



THE EVOLUTION OF VISION IN NASCENT STAGE ENTREPRENEURSHIP

Ozioma Egwuonwu
ISCTE-IUL, Portugal
Ana Simaens
ISCTE - INSTITUTO UNIVERSITÁRIO DE LISBOA, Portugal

Access to this paper is restricted to registered delegates of the EURAM 2020 (European Academy of Management) Conference.

ISSN 2466-7498 and ISBN 978-2-9602195-2-4

The Evolution of Vision in Nascent Stage Entrepreneurship

GT03_00 - Entrepreneurship General Track

Abstract

The majority of leadership and entrepreneurial literature affirms the importance of vision in entrepreneurship. However, to date, there is an absence of research that sufficiently describes the evolution of entrepreneurial vision in nascent stage entrepreneurship. This paper explores the evolution of nascent stage entrepreneurial vision. Participants in a pre-seed accelerator program, in Lisbon, Portugal reported on their entrepreneurial journey as it unfolded over one-week of entrepreneurial activity. Utilizing an inductive approach that combines the Experience Sampling Method (ESM) with semi-structured interviews, we investigate how nascent entrepreneurs define vision, perceive their leadership role, and are influenced by their vision for their ventures.

Findings suggest that 1. entrepreneurial vision in nascent entrepreneurs is perceived as future-oriented, solution-based, and differentiated outcome-focused. 2. nascent entrepreneurs perceive themselves to be “Leaders of Vision”. 3. five emerging realities influence the evolution of nascent stage entrepreneurial vision: customer reality, technological reality, social reality, self-sovereign reality, and competitive reality. These findings contribute to the research at the intersection of entrepreneurial leadership and entrepreneurial vision.

Keywords: Entrepreneurial Leadership, Entrepreneurial Vision, Start-up, Nascent Entrepreneurship

Introduction

Vision is seen as essential for inspiring and guiding action within the domain of entrepreneurship (Brush 2008; Greenberger and Sexton 1988; Ruvio et al., 2010; Witt 2007). However, the actual genesis and development of vision, or how it informs a broader range of entrepreneurial contexts, has received an insufficient amount of attention (Preller et al., 2018; Waddock and Steckler, 2016). Attempts to explore this promising research domain often focus on vision formulation and articulation at more advanced stage of entrepreneurship (Shipman et al., 2010), rather than on the influential role vision plays in early-stage entrepreneurial processes, and how it affects venture development from a personal perspective (Preller et al., 2018). To date, there is an absence of research and theory that sufficiently describes the “nature of founder’s entrepreneurial visions from a personal perspective and the way these visions affect their ventures development” (Preller et al., 2018, p.2). Our research study explores the intersection of entrepreneurial vision from a personal and leadership perspective and how entrepreneurial vision evolves during its early stages of development. To study the evolution of vision, we combined the experience sampling method and semi-structured interviews to conduct an exploratory study with nascent entrepreneurs enrolled in a pre-seed accelerator in Lisbon, Portugal.

Literature review

Entrepreneurial Vision

Vision within entrepreneurship research is understood as an idea or image of an intended accomplishment (e.g., Greenberger and Sexton 1988; Bass 1990), as a “previsualization” of a desired outcome (McMullan and Long 1990), an anchor for entrepreneurial action, and as a

“mental model” that influences entrepreneurial activity (Hill and Levenhagen 1995). Cogliser and Brigham’s define vision as “Guidance and inspiration towards goal-directed behavior and organizational performance” (2004). Studies suggest that vision plays a role in venture growth and performance (e.g., Barringer et al., 2005; Baum and Locke, 2004), stakeholder commitment (Bird and Jelinek 1988; Gupta et al., 2004), and follower motivation (Leung et al., 2006).

Definitions of vision within entrepreneurship literature tend to be future-oriented and reflect the role of vision in entrepreneurial contexts (Greenberger and Sexton, 1988; Ruvio et al., 2010). The majority of leadership and entrepreneurial literature underscores the importance of vision in entrepreneurship (Ruvio et al., 2010; Cogliser & Brigham, 2004; Gupta et al., 2004; Larwood, Falbe, Kriger & Miesing, 1995). Most recently, on the vital role of entrepreneurial vision within the context of founding teams (Preller et al., 2018). The definition of entrepreneurial vision we adopt in this study is a “future-oriented image of the new venture, intended to motivate both the entrepreneurs and their followers (investors, future employees) towards the desirable future” (Ruvio et al., 2010, p.145).

Methodology

Data

Data was collected through a strategy of purposeful or theoretical sampling (Eisenhardt, 1989; Miles & Huberman, 1994). Our sample was drawn from a pool of nascent entrepreneurs enrolled in a pre-seed accelerator in Lisbon, Portugal. We define nascent entrepreneurship as “individuals who were identified as taking steps to found a new business but who had not yet succeeded in making the transition to new business ownership” (Carter et al. 1996, p. 151). We received permission from the pre-seed accelerator to present the research opportunity to those registered

for the program at their opening orientation. After the presentation, we invited interested participants to register their interest. Approximately 31% (7 out of 22) of initial invitations were accepted. Ultimately, our sample consisted of 5 narrative inter-views, with entrepreneurs from a diverse range of sectors, see Table 1. Of the total participants, one participant had previous experience with entrepreneurship, was considerably older than the rest of the participants and, was also the only member of a founding team.

Site Selection Context

Informants were chosen from a pre-seed accelerator operating in Lisbon, Portugal, a city that is considered to be an emerging “hot-spot” for startup entrepreneurship in Europe. Currently, Lisbon is experiencing unprecedented interest as a startup destination. Global events such as Web Summit, focus on startup development and expansion of tech-based entrepreneurship. The city itself is teeming with startups that consist of a constellation of locals, ex-pats, and a thriving digital nomad community. Lisbon has a very healthy and growing startup community and ecosystem. The selected pre-seed accelerator is the only Lisbon-based accelerator focused on nascent stage entrepreneurship which, also has a component of its curriculum focused on vision.

Quantitative approach: mobile survey engine

The Experience Sampling Method (ESM) is a research method used for studying what people behaviors, feelings, and thoughts during their daily lives (Hektner, Schmidt, & Csikszentmihalyi, 2007). This method of gathering experience data in natural environments was pioneered in the early 1970s to study “flow” experiences (Hektner, Schmidt, & Csikszentmihalyi, 2007). Most ESM studies consist of asking participants to provide systematic self-reports that cumulatively create a snapshot of daily experience. ESM was used in our study to explore the nascent

entrepreneurial experience over an average week of activity. A 10-question survey was developed, displayed in Figure 1. Participants downloaded a mobile app in their smartphones connected to a mobile survey engine and were asked to register their experience twice a day for seven days. Vision questions that form the basis of this study were the following; Q2: “Has anything/anyone affected your vision for your venture today? (1= Yes 1 | 2= No). If participants selected 1, they were presented with Q3: If yes, please describe in more detail. If participants selected 2, they moved on to Q4: Has your vision for your venture begun to change? (1= A little | 2= A lot | 3=No change). If participants selected 1 or 2, they were presented with Q5: If a little or alot, please describe change in more detail. All questions were presented each time participants completed the survey. The mobile survey was sent out conducted twice a day for seven consecutive days.

Qualitative approach: semi-structured interviews

Semi-structured interviews bookended the seven-day ESM. Each interview lasted 25-60 minutes. Combined interviews lasted between 48 and 63 minutes, with a total of around 300 minutes of recorded interviews. During pre-ESM interviews, we asked entrepreneurs about their entrepreneurial background, the origins, as well as their vision for their desired venture and about their levels of stress, commitment, and overall sense of well-being. We also explored their reasons for registering in the program. Our initial set of interviews focused primarily on participant beliefs and journey as nascent entrepreneurs. After this interview, we also walked them through how to submit data into the mobile survey. Our second-round interviews focused more on participant definition of vision, their leadership relationship with vision, and the role

that vision played during the course of the week that the experience sampling study was conducted.

The first interview set the foundation of understanding the participant and their idea, while the second sought to explore their definition of vision and the role it played influence. A semi-structured approach was applied, using an interview template with themes covering vision and themes covering emotions. In addition to the semi-structured parts, each interview also included an open sharing where participants were invited to share subjects that they felt were important to explore that may not have been asked during the current or previous interviews. All interviews were recorded and transcribed and then reviewed for correct transcription.

Data analysis: coding procedure

For our analytical approach, we followed an inductive methodological approach, as described by Gioia et al., in Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology (2012.) Data regarding entrepreneurial vision was selected, analyzed and coded in the qualitative data analysis software package MAXQDA. Coding was applied to the open-ended data gathered from the ESM collection as well as the semi-structured interviews. Our findings were sourced from both ESM and semi-structured interviews. The findings for our Data structure and emergent organizing framework were sourced primarily from ESM data and supported by information provided by participants during post-ESM interviews.

Findings

By combining participant's initial pre-journey interviews, their subsequent account of the week, as well as participant post interviews, we sought to capture an in-depth, foundational, process-

oriented perspective of the early-stage process of nascent stage entrepreneurship. Below we summarize the findings that have emerged from our study.

Entrepreneurial Vision as Future-Oriented, Solution-Based, Differentiated Outcome

Findings indicate that for participants of this study, that nascent stage entrepreneurial vision is future-oriented, solution-based, and makes a differentiated difference.

Participant B: I think vision, is about what we envision as people about the future, what we would like the future to be in terms of something that can be improved, something that can be added, or just to really solve a pain and vision is about ...is about a scenario where it's primarily based on values.

Participant A: your vision is how you can change the world. how you can make things easier for other people and somehow.

Findings suggest some participants perceive vision was also framed as the capacity to imagine future growth:

Participant D: imagine that idea that business ideas, picture how it could behave.. the business in some... in one year or so. Yeah, I think it involves also that part of like, be able to imagine how it's gonna evolve.

Participant E: it's a dream. yeah it's a dream. something that you yeah it's basically a dream something you want to achieve and not just visualizing it on your head and that's your vision that's your dream turned into something a bit more. concrete probably.

Study findings indicate that some participants perceive vision as being different and making a difference:

Participant C: I think that vision is like an innocent want to do something good in the world and something that you believe should be different .. so vision is your biased want of doing something different in the world.

Participant A: It's the Why... the why is the vision and the vision is making something to change the world or to improve the world or to improve people's lives a certain way.

Leaders of Vision

Findings suggest that participants agreed with perceiving themselves as “leaders of their vision” based on a similar rationale: ownership of the idea, understanding of the idea, responsibility for the idea.

Participant A: Well, because only me. I'm the only one who sees. I'm the only one that has the passion to do what I, what I, what I want to do. And so I'm taking the initiative to make that happen. So it's so like yeah..., I have to be the leader of my own vision. I don't think there's any other way.

Participant B: Because I really do believe that I am, I am the person that must understand what are the problems and must find my find the strength in me to articulate them well, and to really put people together so we can work together on this because I really do believe it's worthy.

Participant D: Because it's my vision. (laughs) you know and... if It's my idea and if I see myself as the leader, if this is going to happen, and if it seems to be successful, of course, I want to be a leader, right. I want to say I did it. I made it and it's successful.

Participant C: That's why I chose this and that's why I consider myself a leader because I think I can tell people bits of information related to biology and psychology that will help them think, Okay, this might actually be good. so this interconnection of different skills in order to allow the people to perform more easily. I think that's, that's unique to me in this moment.

One participant distinguished what type of leader of vision he was due to the fact that he was the only participant who was also a member of a team:

Participant E: Well, we are we are divided. So because I, I do the business part of things. I have someone which is more of a gamification expert, and obviously a CTO because it's technology. So I think we all share the vision and I'm taking the lead on the business and pushing it forward. So we might Say yes, I am the leader of the project itself. Maybe not the vision on detail, because that will be from the gamification side. But let's put it to the topline vision and the business. Yeah, that's me.

Entrepreneurial Vision Evolves as New Reality Emerges

For this study, we define vision evolution as “adjustments made to entrepreneurial vision resulting from influence on the vision and changes made to the vision” This definition is developed from ESM questions 2 and 4, see Figure 7. Findings from interviews and ESM data suggest that the evolution of vision occurs as participants begin to enter into a sort of “entrepreneurial rite of passage,” where they began to face reality. Through inductive analysis of the data, five domains of reality began to emerge: customer reality, technological reality, social reality, self-sovereign reality, competitive reality. The data structure can be viewed in Figure 1. These realities reflect the aggregate dimensions that arose from the open questions from the ESM, as well as from the semi-structured interviews that were conducted after participant’s seven-day journey. These findings suggest that as participants encountered situations that arose within the entrepreneurial context of their journey, their entrepreneurial vision began to evolve. As the week progressed, and as was mirrored in the semi-structured interviews, an image arose of the emerging realities participants faced and how it either caused slight influence or change to their entrepreneurial vision. The representative quotes underlying the evolution of entrepreneurial vision can be viewed in Figure 2, Figure 3, Figure 4, Figure 5, and Figure 6, and have been combined into an emergent organizing framework, see Figure 7. Only one participant from the study reports that they did not experience some form of vision adjustment (vision influence or vision change), see Table 1. With a larger sample and over a long period, we perhaps might see an incremental increase and or understand what contributes to the stabilization of vision during venture development. Further research would benefit from a large-scale longitudinal ESM study of vision evolution, specifically exploring adjustments to vision, vision influence, and vision change.

Discussion

The main objective of the present research was to the evolution of vision in nascent entrepreneurship. In doing so, an essential aspect of entrepreneurial vision was explored: the future-oriented image of the new venture. Overall our findings demonstrate firstly that entrepreneurial vision for nascent entrepreneurs is: Future-Oriented, Solution-Based, Differentiated Outcome. Secondly, that “leader of vision” based “ownership,” “understanding,” and “responsibility” may provide promising motivational activators that support entrepreneurial leadership development. Lastly, the evolution of vision may occur as part of an “entrepreneurial rite of passage,” where five emerging realities, when faced, trigger adjustments in vision that may result in the evolution of vision.

Implications for further research

Through an inductive investigation of the role that vision plays in nascent entrepreneurship, contribute primarily to the literature on entrepreneurial vision. We move this research forward by using innovative research to explore entrepreneurial vision experience during its earliest stages. This paper provides founders, accelerators, investors, educators and, scholars, with insight into this critical domain of research and activity: the dynamic, multi-dimensional exploration of entrepreneurial experience as it unfolds.

While this study explores the experience of single founder nascent entrepreneurs, future studies can apply the methodology to explore vision evolution in nascent entrepreneurial teams. The core contribution that this paper offers is the entry of “Vision Evolution” as an entrepreneurial phenomenon.

Limitations of the study

This study has a few limitations that must be mentioned. It is based on the insights from five aspiring founders in Lisbon, Portugal, which make assessing the level of representativeness uncertain. The transferability of the results from this particular pre-seed accelerator context is a challenge given that this research is exploratory. The coding was conducted by one Ph.D. researcher, representing a source of potential bias. Although this has become acceptable in exploratory work, interrater reliability in future studies will be conducted.

Although the experience sampling method has shown high validity and reliability in previous studies (Hektner et al., 2007), there were times when participants did not report into the app. We made every effort to capture the data via interviews, but this is an inherent limitation of the study. One limitation that we wish to acknowledge is that this study was carried out with nascent entrepreneurs enrolled in a pre-seed accelerator program, which may not fully reflect the average nascent entrepreneur. However, in the domain of technological startups, accelerators and incubators are a prevalent and pervasive part of the nascent entrepreneurship experience.

Conclusions

Through an innovative approach, our entrepreneurial experience study investigated the evolution of entrepreneurial vision and the role it plays in nascent stage entrepreneurship. This study offers a novel approach to exploring the intersection of entrepreneurial vision and entrepreneurial leadership through the lens of unfolding experience. This paper addresses this gap and make a meaningful contribution to the literature through the investigation of this research question: How does vision evolve in nascent entrepreneurship? Limitations of this study include a limited number of interviewees, risk for individual bias in data coding procedures, and generalizability of results to other contexts.

References

- Baum, J. R., Locke, E. A., & Kirkpatrick, S. A. (1998). "A longitudinal study of the relation of vision and vision communication to venture growth in entrepreneurial firms". *Journal of Applied Psychology*, 83(1), 43–54.
- Barringer, B.R., Jones, F.F., Neubaum, D.O., 2005. A quantitative content analysis of the characteristics of rapid-growth firms and their founders. *Journal of Business Venturing*, 20 (5), 663–687.
- Bass, B. M., & Stogdill, R. M. (1990). *Bass & Stogdill's handbook of leadership: Theory, research, and managerial implications*. New York: Free Press.
- Baum, J.R., Locke, E.A., 2004. The relationship of entrepreneurial traits, skill, and motivation to subsequent venture growth. *Journal of Applied Psychology*, 89 (4), 587–598.
- Bird, B., Jelinek, M., 1988. The operation of entrepreneurial intentions. *Entrepreneurship Theory Practice*, 13 (2), 21–29.
- Brush, C. G. (2008). "Pioneering strategies for entrepreneurial success". *Business Horizons*, 51, 21–27.
- Carter, N. M., Gartner, W. B., & Reynolds, P. D. (1996). Exploring start-up event sequences. *Journal of Business Venturing*, 11(3), 151–166.
- Cogliser, C. C., & Brigham, K. H. (2004). "The intersection of leadership and entrepreneurship: Mutual lessons to be learned". *Leadership Quarterly*, 15(6), 771–799.
- Dvalidze, N., & Markopoulos, E. (2020). "Understanding the Nature of Entrepreneurial Leadership in the Startups Across the Stages of the Startup Lifecycle". *Advances in Intelligent Systems and Computing* (Vol. 961). Springer International Publishing.
- Eisenhardt, K. (1989). "Building theories from case study research". *Academy of Management*

- Review, 14(4), 532–550.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). “Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology”. *Organizational Research Methods*, 16(1), 15–31.
- Gupta, V., MacMillan, I. C., & Surie, G. (2004). “Entrepreneurial leadership: Developing and measuring a cross-cultural construct”. *Journal of Business Venturing*, 19(2), 241–260.
- Greenberger, D. B., & Sexton, D. L. (1988). “An interactive model of new venture initiation”. *Journal of Small Business Management*, 26(3), 1–7.
- Hill, R. C., & Levenhagen, M. (1995). “Metaphors and mental models: Sensemaking and sensegiving in innovative and entrepreneurial activities”. *Journal of Management*, 21(6), 1057–1074.
- Hektner, J. M., Schmidt, J. A., & Csikszentmihalyi, M. (2007). *Experience sampling method – Measuring the quality of everyday life*. London: Sage Publications.
- Larwood, L., Falbe, C.M., Kriger, M.P., Miesing, P., 1995. Structure and meaning of organizational vision. *Academy of Management Journal*, 38 (3), 740–769.
- Leitch, C. M., McMullan, C., & Harrison, R. T. (2013). “The Development of Entrepreneurial Leadership: The Role of Human, Social and Institutional Capital”. *British Journal of Management*, 24(3), 347–366.
- Leung, A., Zhang, J., Wong, P.K., Der Foo, M., 2006. The use of networks in human resource acquisition for entrepreneurial firms: multiple “fit” considerations. *Journal of Business Venturing*, 21 (5), 664–686.
- McMullan, W. E., & Long, W. (1990). *Developing new ventures: The entrepreneurial option*. San Diego, CA: Harcourt Brace Jovanovich.

- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook*. Beverly Hills, CA: Sage.
- Nanus, B. (1992). *Visionary leadership: Creating a compelling sense of direction for your organization*. San Francisco: Jossey-Bass.
- Preller, R., Patzelt, H., & Breugst, N. (2018). Entrepreneurial visions in founding teams: Conceptualization, emergence, and effects on opportunity development. *Journal of Business Venturing*.
- Ruvio, A., Rosenblatt, Z., Hertz-Lazarowitz, R., 2010. Entrepreneurial leadership vision in nonprofit vs. for-profit organizations. *Leadership Quarterly* 21 (1), 144–158.
- Shipman, A. S., Byrne, C. L., & Mumford, M. D. (2010). “Leader vision formation and forecasting: The effects of forecasting extent, resources, and timeframe”. *Leadership Quarterly*, 21(3), 439–456.
- Waddock, S., & Steckler, E. (2016). “Visionaries and Wayfinders: Deliberate and Emergent Pathways to Vision in Social Entrepreneurship”. *Journal of Business Ethics*, 133(4):1-16
- Witt, U. (2007). “Firms as realizations of entrepreneurial visions”. *Journal of Management Studies*, 44(7), 1125–1140.

Table 1**Descriptive statistics.** Number of app reports done by each participant of the study

Participant (anonymized)	Idea Type	Number of app report in total	Number of Vision Influence Events Reported	Number of Vision Change Events Reported	Vision Evolution VI + VC	% Total Individual entries
A	Travel App	10	5	4	9	9 of 10 (90%)
B	Fintech	14	7	5	12	12 of 14 (85%)
C	Immersive Tech	12	2	3	5	5 of 12 (41%)
D	Tourism	12	7	4	11	11 of 12 (91%)
E	Enterprise Software	14	0	0	0	0 of 14 (0%)
Total		62	21	16	37	
Total % of Events Reported		100%	33%	25%	59%	

Table 2**Descriptive statistics.** Q2: “Has anything/anyone affected your vision for your venture today?”

Participant (anonymized)	Vision Influence Entry	YES	NO
A	10	5	5
B	14	7	7
C	12	2	10
D	14	7	7
E	14	0	14
Total	64	21	43
Total number of Vision Influence	100%	32%	67%

Table 3**Descriptive statistics. Q4: Has your vision for your venture begun to change?**

Participant (anonymized)	Vision Influence Entry	YES	NO
A	10	4	6
B	14	5	9
C	12	3	9
D	14	4	9
E	14	0	14
Total	64	16	47
Total number of Vision Change	100%	25%	74%

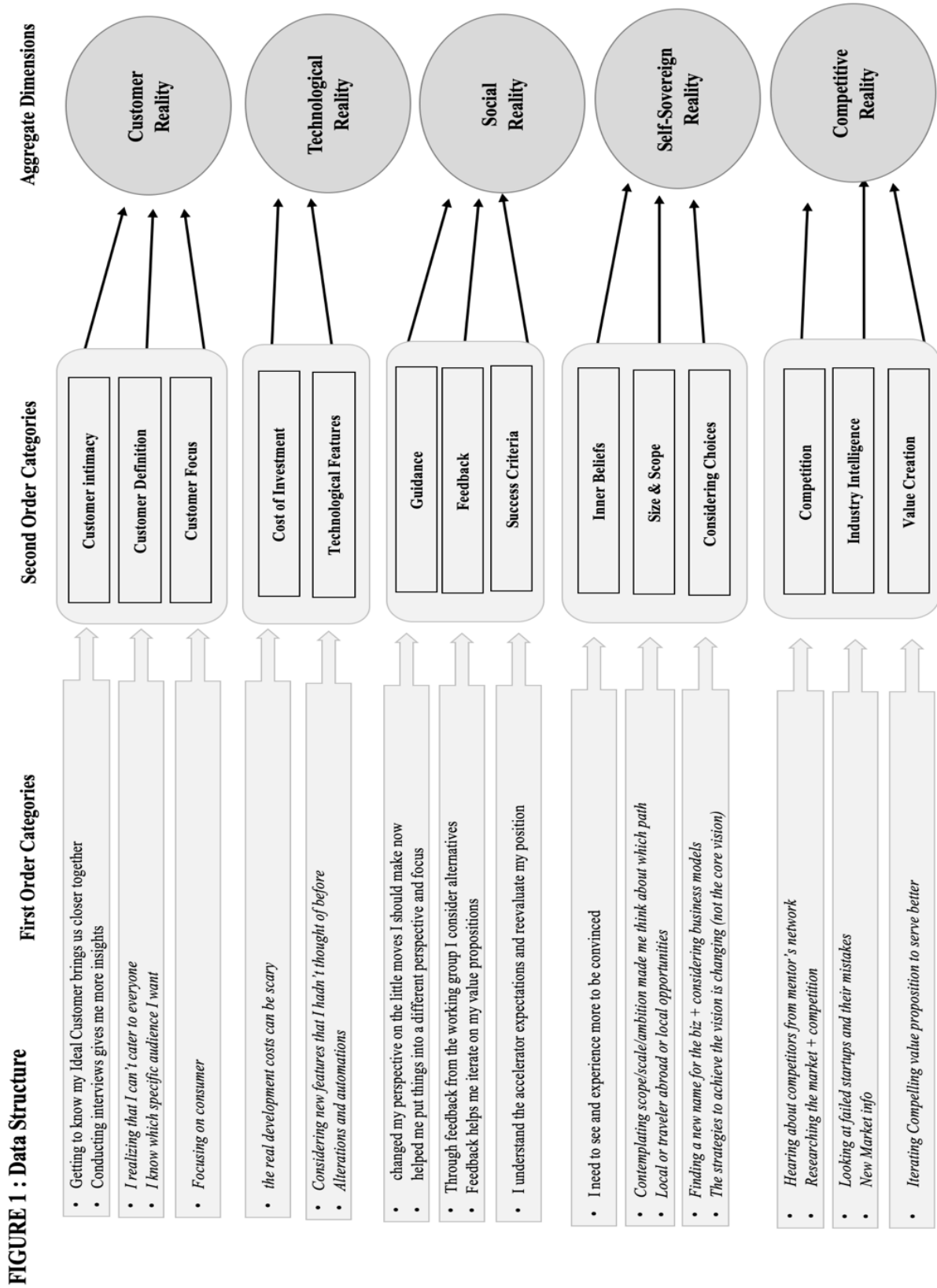


FIGURE 2 : Representative Quotes Underlying Second Order Themes

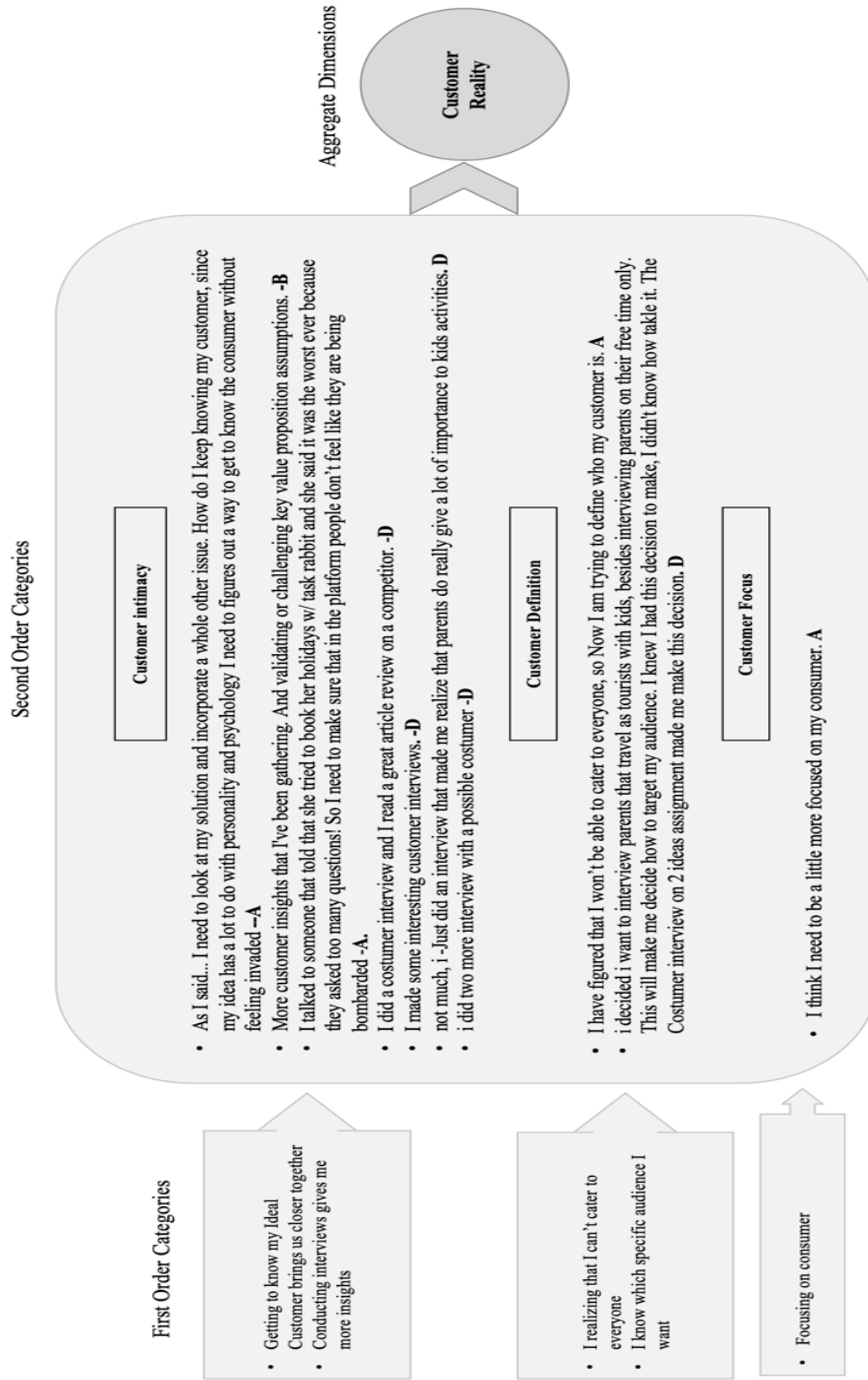


FIGURE 3 : Representative Quotes Underlying Second Order Themes

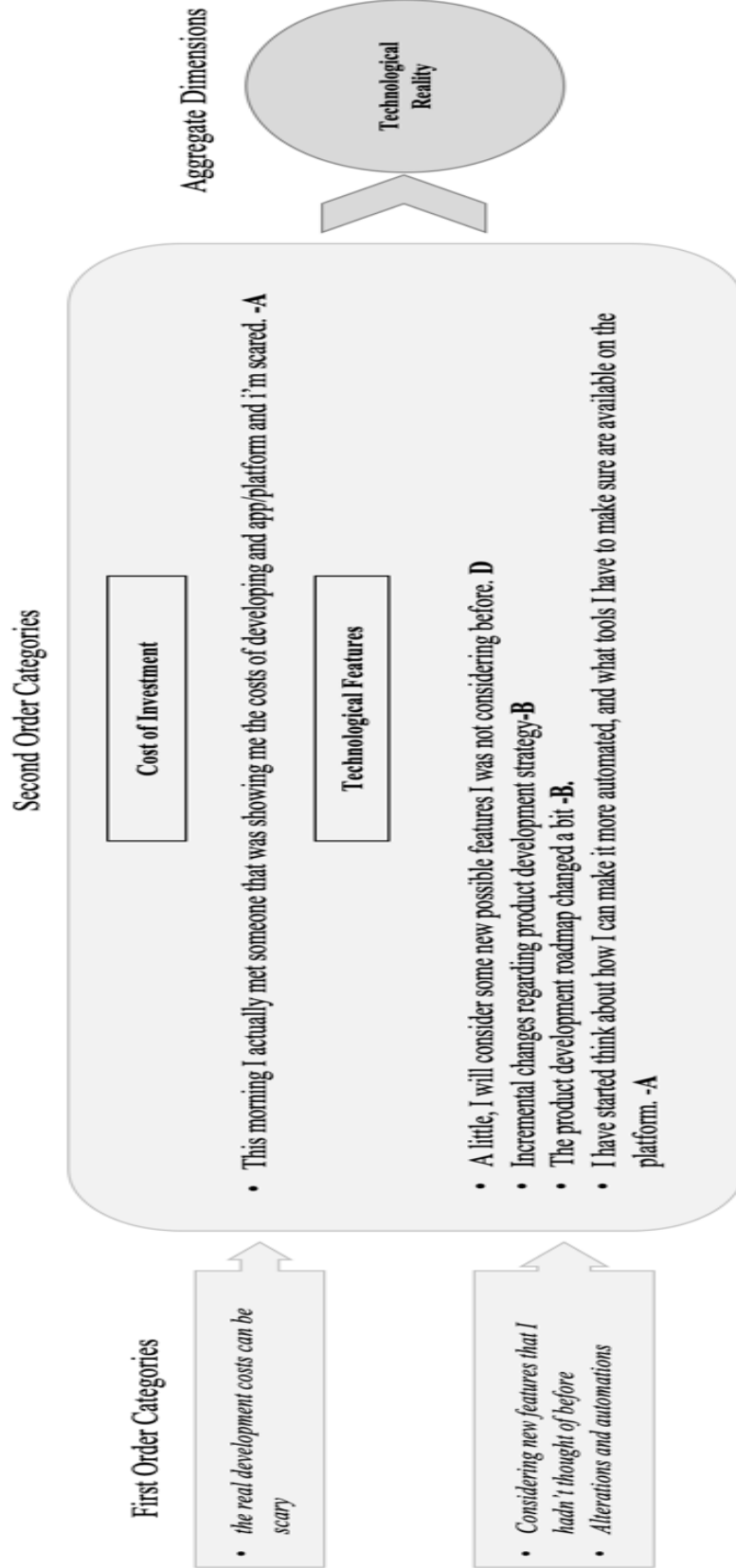


FIGURE 4 : Representative Quotes Underlying Second Order Themes

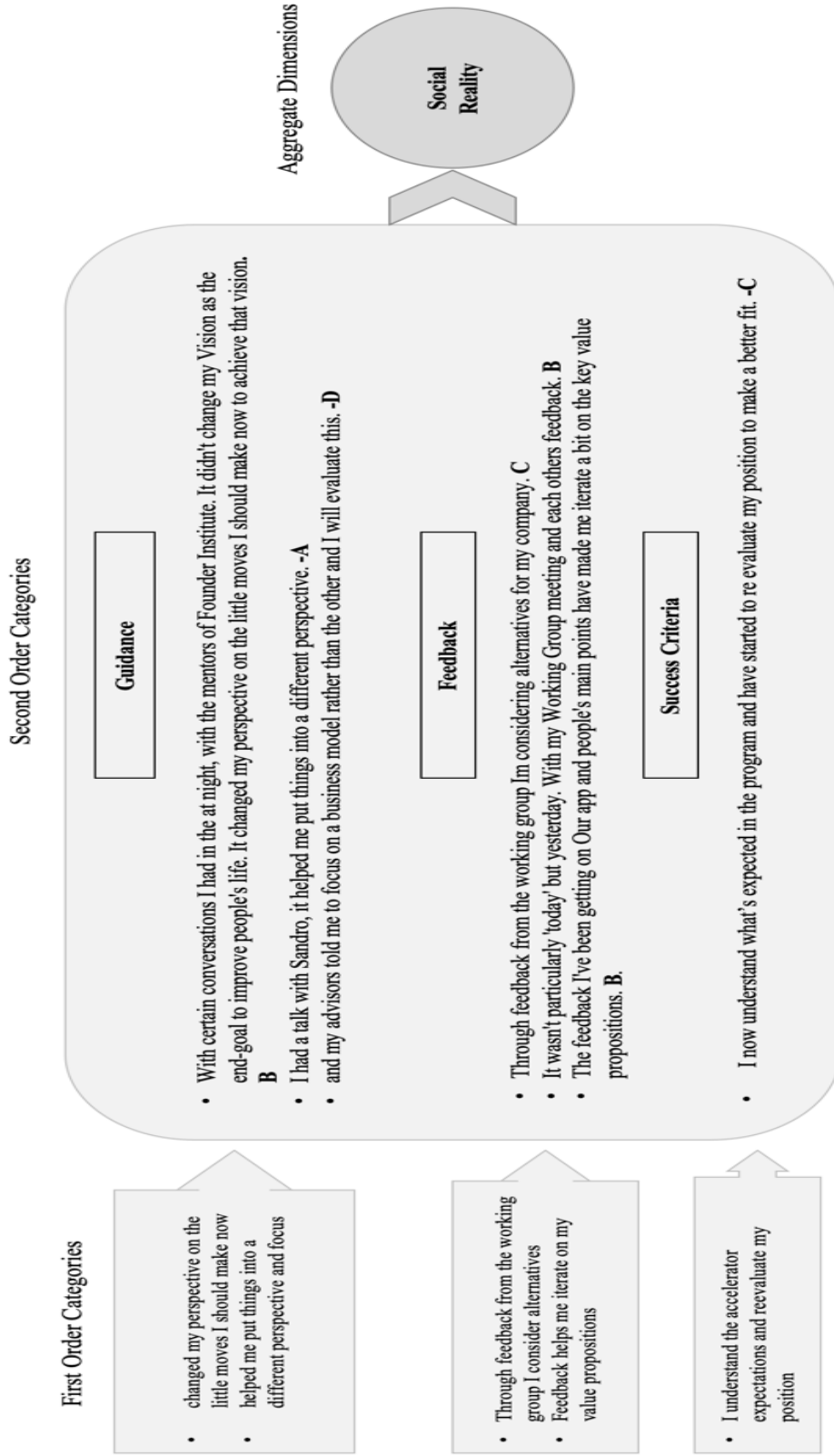


FIGURE 5 : Representative Quotes Underlying Second Order Themes

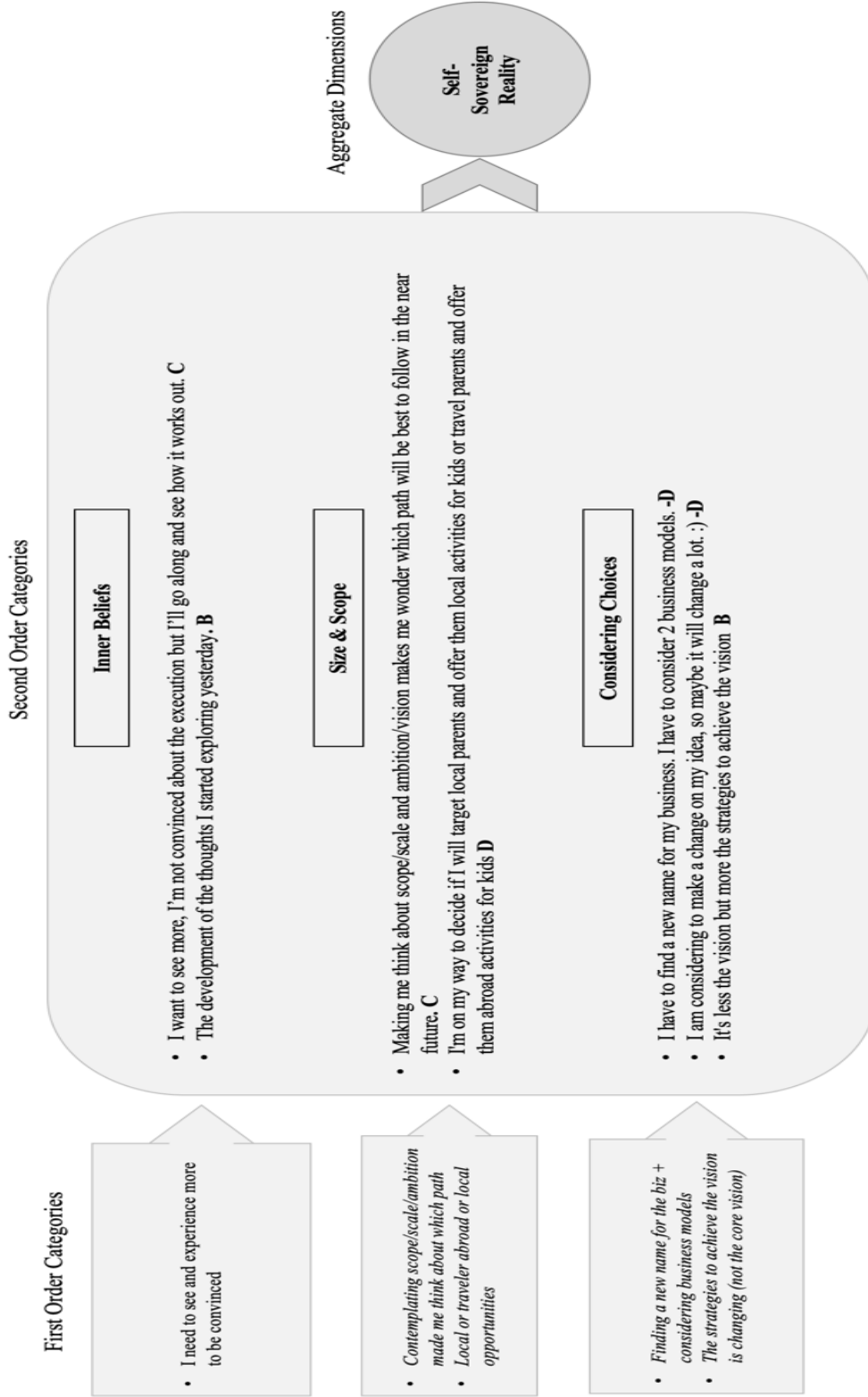


FIGURE 6 : Representative Quotes Underlying Second Order Themes

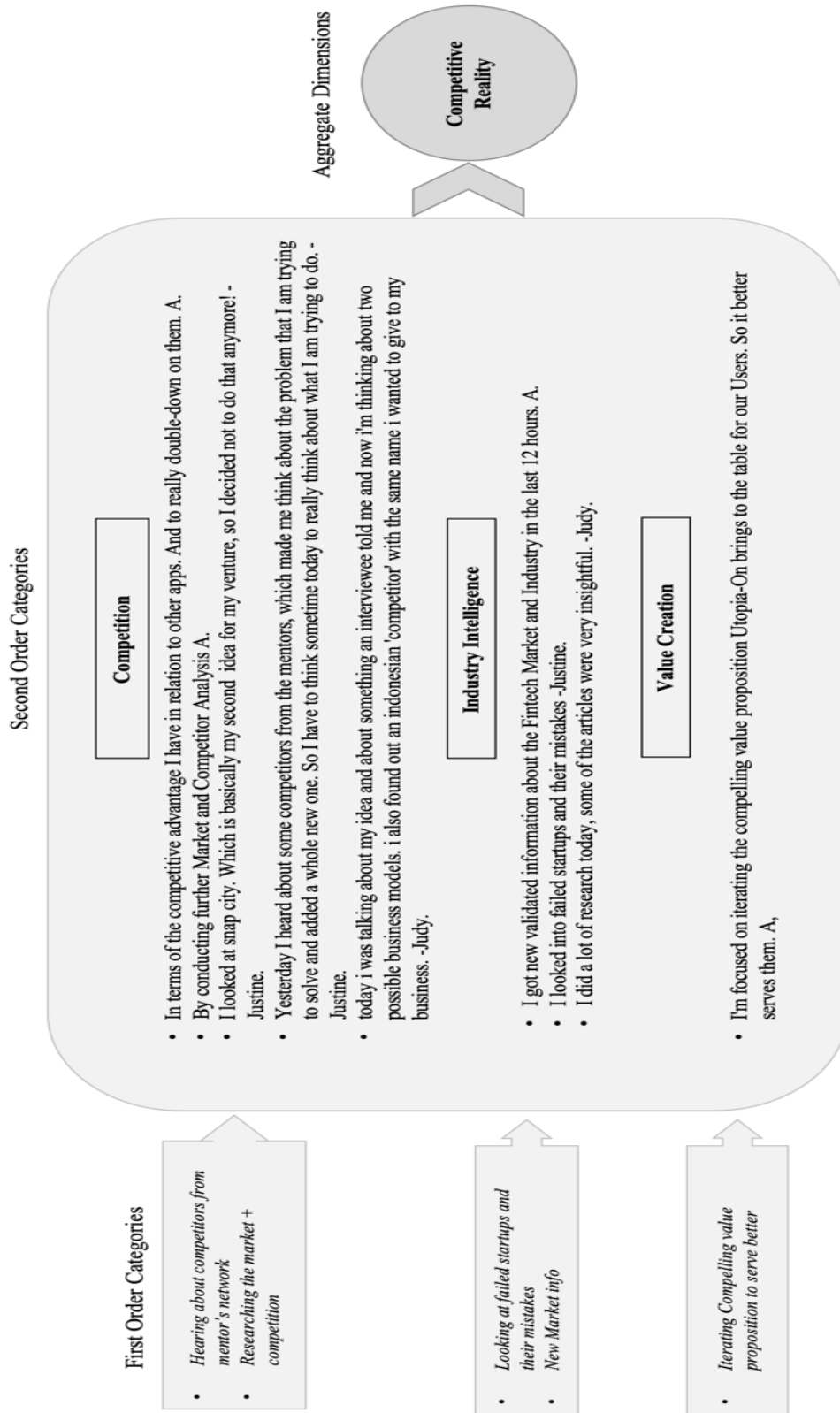


FIGURE 7 : Emergent Organizing Framework of Vision Evolution

