends). Men have more than women valued financial success and inventiveness. Of course, the reasons budding entrepreneurs stated for beginning a company were comparable to non-entrepreneurs motivations for selecting professions (Carter et al, 2003).

2.2.2 Environmental Factors

The environmental influences on the desired entrepreneur are maybe as essential as personal qualities. Not unintentionally, certain regions of the globe are more business-oriented than others. Silicon Valley is the most famous high-tech business area. Since everybody knows someone in Silicon Valley who made it big, role models abound. The result is Everett Rogers, the sociologist of Stanford University, who termed the "Silicon Valley Fever (Roger, 1984)". According to [MIT 2009]'s 2009 study, "The Entrepreneurial Impact: The role of MIT," which analyzes the economic impacts of MIT-funded companies and the entrepreneurial ecosystem, the country would at least be the 17th largest economy in the world if its active companies founded by graduates of the MIT constituted an independent nation.

2.2.3 Sociological Factors

Entrepreneurship as a social phenomenon means that we have the opportunity to draw on more well-developed literature on social and social capital. One of the best "exports" from sociology into other social sciences, the idea of social capital is probably (Portes, 2000). Since civilizations have diverse physical surroundings in their nature, society must adapt eco-relevant behavioral patterns to attain success. These contextual patterns of behavior, which impact decision-making, have the effect of building various cultural values in different cultures. Therefore, culture is relevant to economic behavior and entrepreneurship, separate from political, social, technological, or economic circumstances (Shane, 1993). The absence of an exact and widely recognized definition of culture is one of the problems to investigate cultural impacts and consequences in connection to entrepreneurship (McGrath et al., 1992).

3 RESEARCH METHOD

It was hard to choose a strategy to research that was based on the constructivist perspective because there is a multitude of research techniques such as phenomenology, case studies and grounded theory. After closely examining these techniques, however, I chose for several significant reasons to utilize the grounded theory research process. Makela and Turcan (2007) indicated that insufficient theory or theoretical investigation into an issue is a common cause for research scientists to utilize grounded theory. Therefore, a grounded theory technique seemed to be the best for my research issues because of the minimal research carried out in this field.

The second reason for my study is that this approach is suitable for studying business operations (Schram, 2006). Strauss and Corbin (1990) characterize a process as "connecting action/interaction sequences to manage, control or respond to phenomena". In my studies, the entrepreneurial process is how businessmen gain discreet information, talents, and competencies. This approach also includes studying how diverse aspects such as business and learning elements interact with new companies to impact growth. Schram observes that the study questions or aims that match the theory best show the dedication of the researcher to understand the process by which the reality is built. Because this study investigates the business process of a new enterprise and the elements influencing the process, the basic theory methodology seems to be the most suitable technique for this study.

Finally, I picked a theory based on the principle, since it aims to "create a theory which reflects a behavioral pattern that is significant and troublesome for people involved" (Glaser, 1978, p. 93). Understanding how the new business ventures require knowledge, talents, and capabilities, what variables affect the business translation into the development of a lively business class that promotes economic growth (Mitra, Abubakar, & Sagagi, 2011). Since my study seeks to investigate business processes, I believe that grounded theory provides the ideal context to perform the study. However, I came across numerous arguments within the tradition of the theory that led to a lot of fear in deciding what version of grounded theory I should use in this study after I

identified theory as best adapted to answer the objective of this study. I provide some specifics on the technique in the following paragraphs.

3.1 Defining Grounded Theory

Basic theory (GT) is a technique of qualitative research consisting of approaches offering "systematic guidance on data collection and analysis to create theoretical frames of the mid-range that explain the data gathered" (Charmaz, 2000, p. 509). The key components of GT include the use of theoretical analysis to identify potential participants, the use of a consistent comparative method to analyze data as soon as the first bit of data is collected, and the development or production of substantive theory as an end product of the GT process of research (Corbin & Strauss, 1990). The GT approach is intended to explain social dynamics. In his landmark work, The Discovery of Grounded Theory: Strategies for Qualitative Research and Theory, Barney Glaser and Anselm Strauss presented the concept initially in 1967. As Glaser described it, this book provides the "first formulations and attempts to develop a technique which closes the gap between theory and procedure" (Glaser, 2016, p. 4). However, after this work was published, a division between Glaser and Strauss arose that led to further discussions on methodology. For example, Charmaz (2008) classified the Glaser interpretation of grounded theory as objectivist and Anselm Strauss's notion of grounded theory as "a heuristic device for understanding divisions and discussions in grounded theory and for indicating a way to move the method more closely in social constructionism" (p. 398).

3.2 Data Collection

To collect data for research employing grounded theory approaches, a variety of strategies have been utilized. In grounded theory research, unstructured interviews, field notes, and memoranda have been recognized as essential data collection tools (Dey, 1999; Knox & Burkard, 2009; Glaser, 2002; Charmaz, 2014). According to Dey (1999), qualitative techniques are beneficial in grounded theory for examining data and creating

concepts, with data collected mostly through unstructured methods like interviews and the use of documentary materials.

Grounded theory, on the other hand, refers to a set of systematic inductive procedures for doing qualitative research to develop theories (Dey, 1999). The word grounded theory has two meanings: (a) a technique comprised of flexible methodological tactics, and (b) the results of this sort of investigation. Researchers are increasingly using the word to refer to the techniques of inquiry for gathering and, in particular, evaluating data. Grounded theory methodological techniques seek to develop middle-level ideas directly from data analysis (Charmaz, 2003). The rationale of these approaches is based on their inductive theoretical drive. The strength of the resultant analysis is built on solid empirical grounds. These analyses give concentrated, abstract, conceptual hypotheses that explain the facts under consideration (Charmaz, 2003).

3.3 Positive and negative sides of the grounded theory

According to Charmaz (2003), grounded theory is important because it (a) provides a clear and specific, sequential framework for conducting qualitative research; (b) provides appropriate strategies for dealing with the analytic phases of inquiry; (c) streamlines and integrates data collection and analysis; (d) advances conceptual analysis of qualitative data; and (e) legitimizes qualitative research. Grounded theory techniques have established themselves as a mainstream social research method, influencing researchers from a wide range of fields and professions.

Nonetheless, even though many researchers claim to utilize it, the grounded theory remains a misunderstood technique. Qualitative researchers frequently claim to perform grounded theory investigations without properly comprehending or adhering to its specific requirements (Dey, 1999). They may use one or two of the methods, or they may confuse qualitative analysis with grounded theory. Other researchers, on the other hand, use grounded theory approaches in reductionist, mechanistic ways. Neither approach exemplifies the flexible yet methodical style of inquiry, focused yet open-ended analysis, and innovative theorizing based on empirical evidence that grounded

theory techniques may generate (Charmaz, 2014). As a result, the promise of grounded theory approaches for producing middle-range theory has yet to be completely realized.

4 ANALYSIS AND DISCUSSION

4.1 Entrepreneurial Processes: Effectuation and Causation

4.1.1 Principals of effectuation and causation

Enterprise is a promising topic of research that involves coherence between business possibilities and entrepreneurial presence (Shane & Venkataraman, 2000). The topic focuses on the dynamics between the entrepreneur and the possibilities recognized, found, or produced (Bruyat & Julien, 2001) and not on particular attributes or characteristics of someone who creates a contractor (Bull & Willard, 1993). In this debate, the company process is described as "[...] every function, activity, and action related to the perception and creation of possibilities and their pursuit" (Bygrave & Hofer, 1991, p. 14). The business process is still a comprehensive notion. It may be categorized according to numerous concepts and paradigms. Research reveals that causality and implementation are favored business process models (Moroz & Hindle, 2011). In addition, the entrepreneurial literature focuses on these themes (Perry et al., 2011).

The primary literature on enterprise relies on rational models of decision-making (Perry et al., 2011), which involve cause. On the other hand, the model of performance is presented by Sarasvathy (2001). "Processes of causation have a special result and focus on the choice of means to achieve that effect. The techniques used take a collection of means and concentrate on picking various effects that may be produced with this set of instruments" " (Sarasvathy, 2001, p. 245). The primary distinction in the way decisions are made is between these two procedures. It is a question of choosing between ways to generate an effect and utilizing the methods to pick amongst effects (outcomes). For both processes, the generalized ambitions and means are the same. In practice, only the means are provided when the effects are produced. imagine making dinner; it can be made using available resources and the abilities (means) it has to make something to eat (no end aim). Or a shopping list may be prepared to produce a previously specified dish,

which can be classified as the cause, by obtaining the means for an existing objective. Effects in human decisions are broader and pervasive and are more consistent with emergent and non-predictive tactics than causative processes (Sarasvathy, 2001). The cause is more compatible with intended tactics, though (Chandler et al., 2011).

Means may be divided into three distinct kinds for entrepreneurs: who they are, what they know, and who they know (for example personal characteristics and talents; their expertise and their social networks) (Sarasvathy, 2001). The contractor knows who he or she is, what he knows and who he or she knows, and the impacts that may be generated by these means without having any specific aim. Objectives develop when the available means envisage actions (Read et al., 2009). However, a definite objective is determined and the entrepreneur seeks to achieve this objective. The cause is therefore targeted, while performance is averaged. Four more rules of behavior that separate cause from effect have been created by Sarasvathy (2001). Table 2 provides for all discrepancies between cause and performance.

Because the aim is to maximize profit, the main focus is to choose an ideal approach for the highest predicted returns. Future sales and dangers must be predicted and sufficient resources must be collected to create a firm with its predefined objectives. The focus is on making the most of the possibilities (Sarasvathy & Dew, 2005). The focus is on inexpensive loss. The contractor invests just, minimizing the negative possibility, which may be lost in a worse situation. All business people need to know the financial position, and to make a choice in the worst-case scenario. Since the contractor is not constrained by any predefined objectives, it is possible to use the means available and to explore alternative ways (Chandler et al., 2011; Sarasvathy, 2001).

Table 2: Differences between causation and effectuation (Sarasvathy, 2001)

Causation	Effectuation
Effects are given	Means are given
Focus on expected returns	Focus on affordable loss
Competitive analysis	Strategic alliances
Exploiting pre-existing knowledge	Exploiting contingencies
Predict an uncertain future	Control unpredictable future

The company relies on collaboration with self-selected stakeholders and the innovative use of spare resources (Sarasvathy, 2008, 2001). New markets may be developed more readily through pre-engagement and partnerships by lowering insecurity or eliminating barriers to entry into current markets (Chandler et al., 2011; Sarasvathy, 2001). Risks and awards are shared and the growth of the new organization is based on cooperation (Read et al., 2009). To evaluate risks and projected returns, the contractor concentrates on competition analysis and market research (Sarasvathy, 2008, 2001). The contractor safeguards its share and maximizes projected returns (Read et al., 2009). The default targets decide whether the organization can bring in new partners and what partners (Dew et al., 2009). The ownership of external persons is as low as feasible with a competitive attitude towards foreigners (Read et al., 2009; Sarasvathy, 2001).

Causal models want contingencies to be avoided and current market information to be used. The occurrence and effect of surprises can be minimized via foresight and preparation (Read et al., 2009a). The goal for the company is defined in the beginning and all the activities of the contractor are designed to meet the set vision and to leave minimal space for complications (Chandler et al., 2011). Instead, performance sees eventualities as value creation opportunities. Enterprises use contingent information as a resource to heal uncertainty (Sarasvathy, 2008). Obstacles are regarded as challenges and no failure is avoided. Predictions are averted and imagination is rethought and circumstances are exploited (Read et al., 2009; Sarasvathy & Dew, 2005). The path of activity might be modified and new goals can be arising if the entrepreneur faces fresh knowledge, methods, or surprises (Read et al., 2009).

The last principle concerns the fundamental cause and performance rationale. The logic of root cause concerns the forecast and unpredictable future: "We can control it so far as we can foresee the future" (Sarasvathy, 2001, p. 252). Based on previous experiences and examination of data, causal logics are predicted. There is a supposed connection between past and future occurrences Sarasvathy, 2001 (Read et al., 2009). The future is governed by prior knowledge that sets objectives in turn and creates expected returns that make both helpful and essential forecasts of The future (Dew et al., 2009; Sarasvathy 2001). "To the extent that we control the future, we do not have to anticipate it" means effective reasoning to govern an uncertain future (Sarasvathy, 2001, p. 252). What creates the future is what the businessman does, creates new markets, leverages contingencies, only invests what may be lost or committed with (Dew et al., 2009; Sarasvathy 2001). The aim is on creating chances for an uncertain future more quickly via experimentation (Chandler et al., 2011). All of the above concepts are a dynamic totality that overlaps and should not be seen as static principles. The principles define the business process for creating new businesses (Sarasvathy, 2001). Although the principles are known as conductual principles, cause and performance are cognitive processes (Perry et al., 2011).

4.1.2 Effectuation and causation as predominant logics of the entrepreneur

Cause and performance are depicted as a dichotomy above, but in actuality, overlap and interweaving can occur depending on the circumstance (Sarasvathy, 2001). This is clear in the operationalization of causation and performance (2011) of Chandler et al. that cause is a unique dimensional structure, and performance is a multidimensional formative structure in which the pre-engagement dimension is shared between cause and cause. Moreover, neither cause nor performance is a "better" procedure. Context depends on their optimal usage. Cause in a predictable environment could be more appropriate while in contrast, performance in an unpredictable situation may be more suited (Sarasvathy, 2001; Sarasvathy, 2008). Chandler et al. (2011) show that cause action is adversely linked to uncertainty measurements, while the experimental sub-dimension of performance is favorably connected to uncertainty measures. In the early

phases of venture development, the effective logic is stressed when the new company and market emerge from uncertainty into a predictable condition through a move to more casual tactics (Perry et al., 2011).

In the framework of decision making, Causation implies the presence of central items and settings of business. All this does not entail the development of artifacts such as companies, markets, and economies (Sarasvathy, 2001). The vision of entrepreneurs seems to entail more than identifying or searching for a chance; the very establishment of the chance in the implementation of the business process seems to involve it (Sarasvathy, 2001). Thus, coming back to Alvarez & Barney (2007), the cause is a mountain climbing process and discovery of existing possibilities and performance, a relationship between mountain construction, generating own opportunities, firms, and markets (Sarasvathy, 2001).

The previous study demonstrates that the results go from an emerging state to an intermediate state (Chandler et al., 2011; Perry et al., 2011). In areas such as management, business, finance, marketing, R&D management, and internationalization, Effect Theory has been implemented (Harms & Schiele, 2012). The conceptual papers written mostly by or partially by Saraswathy illustrate what the results are, how they function, and how they differ from conventional business processes (Perry et al., 2011). Conceptual work is backed by rising empirical work, which is related to various structures such as entrepreneurial competence (Dew et al., 2009), the formation of an international risk (Harms & Schiele, 2012). (Nielsen & Lassen, 2012). In this research, the implementation is used to the subject of learning to investigate variations in learning. The link with business expertise is emphasized because professional entrepreneurs have extensive experience, which is turned into high-performance knowledge (Read & Sarasvathy, 2005). Research indicates that expertise and implementation share are commonly held, for example, both notions do not rely on predictive knowledge. Both of them focus on controllable environmental elements (Read & Sarasvathy, 2005). The empirical findings show that experts employ performance to a greater extent than cause, whereas beginners utilize the cause to a greater extent than performance. Expert entrepreneurs attempt to disregard predicted

data while beginners go through the textbook. Furthermore, specialist businessmen not only have greater knowledge and expertise but also better access than beginner businesses (Dew et al., 2009). Dew et al. (2009) and Read & Sarasvathy (2005) have all shown superior results in their new projects, using the example of experienced entrepreneurs. Although the performance depends not only on the skill of businesses but also on the environment in which they live, the location of the enterprise, market choice, etc., it may be disputed. Knowledge acquired from experience, therefore, influences strategic decisions taken by contractors, which in turn affect the new company performance (Politis, 2005).

Enterprise learning is discussed in the following section of this study. This section provides an overall overview of business learning and forms of knowledge transformation. These modalities should be linked to the processes of entrepreneurship.

4.2 Entrepreneurial learning: Exploration and Exploitation

4.2.1 Entrepreneurial learning in general

The interaction between entrepreneurship and organizational learning is a key idea for entrepreneurial learning (Wang & Chugh, 2013). Large enterprises have relied mostly on organizational learning (Politis, 2005). Enterprise learning is more like organization learning, rather than larger organizations for individuals in smaller organizations (e.g. start-ups). There may still not be an organization in the new venture production processes, such as performance and cause (before start-up). In short, whilst corporate training generally focuses on corporate and network-level (international learning), corporate learning focuses primarily on the individual level of the entrepreneur (Wang & Chugh, 2013).

Politis (2005, p. 401) defines entrepreneurial learning as: "[...] a continual procedure that enables the growth of the knowledge needed to be efficient in setting up and managing the new companies". The term of politics includes two independent concepts: learning and knowing. Knowledge is what is known (content), and the process of

learning is the transformation of experience. knowledge is (Harrison & Leitch, 2005). Knowledge per se is a static notion, which may be activated by cognitive mechanisms like cause and performance to implement knowledge (Corbett, 2005).

Enterprise learning is generally regarded as a process of experience in which entrepreneurs continually learn through increasing their skills (Corbett, 2005; Harrison & Leitch, 2005; Politis, 2005). Entrepreneurial learning is the act of transforming the experience into knowledge, by deriving and modifying concepts via experience (Kolb, 1984). Experience might involve several occurrences, such as important learning activities (Cope 2005), success and breakdowns, or past job experience (Politis, 2005). This experience is subsequently converted through a learning process into knowledge. This information may be employed in recognition, discovery, creation or the liability of innovation (Politis, 2005; Sarasvathy et al., 2003).

Contractors begin with an array of expertise and experience. With a distinct combination of talents and competencies, they approach the business process (Cope, 2005). The development of expertise can impact strategic decision-making, which in turn influences the performance of the business. The benefit of learning for entrepreneurs is therefore possible through growing and/or adding new talents and capabilities to their previous knowledge and expertise (Harrison & Leitch, 2005).

Enterprise learning requires to happen from three main perspectives: behavioral, cognitive, and action/functional standpoint (Cope, 2005). Compartmental learning focuses on concrete learning results. Successful behavior, unlike failed behaviors that lead to routines, is repeated (trial and error). Cognitive learning concerns the mental structures a person requires to 'know.' It focuses more on learning content than on behavioral results. These techniques enhance information and knowledge production. Action learning means learning by rectifying misalignments between what is said and done. These learning perspectives are essential because they illustrate how individual entrepreneurs learn from their own experiences and how societal circumstances influence this learning (Voudouris et al., 2011). But the learning mechanisms or techniques are different.

4.2.2 Entrepreneurial learning through exploration and exploitation as transformational modes

The translation of experience into knowledge is the goal of learning processes or methods. Entrepreneurs may either pick a repeated activity that they know works because they have seen the result previously, or they can leverage their prior expertise to create something new. Alternatively, entrepreneurs may adopt a new course of action, therefore extending their experience and, as a result, their expertise. Less and higher learning (Fiol and Lyle, 1985) or adaptive and generative learning (Slater and Narver, 1995), exploration, and exploitation are frequently reflected in the profundity of learning (Voudouris, etc., 2011) such as single or double-length learning (Argyris & Schön, 1978). (March 1991). All of these typologies have their origins in the literature on organizational learning, where they are extensively utilized. Each typology demonstrates both general and unique traits. These different qualities make exploration and exploitation in an entrepreneurial environment applicable. Wang & Chugh (2013) highlighted three primary learner processes in their literature study on entrepreneurial learning: individual and communal learning, intuitive learning, and sensing and exploitative learning. Individual learning and collective learning are strategies for integrating individual behavioral opportunities with organizational gain. Intuitive learning is about how possibilities arise via discovery (cause) or invention (performance) (Sarasvathy, 2001; Wang & Chugh, 2013). Explorative learning and leisure are strategies for developing skills and resources to achieve a competitive edge (Wang & Chugh, 2013).

Exploration and exploitation are related to the Minniti & Bygrave learning techniques (2001). Politis (2005) recognizes these procedures as modalities of transformation for knowledge transformation. In her 2001 essay on the fundamental theory of performance versus cause, Sarasvathy (2001) acknowledges the potential relevance of exploration and exploitation. Sarasvathy (2001, p. 254) argues: "His insights on trade-offs between exploration and exploitation in organizational learning are particularly important to the construction of an executive theory (March 1991)." The article in March (1991) is frequently utilized as a tool for learning and is a cross-fertilization between learning and

literature. Therefore, exploration and exploitation as learning strategies in entrepreneurial learning will be further developed.

Exploratory learning and exploitative learning turn knowledge into knowledge. The companies have to choose between exploring new possibilities and using existing certainties on the allocation of scarce resources (March 1991; Sarasvathy, 2001). "Exploration involves such things as search, variety, risk management, experimentation, play, adaptability, discovery, and invention. Operations involve items such as refining, selection, production, efficiency, selection, execution" (March 1991, p. 71). The purpose of exploration is to create variations in experience, to explore new opportunities through experimenting, invention, and discovery, to slow the speed of improving and improving current competencies and abilities. Exploration results are more unpredictable, more remote, and far from the scope of the firm (March 1991). Exploitation is about establishing experience reliability, taking advantage of past assurances (learning via refining, routine, and knowledge application), and enhancing planning and control. Therefore, exploitation enhances efficiency and the capacity to adapt to the present environment. The results of use are safer, faster, and more accurate (March, 1991). This might lead to challenges adjusting to future changes and opportunities in the environment. In addition, this means that exploitation may succeed more quickly, and exploration can succeed more long-term (March, 1991; Politis, 2005). March (1991, p. 71) believes that the correct balance of trade-offs for exploitation of exploration should be found, as "[this is] a key survival and prosperity element of the system." Too much attention to exploration leads to high test costs without the advantages, too much emphasis on exploitation leads to few new prospects, jeopardizing future benefits (March 1991).

To handle the tension between these two, attention and resources for exploration or exploitation must be balanced. This shows that the underlying logic of exploration and exploitation are different. However, exploration and operation might also be supplementary constructions. It is suggested. This is what O'Reilly & Tushman initially identified as organizational ambidexterity (2004). Recent empirical research supports exploration and exploitation as rather complementary structures, which can create

synergies rather than a compromise (Bierly & Daly, 2007; He & Wong, 2004; Su et al., 2011). Bierly & Daly (2007) discovered that exploration and use are complementary and may be pursued at the same time. However, performance exploration is positively linear and exploitation is concave to performance, which indicates an appropriate degree of exploitation. Exploitation continues to be a more powerful driver of performance. Furthermore, ambidexterity was revealed to depend upon external environmental variables by Bierly & Daly (2007). He & Wong (2004) concluded that the structures were added. They connect organizational ambidexterity to sales growth from a technical innovation point of view. However, if the balance is put to extremes, this equilibrium may become unmanageable or, if the organization's degree of exploration and exploitation is too little, it might not prove to be ambidextrous. Su et al. (2011) showed that ambidexterity relies on a company's organizational structure in their research of Chinese firms. Organic structures and mechanical structures encourage ambidexterity and are adversely connected to ambidexterity interaction effects. He & Wong (2004) maintain that organic structures are generally exploited and that mechanical structures are connected with them.

Conditions of performance and cause may change from exploration to operation. In Sarasvathy's original paper (2001), she not only contends that exploration would comprise processes of performance and operation but may also supplement processes since performance and cause are not always dichotomous. Sarasvathy (2001) hypothesizes that the allocation of resources may be more effective than the cause. In addition, these interactions may impact the atmosphere of start-up organizations. Issues like competition, client behavior, and technological renewal may mitigate potential connections. Consequently, the following portion of this chapter examines three external environmental impacts.

4.3 External environmental influences

4.3.1 Environmental factors have an impact on entrepreneurial processes and learning

The external environment is supposed to impact both entrepreneurship and entrepreneurial processes. The circumstance affects how the cause and effect characteristics overlap and intertwine (Sarasvathy, 2001). Sarasvathy (2001) believes that cause in static, linear, and independent settings is more useful, while in dynamic, nonlinear, and ecological environments, it is more valuable to perform. Cause entrepreneurs are trying to forecast what occurs in an external environment to control the future, while entrepreneurs are trying to control the external environment to prevent future predictions (Sarasvathy, 2008).

Corporate learning also depends on external impacts on the environment. March (1991) understands that exploration and development depend on the environmental turbulence he defines. Effectively exploitation is vital for survival and the creation of new goods is a crucial balance between exploitation and exploration. In a dynamic environment, this is especially true since the pace of exploratory variation is sensitive to the connection between environmental turbulence, organizational diversity, and competitive advantage (March, 1991). Bierly & Daly (2007) tested external environmental variables and concluded that environmental and industry dynamics impact entrepreneurial learning significantly. Similarly, in the context of internationalization, Voudouris et al. (2011) are also acknowledging the environmental impacts of industry, technology, and globalization. Consequently, enterprise learning may be argued that the external environment affects it.

Thus, it is argued that both entrepreneurial learning and entrepreneurial processes are influenced by the external environment of the entrepreneur and the organization. The external environment in this research is captured by the dynamism, hostility, and heterogeneity of the environment. These constructs are often used as environmental

antecedents (Miller & Friesen, 1982; Miller & Friesen 1983; Zahra, 1991; Zahra & Bogner, 2000).

4.3.2 External environmental factors, hostility, and heterogeneity

Environmental dynamics are part of market or industry uncertainty (Harms & Schiele, 2012). It refers to the pace and unpredictability of environmental change (Dess & Beard, 1984). Unforeseen and faster than static conditions, dynamic markets evolve (Bierly & Daly, 2007). In terms of environmental dynamism, the pace of changes in marketing practices, product obsolescence, competitiveness predictability, consumption demand and taste predictability, and technology renewal in the sector market may be characterized by the (Miller & Friesen, 1982). In a dynamic setting, learning is crucial because the contractor may learn to deal with environmental changes that might provide competitive advantages (Harrison & Leitch, 2005; Sirén et al., 2012). The degree of uncertainty caused by environmental dynamism might impact strategic decision-making by entrepreneurs (March, 1991; Sarasvathy 2001). In an industry such as the IT sector, for example, the pace of technology renewal affects the value of opportunities that may be obsolete (Sirén et al. 2012).

Environmental hostility is different from dynamism because hostility is a continual danger to businesses, which may lead to high company failures (Covin et al., 1999). A hostile environment threatens the purpose of the company through increased competition or decreased demand for the products (or services) of a company (Zahra, 1991). Hostility is highly competitive, with poor consumer loyalty and price wars, and low-profit margins (Covin et al., 1999). In these unfavorable circumstances, entrepreneurial companies are typically discovered (Miller & Friesen, 1982). Where there is plenty of rivalry on a market, it may be claimed that the manner entrepreneurs decide is impacted by seeking new chances to distinguish them from the competition. For entrepreneurs to develop new ways of dealing with strong competitiveness or poor consumer loyalty, there is also a need to learn. Environmental antagonism raises the tasks of companies in information processing and thus decision-makers need additional

analysis (Miller & Friesen, 1983). The more unfavorable the climate is the greater Miller & Friesen's innovation level (1982).

Finally, via its heterogeneity, the outside environment is captured. Heterogeneity refers to numerous marketplaces, in which a company operates with diverse features (Zahra, 1991). The diversity of companies and associated sectors, the differences in client habits across goods and markets, the disparities in the rivalry between products and marketplaces, and the perceived variances in dynamism and unpredictability among products and markets might characterize this external factor (Miller & Friesen, 1982). The varied features of markets, rivals, and consumers with which companies are confronted make a heterogeneous environment complicated (Zahra, 1991). Businessmen may very differently view heterogeneity. The environment may be perceived by others as minimal complexity and very complicated by others. Knowledge and experience impact these outward impressions (Zahra, 1991). A broad experience from diverse markets, consumers, and rivals can be helped by heterogeneity. In a different market, the experience from one market can be utilized (Miller & Friesen, 1982).

4.4 CONCLUSION

In addition to the lack of an empirical contribution to the business literature of this research, a research gap between entrepreneurship and learning is filled. This research aimed to examine whether and how business procedures are connected to the learning of entrepreneurs. Therefore, in this research, the amount to which the implementation is connected to entrepreneurial learning is less than predicted. The history of performance is extremely poorly connected to business learning. There is a somewhat greater connection if the antecedents are recalculated together. From this study, it might be inferred quite unable to make more use, either explorative or exploitative, of performance or causation for the entrepreneurs in this group.

Environmental entrepreneurship is becoming an important, dynamic and significant subject of the social sciences. The theoretical implication of this work is to offer empirical research for business literature, which may facilitate the construction of theory in both enterprise and learning processes. More precisely to examine learning disparities, the execution is applied to the field of learning. There are various practical consequences in addition to the theoretical effects. It is important to understand the entrepreneurial process as not just what business people should learn, but also how and when they learn. This research indicates to a certain degree that, when the contractor uses a specific prevailing logic, certain intended learning effects may be produced from different environmental views. Experience is converted into cognitive mechanism-activated knowledge. This promotes variations amongst businesspeople, which decide why, when, and how people identify, find, develop and take advantage of chances. In conclusion, learning may generate a competitive benefit through different or better previous knowledge and the development of (new) skills and talents throughout the entrepreneurial process. This affects entrepreneurial decisions that in turn might influence risk performance.

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