ScholarOne - The Effect of Stakeholder Orientation on Entrepreneurial Ventures

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Abstract

We develop a theoretical framework that examines how stakeholder orientation in entrepreneurial ventures affects performance and how this effect is dependent on stages of ventures. We also theorize how the human capital of the venture board influences the stakeholder management. Examining 1,669 ventures affected by constituency statutes regarding stakeholder orientation, we find a negative relationship between stakeholder orientation and the probability of exit, and this relationship is more pronounced in older ventures. Furthermore, we show that the managerial skills of the venture board mitigate this negative relationship. This research significantly contributes to the literature on stakeholder management in entrepreneurship.

THE EFFECT OF STAKEHOLDER ORIENTATION ON ENTREPRENEURIAL VENTURES

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ABSTRACT

We develop a theoretical framework that examines how stakeholder orientation in entrepreneurial ventures affects performance and how this effect is dependent on stages of ventures. We also theorize how the human capital of the venture board influences the stakeholder management. Examining 1,669 ventures affected by constituency statutes regarding stakeholder orientation, we find a negative relationship between stakeholder orientation and the probability of exit, and this relationship is more pronounced in older ventures. Furthermore, we show that the managerial skills of the venture board mitigate this negative relationship. This research significantly contributes to the literature on stakeholder management in entrepreneurship.

KEYWORDS

Stakeholder Management, Venture Board, Successful Exit, Stakeholder Theory

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