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**Paper Title:** How do capabilities of the entrepreneurs vary across the different stages of the firm? Evidence from the literature

**Authors:** Manjula Dissanayake University of Adelaide, Allan O'Connor ECIC - University of Adelaide, Graciela Corral de Zubielqui ECIC - University of Adelaide, Huanmei Li ECIC - University of Adelaide

**Submitting Author Contact Information:**

Manjula Dissanayake

University of Adelaide, Australia

manjula.dissanayake@adelaide.edu.au

Title:

Entrepreneurial capabilities and stages of firm development: a Meta analysis

Principle topic:

The purpose of this study was to determine the various entrepreneurial capabilities that are associated with different stages of firm development. Governments are challenged by the need to create programs to support the growth and development of firms, provide a framework of conditions that will encourage firms toward success and monitor the overall state of a region with respect to its readiness to start, nurture and grow firms to prosperity. Lichtenstein (2008) argued that the stage of development of a firm is independent of the skill level of entrepreneurs although transitioning through stages depends upon entrepreneurs with higher skill levels. Therefore, understanding the association between a firm's stage of development and the entrepreneurial capabilities needed to transition the firm to the next stage will aid government policy-makers and educators provide training and education programs that better match the dominant need within a region or the objectives of an education intervention.

Firm stages were classified into nascent/firm gestation, survival/firm startup and growth/established firm scaling. Despite there being many stage models that exhibit various numbers of stages (see Lichtenstein, 2008 and Poropat, 2003 for more complete discussions) we have targeted only three to avoid too fine a granularity that would prove unhelpful to government policy. Based on the literature, the characteristics of these stages have been defined. An introduction is presented to explain the primary concepts of entrepreneurial capabilities. Based on previous studies, it is apparent that different entrepreneurial capabilities are deemed necessary during different stages of the firm to accelerate the success of the firm.

Methodology:

Following the methodology of others who have examined literature to determine the status or the diversification of key ideas and concepts (see for instance Becheikh, Landry & Amara 2006 and Short, Moss & Lumpkin 2009) we approach the literature by following a systematic approach (Transfield 2003). For the analysis, leading journal papers from the period of 2002 to 2012 were taken into consideration. The following criteria were used for filtering. 1) Studies on entrepreneurial capabilities were taken into account 2) Concept papers were excluded 3) Primary source was A\* and A journals for the period 4) Other journals and conference papers were considered for 2011 and 2012 with significant citations. A total of 98 papers were shortlisted for detailed analysis.

## Results and implications:

At the outset it was evident, individual level entrepreneurial capabilities such as opportunity assessment and business planning were closely associated to nascent and growth stages respectively. Other entrepreneurial capabilities such as the higher education of the entrepreneur were applicable across all the stages. However, depending on the firm stage, the context of higher education differed. Entrepreneurial capabilities such as gender are found to have a neutral impact on firm success. It was apparent entrepreneurial capabilities that were identified as associated with the early part of the venture's research period and the entrepreneurial capabilities that were identified as associated with the success of a firm are not the same. This is mainly due to the interests in the field as well as due to the shifts in the terminology used. Further attributes such as prior experience had a positive influence on many attributes including self efficacy.

The following implications are observed as a result of the study:

- 1) The background of studies were not consistent and future research should examine how individual studies should be normalized eliminating any biases caused by the background or the business ecosystem in which studies have been carried out
- 2) Regional classification of the research studies were not feasible due to the imbalanced nature of the studies and future research should be carried out in upcoming nations, in both developed and developing nations to determine the effects of entrepreneurial capabilities towards the firm
- 3) In terms of the research methodology, longitudinal studies across various firm stages may be the most appropriate method of study. In conclusion, firm success and associating the impact of entrepreneurial capabilities is a complex process. According to the context of the business, considering non linear interdependent activities and the balanced skill set needed to accomplish these activities, emerged as the best formula to evaluate the impact of the entrepreneurial capabilities to the firm.