



The Legacy of the Samurai: how conflict between shareholder and stakeholder logics in communities affect ventures

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Abstract:

In this study, we explore how institutional complexity in communities shapes the strategic orientation of new ventures. Drawing on a dataset of Japanese ventures, we explore how firms exhibit strategic orientations associated with stakeholder versus shareholder logics as exhibited by the pursuit of employment growth versus financial growth. We exploit large urban environments where a Western shareholder logic became dominant over the traditional stakeholder logic. We find that increasing community engagement results in employment gains associated with the underlying stakeholder logic. We further find that these effects are moderated by the existence of a founder-CEO who is from an urban context. Conceptualizing community engagement and founder habitus as different forms of embeddedness, we show that community engagement fosters an employment-focused strategic orientation only when aligned with the logics of the founder's origin. We discuss the implications of our findings for scholarship at the interface of institutions and entrepreneurship, and how the content of embeddedness shapes the effects of institutions and the strategic orientations of new ventures.

Biography:

Robert N. Eberhart is a Professor at Stanford University's Graduate School of Business where he studies entrepreneurship and how it shapes society. He is also a visiting professor at Kobe University and research associate at Columbia University. Professor Eberhart's academic publications include topics such as new theoretical constructs on how institutional change has complex effects on new firms and entrepreneurs. Professor Eberhart won awards for the Responsible Research in Business and Management (2020), Organizations and Management Division Best Theory Paper (2017), Outstanding Scholar Award at SCU (2017, 2018), Best Paper Award at the Western Academy of Management (2016) and Best Paper Proceeding of the 2012 Academy of Management. He served as the Vice Chairperson of the U.S. Dept. of State and METI's Japan-US Innovation and Entrepreneurship Council.

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