

**ENTREPRENEURIAL ORIENTATION WITHIN YOUNG FIRMS: A
THEORETICAL AND EMPIRICAL EXAMINATION OF A
BEHAVIORAL PHENOMENON**

By

William John Wales

An Abstract of a Thesis Submitted to the Graduate

Faculty of Rensselaer Polytechnic Institute

in Partial Fulfillment of the

Requirements for the Degree of

DOCTOR OF PHILOSOPHY

Major Subject: Management

The original of the complete thesis is on file
In the Rensselaer Polytechnic Institute Library

Examining Committee:

Michael D. Ensley, Thesis Co-Adviser

David A. Gautschi, Thesis Co-Adviser

Andrew C. Corbett, Member

Timothy Golden, Member

Michael Kalsher, Member

G. Thomas Lumpkin, Member

Rensselaer Polytechnic Institute
Troy, New York

August, 2007

ABSTRACT

The three essays contained within this dissertation were undertaken to explore the phenomenon of firm-level entrepreneurial orientation within the context of young firms. The dimensions investigated were innovativeness, risk-taking, proactiveness, and competitive aggressiveness. The first two essays were designed to contribute to the literature stream examining a multidimensional view of firm entrepreneurial orientation. By adopting a multidimensional conceptualization, potential trade-offs between the behaviors are hypothesized and investigated. Essay one takes an empirical look at which entrepreneurial behaviors are most strongly associated with young firm growth and examines whether the contribution of those behaviors to firm growth is dependent upon venture age. Essay two examines the moderating influences of organizational structural centralization and formalization upon the relationships between the four investigated entrepreneurial behaviors and young firm growth. Essay two serves to complement the first essay by exploring how young firms may organize to best support their entrepreneurial orientations. The third essay examines whether the group dynamics present within young firm top management teams influence the achievement of fit between a firm's level of entrepreneurial behavior and the demands of its external environment. Essay three brings the human element to bear upon a measure of firm entrepreneurial effectiveness, its fit with external environmental conditions. Taken together, these three essays reveal important insights into how young firms may effectively manage their entrepreneurial behavior to achieve superior performance.