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The Maturing of Entrepreneurial Firms:

Entrepreneurial Orientation, Firm Performance, and Administrative Heritage

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A large body of research has exhibited the positive effect of entrepreneurial orientation (EO) on firm performance. However, research that attempts to explore what happens to high EO firms when they mature is sorely needed. Every firm establishes a heritage over time that impacts future capabilities. In the current research, we build on the international business literature to examine how a firm's administrative heritage moderates the long-term effects of the EO-performance relationship, examined through the firm's asset specificity, founder tenure, and home culture embeddedness. From this, implications are derived for EO retention and the firm's awareness of administrative heritage and how to shape it to their advantage.

Keywords: entrepreneurial orientation, long-term firm performance; administrative heritage; asset specificity; founder tenure; cultural embeddedness

As the "entrepreneurial strategy-making processes that key decision makers use to enact their firm's organizational purpose, sustain its vision, and create competitive advantage(s)" (Rauch, Wiklund, Lumpkin, & Frese, 2009, p.6), entrepreneurial orientation (EO) may enhance the firm's ability to discover and exploit resources and to break existing rules and establish new institutional paradigms within a market (Khanna & Palepu, 2010), which in turn increases firm performance. Despite the abundant literature on EO (see Gupta & Gupta, 2015a), little effort has been made to explore what happens to firms with high EO when they mature. In particular, a crucial question remains unanswered: does the firm's EO prevail as a guiding light to ongoing superior returns over time? This remains an issue partly because existing EO research has studied firms at a single point in time or over a very short period of time (e.g., Wiklund, 1999). Few articles have explored EO-firm performance longitudinally (Gupta & Gupta, 2015a, b; Wales, 2016) and how this accumulation of resources and decisions might influence the firm's ability to capitalize on its EO. Thus, studying firm-level implications that position EO as a strategic posture (e.g., Covin & Lumpkin, 2011) and identifying conditions under which particular past resources/assets enhance or constrain the effects of EO represents an important research agenda.

To explore this long-term perspective on the EO-firm performance relationship, this article utilizes the population ecology perspective (Hannan & Freeman, 1984), and focuses on the building blocks of organizational inertia and path dependencies. Administrative heritage is defined as a firm's "configuration of assets and capabilities built up over the decades; its distribution of managerial responsibilities and influence, which cannot be shifted quickly; and an ongoing set of relationships that endure long after any structural change" (Bartlett & Ghoshal, 1998, p.37-38). Additionally, there are multiple constituents of administrative heritage. For example, Bartlett and Ghoshal (1998) identify administrative heritage as a firm's social norms, common behaviors, and values that stem from employee interactions and more directly from the original founder of the company. Administrative heritage is viewed from a "historical context," and includes a firm's typical attributes and routine processes for completing relevant tasks (Leong & Tan, 1993). Through the lens of administrative heritage, a firm's key competencies are identified (Bartlett & Ghoshal, 1998), as well as their established routines and recognized capabilities (Dixon, Meyer, & Day, 2010). Administrative heritage is a direct source for identifying a company's key competencies and determining the established strategic capabilities of a firm (Bartlett & Ghoshal, 1998). Administrative heritage is also viewed as an asset or as an explicit hindrance to firms, depending on the administrative philosophies that are set in place by the founder or key executive (Leong & Tan, 1993), and to the extent that firms are blessed with or limited by their existing resources and knowledge abilities (Teece, Pisano, & Shuen, 1997). Furthermore, Lin and Hsieh (2010) identify administrative heritage as shaped by the culture of a region and by the history of a firm and is therefore a crucial constraint that must be thoroughly understood and adapted upon for firms to function effectively. Collectively these constituents of administrative heritage are critical such that they add value beyond path dependence and core rigidities frameworks, as it goes beyond just past decisions or group of decisions a firm has

made. Accordingly, administrative heritage can be a source of enduring competitive advantage or a firm's biggest barrier to change. Hence, a firm should have a deep understanding of their administrative heritage to achieve sustainable performance. This leads to the current research question: what factors derived from administrative heritage moderate the EO-firm performance as high EO firms mature?

According to Bartlett and Ghoshal (1998), there are three main shapers of administrative heritage: organizational history, the influence of specific individuals, and national culture. A portion of administrative heritage is derived from path dependence such that organizational history refers to the path taken by the firm that defines their current operations. In the current research, we follow Collis (1991) to examine organizational history from the perspective of the physical heritage or the specific assets the firm has invested in over its years of operations. From these investments, there is some level of irreversibility, limiting the subset of decisions a firm can make for the future. In reference to entrepreneurial firms, past research shows the importance and influence of the company's founder (e.g., Baron & Tang, 2011; He, 2008). Therefore, the current research examines the enduring influence of the founder via the founder's tenure (Nelson, 2003). The founder of a firm with high EO has to have time to champion and institutionalize every aspect of EO throughout the firm. From this, the founder can instill EO as the dominant logic of how decisions are made by future firm leaders (Prahalad & Bettis, 1986). National culture can be defined as "the collective programming of the mind which distinguishes the members of one group or category of people from those of another" (Hofstede, 1980, p.25). A recent study indicates that national culture moderates the EO-firm performance relationship (Saeed, Yousafzai, & Engelen, 2014). In the current research, we go beyond the categorization of firms' home culture into certain dimensions; that is, we focus on the firm's embeddedness into their home culture. This embeddedness dictates the degree to which companies think about how business must be done and how the company should be structured (Bartlett & Ghoshal, 1998). A greater degree of embeddedness limits the subset of entrepreneurial actions a firm can make over time. From these three shapers, it will not be argued that administrative heritage is good or bad, but that firms need to be aware of what makes up their administrative heritage, and they must be active shapers of it.

We propose that all three shapers of administrative heritage have an influence on the relationship between EO and firm performance. Given the need to advance EO research through theory (Covin & Lumpkin, 2011; Wales, 2016), we present arguments for the usefulness of administrative heritage to further understand the EO construct. Our research makes several contributions to the EO literature. First, we fill a gap in the literature by theoretically exploring what happens to firms with high EO as they mature and elements of organizational inertia have the ability to develop over time. Second, a meta-analysis on EO suggests that existing research on contingent investigations of EO are not adequate in explaining how EO affects firm performance (Rauch, Wiklund, Lumpkin, & Frese, 2009). Thus, this article will add to this stream of literature by examining the EO-performance link through the unique lens of the firm's past decisions and philosophies (i.e., administrative heritage). Third, this article expands the EO-firm performance conversation to a longer time period and bridges the entrepreneurship literature to population ecology and international business concepts. Although administrative heritage has predominantly been used in international business literature, we propose that the foundations are useful to entrepreneurship research and thus we explain how administrative heritage lends itself to further ground EO research in theory (Covin & Lumpkin, 2011).

EO and Firm Performance

EO consists of three core dimensions: innovativeness, proactiveness, and risk-taking (Miller, 1983). Innovativeness represents a firm's innate capability to experiment and create a new product, a new service, or a new technological process (Lumpkin & Dess, 1996). Proactiveness refers to a firm's desire to be in constant motion to be ahead of its competition. To do this, a firm is always looking to seek out new opportunities and make difficult decisions on their own merit before the market makes them. Risk-taking refers to the firm's ability to make decisions in light of complex, uncertain circumstances. Risk-taking behaviors can come in the form of investing in a new venture or technology where the probability of success is unknowable or very small (Wiklund & Shepherd, 2005).

The relationship between EO and firm performance is well established. For instance, a meta-analysis finds that EO is strongly and positively related to both financial performance (measured by both perceived and archival financial performance), and non-financial performance

such as satisfaction or global success ratings (Rauch, Wiklund, Lumpkin, & Frese, 2009). Research has also offered evidence for a curvilinear relationship between EO and firm performance (Tang, Tang, Marino, Zhang, & Li, 2008). More recently, research has established the relationship between proactiveness and social performance of SMEs (Tang, Tang, & Katz, 2014). Further, a large body of research has been dedicated to identifying the contingent factors that enhance the effectiveness of EO, such as environmental and internal organizational factors. Environmental factors include environmental dynamism, munificence, complexity, and industry characteristics; and internal factors include firm size, structure, strategy, strategy-making processes, firm resources, and top management team characteristics (Lumpkin & Dess, 1996).

Although extant studies have focused on static characteristics of the current condition of the firm in order to better explain the EO-performance relationship, very few, if any, have examined the long-term effects of the EO-performance relationship and what factors influence this relationship when a firm matures (Gupta & Gupta, 2015b). Therefore, the current piece explores the aspects of the accumulation of the firm's administrative heritage over time, which underlies the effectiveness of the firm's EO. In effect, as a firm matures, certain elements of organizational inertia begin to develop based on the accumulation of the firm's past decisions and behaviors. Over time, a firm naturally becomes dependent on its existing path and resources, making it more difficult to take entrepreneurial action into a new market or market segment. To explore this, we employ the elements of organizational inertia to explicate how the firm's asset specificity, the tenure of the founder, and the firm's embeddedness into its national culture might shape the effect of EO on firm performance.

Administrative Heritage

Administrative heritage theorizes how the context of the firm's inception and past affect its current decision-making processes. Peer companies can face the same strategic goals, but have very different ways of implementing the tasks needed to achieve those goals. This is because the ability to build strategic capabilities depends on the firm's existing organizational attributes, or administrative heritage (Bartlett & Ghoshal, 1998). Tactics and strategic plans can easily be changed, but a core capability that has built the firm's previous success is not easily adaptable (Prahalad & Hamel, 1990). Thus, the past greatly influences the future, which can be good or bad.

Two competing sides of the spectrum have been developed over the years on whether the elements of administrative heritage are positive or negative for firm performance. From a resource-based view, authors such as Dierickx and Cool (1989) describe how asset stock accumulation can be an integral part of a firm's competitive advantage. Without the accumulation of tangible and intangible assets, firms would not have the ability to increase its absorptive capacity (Cohen & Levinthal, 1990) or gain a competitive advantage through superior knowledge (Kogut & Zander, 1992). Additionally, administrative heritage is an asset to firms if the predetermined norms, behaviors, and values contribute to an environment that promotes adaptation and change as opposed to stagnation (Dixon & Day, 2007; Leong & Tan, 1993). For example, administrative heritage can be viewed positively when firms have the ability to detect the need for organizational change, in a sort of "whistleblower" fashion (Dixon, Meyer, & Day, 2010). Administrative heritage may also present key benefits when firms undergo expansion by retaining the existing informal contacts and operational norms, which in turn promote operating independence (Leong & Tan, 1993). Leong and Tan (1993) also argue that administrative heritage is a sort of "internal force" that is beneficial to organizations, if utilized in a way that expands the strategic capabilities of the organization. Furthermore, Collis (1991) argues that administrative heritage inherently provides firms with a means for differentiation. In sum, if firms' administrative heritage involves methods for adaptation and resiliency, it is an excellent asset for them to capitalize on and thus administrative heritage is an asset when the beneficial aspects are maintained and utilized.

On the other hand, other researchers (e.g., Knight & Cavusgil, 2004) have used the idea of administrative heritage to explain why existing firms are not able to adapt to changing needs in a dynamic world. This is because the elements of administrative heritage get deeply embedded into the firm, institutionalizing how the individuals in the firm should do things. Over time, these policies, practices, and philosophies get passed to the next generation of employees. This tends to make a firm highly efficient, but becomes troublesome when the external market changes and the firm is not well equipped to handle such changes. Because of the firm's administrative heritage, the firm has a smaller subset of choices on how to respond and what its response could be (Collis, 1991). However,

while administrative heritage and its elements can either be claimed to be the catalyst or source of blame for a firm's performance, it has yet to be explored how it affects entrepreneurial firms.

As stated above, there are three primary shapers of administrative heritage that impact the firm's norms and capabilities (Bartlett & Ghoshal, 1998): organizational history, the influence of specific individuals, and national culture. We address these factors through asset specificity, the founder's tenure, and firms' embeddedness into national culture, and explain how each of these three factors affects the contribution of EO to performance. Asset specificity is utilized to represent the firm's physical history and its ability to reconfigure its assets to take on new entrepreneurial initiatives. The influence of the founder via his or her tenure is utilized to represent the degree of how ingrained and sustainable the firm's EO is over time. Finally, national culture embeddedness represents the restrictiveness of the firm's future decision sets. Every firm is influenced by administrative heritage and these three elements. Below, this piece explores the context of these elements and how a high EO firm can retain their positive EO-firm performance relationship over time.

The Moderating Role of Asset Specificity

Asset specificity is the "degree to which an asset can be redeployed to alternative uses and by alternative users without sacrificing productive value" (Williamson, 1991, p.281). Every firm must operate and make decisions with its current asset configuration and historical distribution in mind. The research on organizational path dependence best represents this phenomenon (Sydow, Schreyoff, & Koch, 2009; Vergne & Durand, 2010). Path dependency refers to a sequential or evolutionary process where current operations build upon previous decisions. Some firms strategically pick their paths, through what Ghemawat (1991) describes as commitment strategies. These firms claim their space in the competitive market by investing in specific assets or pursuing a specific technology. This is not to say that a firm can be completely predictable based on past events. Path dependency does not necessarily mean historical determinism (Greener, 2002). Each path can be interpreted in different ways as new managers come in or higher priorities take over (March & Olsen, 1989). Thus, paths can evolve, but it is much more difficult for managers to implement the revolutionary process.

After a certain point in time, the constraints that path dependencies impose on the firm come in the form of inflexibility and inefficiency (Sydow, Schreyoff, & Koch, 2009). Inflexibility and inefficiency lead to higher costs of operation without providing alternative revenue streams, which has an inherently negative effect on performance. In addition, to take on new opportunities, a firm must have access to capital. When most of the capital is already tied up in other investments, it will be much more difficult for a firm to pursue that opportunity. These investments could be physical assets, human assets, site specificity, dedicated assets, or brand-name capital (Williamson, 2002). The use of the investment for a specific purpose can come from the design of the investment or through the cognitive fixation of the original intent of the investment. Some investments are specifically made or customized to only do certain things. Other investments are prone to cognitive fixations (Smith, 2003), which implies managers are unable to see additional uses for the investment beyond what its original purpose was. This is very common through industry standards where certain equipment is only assumed to be useful for only one application. Thus, through design or through cognition, asset specificity can provide rigidity to a firm's future options.

Although a firm with EO has tools to protect itself from fixation on asset specificity, managers in these firms are still operating under bounded rationality (Simon, 1955). As the asset specificity goes up, it becomes difficult for managers to creatively reposition its assets to capitalize on a new competitive move. While a certain amount of asset specificity is needed for production (Williamson, 1985), there is an unknown tipping point where the rigidities become "locked in" because as the asset specificity increases, its value in alternative uses decreases (Dyer, 1996). As new opportunities present themselves to the firm, inflexibility and inefficiencies set in. In effect, this removes the advantages and usefulness of a firm's EO. In addition, the transaction cost economics view also states that as the firm's asset specificity increases, costs go up to safeguard against opportunism (Williamson, 1991). This suggests that when asset specificity is high, the firm cannot effectively utilize its EO to outperform the competition due to the constraints of its existing assets.

Proposition 1: *As firms mature, the positive relationship between EO and firm performance will be stronger when asset specificity remains relatively low.*

The Moderating Role of Founder Tenure

Extant research shows the lasting influence of the founder on a company (Nelson, 2003), especially in reference to a firm's EO, as a founder CEO is more likely to value and adopt EO (Mousa & Wales, 2012). Focusing on EO from the beginning is crucial, as "once formulated and articulated, a founder's organizational blueprint likely 'locks in' the adoption of particular structures, as well as certain premises that guide decision-making" (Baron, Hannan, & Burton, 1999, p.532). Therefore, for firms with high EO, the founder must be the EO originator and champion for EO to be effectively implemented.

Administrative heritage has its greatest effect on the firm's decision makers (Bartlett & Ghoshal, 1989; Collis, 1991). As a firm matures and new leadership takes over the strategic direction of the firm, there is a potential of the loss of momentum and champions of the firm's EO. Such things as personality and backgrounds of future leadership can influence entrepreneurial actions and intentions (Zhao, Seibert, & Lumpkin, 2010). These individual differences on entrepreneurial intentions can be minimized or enhanced based on the institutionalization of EO in every aspect of the firm (O'Reilly III, Chatman, & Caldwell, 1991). Again, one of the main influencers of this internal philosophy is the founder (Schein, 1989). One outlet for founders to shape and institutionalize EO is to develop internal human resource systems that support and reward the facets that make-up EO (Morris & Jones, 1993), which has been shown to be beneficial to the EO-performance relationship (Messersmith & Wales, 2013). The other outlet to ingrain EO is informal stories (Wilkins, 1984). Organizational storytelling provides a guiding light for internal and external stakeholders on the identity of the firm and its future direction (Boje, 1991). Having iconic stories of the firm's great success as a result of its EO will get passed down to each generation of stakeholders, instilling the entrepreneurial heritage for the future and setting expectations for future leadership (Boje, 1995).

Ingraining EO to be the default way of thinking for the firm is not a quick process. As a firm grows, it takes time to build out human resource structures and systems, and it takes time for stories to develop. It takes even more time and dedication to craft each element to ensure all fit within the firm's EO. Thus, there is a time element to the sustainability of a firm's EO (Wiklund, 1999). Without the core EO champion actively guiding this process, the longevity and completeness of the firm's EO becomes

questionable. Hence, a longer tenure of the founder would enable the firm to develop a more sustainable EO because the longer the founder is at the firm working on ingraining EO into all of the firm's parts, the more likely EO will become the firm's dominant logic (Prahalad & Bettis, 1986). That is, the founder has set the script for future leadership of the firm on how to think about and react to any situation. Based on the reasoning above, we propose:

Proposition 2: *As firms mature, the positive relationship between EO and firm performance will be stronger when founders have longer tenure with the firm.*

The Moderating Role of Firm Culture Embeddedness

Cultural differences have been shown to be a primary factor in explaining why business is done differently in different countries (Witt & Redding, 2009). Culture defines why a specific population acts in a certain way and why they do the things they do. These differences can be seen in education systems, legal systems, and in firms in terms of structure, practices, and goals (Hofstede, Van Deusen, Mueller, Charles, & Network, 2002). Culture has a way of preserving what society values (Zucker, 1977), which creates underlying motivations for the activities individuals partake in, such as entrepreneurship (Mueller & Thomas, 2001).

National culture has been associated with EO. Some claim that national culture is an antecedent of EO, in that the national culture promotes the type of orientation a firm will have (e.g. Lee & Peterson, 2000). For instance, Kreiser, Marino, Dickson, and Weaver (2010) explore the cultural effects on EO factors of risk-taking and proactiveness. They find that strong uncertainty avoidance and high power distance negatively affect both risk-taking and proactiveness, and individualism also has a negative effect on proactiveness. More recently, however, studies show that high EO firms do exist in all cultures. More importantly, culture influences the strength of the relationship between a firm's EO and other dependent variables. For instance, Marino, Strandholm, Steensma, and Weaver (2002) show that the relationship between EO and the extensiveness of the strategic alliance portfolio is moderated by national culture. Additionally, a recent meta-analysis utilized Hofstede's (1980) cultural dimensions to show that national culture and other macroeconomic factors moderate the EO-performance relationship (Saeed, Yousafzai, & Engelen, 2014).

While all these studies on culture provide great insights, this piece explores the firm-level variable

associated with national culture. From the population ecology literature, a more appropriate perspective is to explore the firm's embeddedness into such informal institutions (Baum & Oliver, 1992). Cultural embeddedness is the degree to which the elements of the firm's national culture influence its decision-making processes, organizational structure, and rule systems (Granovetter, 1985; James, 2007; Uzzi, 1997; Zukin & Dimaggio, 1990). As stated above, national culture guides a group of people to answer the question: how are things done here? As such, culture limits the vast array of variations on how one can respond, and how he or she responds to a given situation. Thus, the deeper a firm is embedded into its home culture, the subset of potential options is more reduced by the informal institutions indicating how things should be handled. As culture and societies change, being too embedded into an existing culture will make it difficult to change a firm's thinking about how to do things (Greenwood & Hinings, 1996). For instance, some question how suited existing firms in China will be to capitalize on the next generation of Chinese citizens who are becoming more individualistic (Kwon, 2012). Thus, being deeply embedded into a culture at a specific point in time creates an additional path a firm is dependent on (Kistruck & Beamish, 2010), making the firm's home national culture highly influential on its dominant logic. If culture provides the heuristics of how to do things, this may compete and conflict with the internal EO on how a firm reacts. Over time, if national cultural forces become the guiding light, the firm's ability to take entrepreneurial action will depend on national cultural fit rather than its own EO. Thus, if a high EO firm is less influenced by its national culture to make decisions, EO will have a greater influence on how firms think about and execute decisions.

Proposition 3: *As firms mature, the positive relationship between EO and firm performance will be stronger when the firm's embeddedness to its home culture remains relatively low.*

Discussion

While some have shown that the standard moderators such as internal and external characteristics of the firm apply to the EO-performance relationship, a relatively recent meta-analysis calls for research to explore more moderators (Rauch, Wiklund, Lumpkin, & Frese, 2009). To answer this call, this article has explored aspects of the firm's asset specificity, founder tenure, and firm national cultural embeddedness to develop more contexts of the firm's EO and its effectiveness. These elements represent

a firm's administrative heritage. Administrative heritage is an all-encompassing term that takes into account all of the aspects of the organization's history, the influence of specific individuals, and national culture to better understand the past decisions a firm has made and possibly predict a firm's future conditions beyond just an array of strategic choices. Over time, all firms develop an administrative heritage, with some aspects being beneficial to long-term success, and other elements becoming barriers to change. As a firm with high EO matures, will its EO sustain the test of time? As argued above, it will if the firm's heritage becomes ingrained with the firm's EO rather than focused on past paths taken, past success, or other external influencers like culture. If the firm is set up to be entrepreneurial and its EO is deeply ingrained to be the dominant logic, then through structure, processes, and identity, the firm will be better suited to sustain its EO over time.

Theoretical and Practical Implications

This article contributes to the conversation on how EO affects firm performance, especially over a long period of time. Gupta and Gupta (2015a) point out that long-term relationships between EO and firm performance are not often theoretically elaborated. Through the usefulness of administrative heritage, we provide a means for scholars to enhance the EO construct through theory. The moderators based on asset specificity, founder tenure, and firm national cultural embeddedness provide more context to a firm's EO as it matures. As the building blocks of organizational inertia, administrative heritage and time provide a theoretical linkage to the longevity of a firm's EO. This new perspective also adds a time element to the relationship by assuming changes over the firm's life cycle. A longitudinal outlook makes this relationship more dynamic.

Accordingly, the value of this research (often referred to as the "so what" question) is multifaceted. First, administrative heritage adds an internal element such that "A company's ability to respond to the strategic task demands of today's international operating environment is constrained by its internal capabilities, which are shaped by the company's administrative heritage" (Bartlett & Ghoshal, 1998, pp. 39-40). Moreover, while administrative heritage includes path dependence and the element of time, it also includes people and place factors. Thus, administrative heritage incorporates decisions, people, and places over time, all of which shed light on the EO-performance relationship and is a key differentiator

between this study and prior work examining the EO-performance relationship. Understanding these three elements in reference to EO and long-term performance is highly needed and this research will not only help firms remain entrepreneurial, but it also allows firms to become disrupters rather than the disrupted. Hence, the value of this integrative research includes a level of robustness not encompassed by path-dependence alone and is critical to better understanding the EO-performance impact. Additionally, this research also answers the call (Rauch, Wiklund, Lumpkin, & Frese, 2009) in EO for more complex evaluation by utilizing a time-based construct with the three important aspects of a firm (i.e., asset specificity, founder tenure, and culture embeddedness).

Further contributions of this article are also made by providing insights on how researchers can begin to use administrative heritage in the entrepreneurship literature. Having this ability will allow researchers focused in decision making to see how the interaction between administrative heritage and EO affects strategic decisions, which then affect performance. Additionally, by conceptualizing administrative heritage into a context such as the EO-performance relationship, studies can begin to measure a firm's administrative heritage. Many studies on administrative heritage have been qualitative (e.g., Collis, 1991), due to its long-term nature. This piece conceptualizes three measurable variables to begin to quantify a firm's administrative heritage. This novel conceptualization has major empirical implications for future studies in entrepreneurial and international settings.

The current research also has implications for managers to understand and be aware of the firm's administrative heritage. This awareness can be used proactively by managers to determine if current or future decisions might help or hurt the firm's EO effectiveness, which in turn, directly leads to performance, and actively shape its administrative heritage over time. There are also implications for boards on evaluating founder exits, as there may be more long-term effects of having a founder with a longer tenure with the firm.

Suggestions for Future Research

This article serves as a launching pad for future studies. First, when discussing the maturing of entrepreneurial firms, the question remains: at what point does a firm feel the effects of administrative heritage? As stated above, a firm's administrative heritage should be understood and evaluated by the firm to gain a better understanding of

itself and its future direction (Bartlett & Ghoshal, 1998). Thus, at what point in a firm's life should the firm start doing this? Second, when the founder leaves the firm, is there a transition of the championing of the firm's EO and what does this process look like? Also, how much does the individual matter? For example, is the sustainability easier with founders and CEOs that have high individual EO (Kollmann, Christofor, & Kuckertz, 2007)? Additionally, does the type of innovation the firm focuses on matter, such as being classified as imitative or innovative (Cliff, Jennings, & Greenwood, 2006)? For firms that have developed an administrative heritage that restricts their entrepreneurial behavior, what other outlets can they utilize to minimize these barriers, and does this increase the importance of acquisitions for such firms? Finally, is there a shelf-life for EO, as the constraints of a firm's administrative heritage become too much? Or, is EO less influenced by this, but actual implemented entrepreneurial actions dwindle? Thus, the desire to be entrepreneurial is there, but the execution of entrepreneurial action is hindered. Much is to be explored by adding a time element to the EO-performance relationship.

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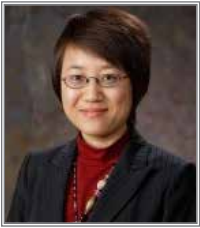
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