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# Charting New Directions in Entrepreneurship Research

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# New England Journal of Entrepreneurship

## Charting New Directions in Entrepreneurship Research

It would be safe to say that Lowell Wood is not a familiar name for most people. And yet, according to a recent Bloomberg article, Wood now has 1,085 utility patents to his name, one more than Thomas Edison and more than any other American. Wood also has 3,000 other inventions awaiting patent approval, so the likelihood is that by the time he is finally done, Wood will end up with the most utility patents in the world.

At first glance, it may seem that Wood is a highly intelligent man. But if Wood is to be taken at his word, his ability to think through problems and come up with solutions stems from his intense reading of academic journals. For about five decades, Wood has been an avid reader of research articles published in journals. To quote Wood, “It’s just terribly difficult to pull myself away from them. There will be these articles that I absolutely have to read before I can turn loose of this thing” (Vance, 2015: 59). There is no exaggeration in saying that Wood finds scientific articles published in research journals to be deeply thought provoking and a treasure trove of new ideas.

We hope you find this special issue of the *New England Journal of Entrepreneurship* intellectually stimulating in a similar vein. Like all peer-reviewed journal articles, the papers published here were subjected to rigorous peer review and editorial oversight. This screening was in addition to the fact that authors could submit papers to the special issue only if the paper had previously been presented at an *Eastern Academy of Management* (EAM) conference (either in the United States or internationally). Thus, each of the articles in this special issue has been through at least two independent peer-review processes, one at an EAM conference and another at *NEJE*. This rigorous two-tier procedure resulted in a selection of quality articles that we hope you will enjoy. These articles also represent the leading edge of knowledge in entrepreneurship research.

There are a total of five articles in this special issue. Over the past couple of decades, entrepreneurship research has made considerable advances so that it has become a highly dynamic and vital field. The entrepreneurship division of the Academy of Management increased its membership by more than 200 percent, and with close to 3,000 members, it now ranks as among the largest in the academy. While entrepreneurship is certainly a young area of research, it has also “become an increasingly popular field of inquiry in the past quarter of century with a growing community of scholars from a broad spectrum of disciplines entering the field” (Neergaard & Ulhøi, 2007: 1). With this growth, the field has gradually become more theory driven and the methodological approaches in the field have matured considerably. As Bygrave (2007) noted, it is almost impossible today to get an atheoretical (i.e., one lacking in theory) entrepreneurship paper published in a good journal.

The articles presented in this issue reflect many of the advancements in the field of entrepreneurship. These articles include qualitative papers and quantitative studies. They include single-author works and papers with multiple authors (as many as five). As we explain below, the articles deploy a wide range of conceptual frameworks, contributing to different topic areas of interest to entrepreneurship scholars. Both theoretical and empirical articles are represented here. Three common elements of this eclectic collection of articles are worth mentioning: (1) they have all been previously presented at an EAM conference (hence, the *NEJE*–EAM special issue), (2) they are theoretically grounded, and (3) they have undergone blind review by multiple experts in the topic area. When taken together, these three elements ensure that the articles of this special issue are rigorous and create new knowledge.

The first article in this issue, “What’s in It for Me? Reciprocal Exchanges between Underwriters and Venture Capitalists,” is authored by Douglas Miller, Tera Galloway, and Dustin Smith. It is widely accepted that Venture Capitalists (VCs) have played an important role in the American economy over the last few years, identifying and supporting such success stories as Apple, Amazon, Google, and Facebook, to name a few. Miller and colleagues are concerned with prevalence of underpricing in venture-backed IPOs. They examined the interaction between VCs and underwriters and analyzed how such interactions impact the value of IPO. These researchers use agency theory to develop their predictions, which were then tested using a random sample of IPO firms in the 1997–2007 time period. The results revealed that while venture capital’s influence on IPOs does not last long, underwriters benefit long term from the reciprocal exchanges with VCs. The authors also highlight the role of trust and power in the IPO process.

The second article, “The Impact of Immigrant Entrepreneurs’ Social Capital Related Motivations,” is written by Claudia Gomez, Yasanthi Perera, Judith Weisinger, David Tobey, and Taylor Zinmeister-Teeters. Ever since the publication of the 1996 best-seller *The Millionaire Next Door*, the connection between immigrants and entrepreneurship has been salient in public imagination and research enterprise. Gomez and colleagues use the social capital literature to

ground their predictions. Specifically, the authors argue that immigrant entrepreneurs' motivation impacts their use of social networks, which eventually influences business success. Notably, this article is conceptual in nature, so that the authors develop propositions on how social capital shapes business decisions.

One of the most vexing issues in entrepreneurship research relates to the association between household income and new venture start-ups. On the one hand, there are businesses, such as Amazon, that would probably not have gotten off the ground without substantial investment from the promoters' families. On the other hand, there are other firms, such as Apple, whose founders' families made no financial contributions. The challenge is to go beyond anecdotes such as these to look at the issue in a scientific way. Enrique Nuñez takes the challenge head on, asking, "Does household income impact firm emergence, and if so, is emergence impacted differently based on start-up configuration?" For data, Nuñez leans on the Panel Study of Entrepreneurial Dynamics (PSED), a multi-year American dataset purported to be "the most comprehensive assessment of firm creation process" yet conducted anywhere in the world (Reynolds, 2010: 1). The results revealed that household income influences start-up activities and such impact is stronger for family firms compared to solo firms. Also, the study suggested that household income predicts the growth rates for both family and solo firms.

Natalya Totskaya brings an international flavor to this special issue with her study of bridging and bonding social capital in Russia. Social capital is a growing topic within the management literature, and is the topic of investigation in the article titled "Relational Ties in Emerging Markets: What Is Their Contribution to SME Growth?" Using data collected from small- and medium-sized Russian enterprises, Totskaya delves into how firm-internal (bonding) and firm-external (bridging) relational ties impact organizational growth and geographic expansion. The summary of literature on bridging and bonding social capital presented in this article as well as the scales (English and Russian) provided should facilitate future research on this topic.

The final article in the special issue, entitled "Entrepreneurial Behavior during Industry Emergence: An Unconventional Study of Discovery and Creation in the Early PC Industry," is authored by Alka Gupta, Christoph Streb, Vishal Gupta, and Erik Markin. The story of how the personal computer (PC) industry came to be is now part of Silicon Valley legend. The PC industry is arguably the most important industry to have emerged in the last hundred years, laying the foundation for scores of new industries and transforming many existing industries. Gupta and colleagues use discovery and creation logic to cast new light on how the PC industry came to be, delving into the interrelationships and overlaps between discovery and creation. Their data is unique, as they rely on a qualitative study of a popular film that chronicled the formative years of the industry.

The idea for this special issue first emerged in a discussion with Editor-in-Chief Grace Guo. We very much appreciate Grace entrusting us with this responsibility. Her stewardship throughout the long process was instrumental in bringing together a diverse and highly competent group of contributors. We then reached out to the Eastern Academy of Management as well as the Eastern Academy of Management–International about the idea of a special issue, which was received warmly by their decision-makers. The call for papers went out to all Eastern members. We are grateful to all EAM and EAM-I reviewers as well as *NEJE* reviewers who helped us identify good articles and then facilitated their journey toward publication. A heartfelt thanks to all who submitted to this special issue, helped us with the review process, and facilitated our access to entrepreneurship papers at the Eastern conferences. We could not have done this without your support!

The contributions that finally made it to the special issue cover a wide spectrum and the editorial process provided us with an invaluable opportunity to gain new insights into entrepreneurial phenomena. They speak to the different gaps in the entrepreneurship research literature through a variety of research designs and methods. They also offer constructive suggestions for future research.

We believe this issue will help readers become more familiar with the topics discussed and encourage them to look deeper and further into these topical areas. We are hopeful that these articles will stimulate new ideas and new conversations, so that academic inquiry about entrepreneurship is propelled forward in productive ways.

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