

## **The habitual entrepreneur phenomenon**

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### **Selected articles in ISBJ**

- Birley S and Westhead P (1993) A comparison of new businesses established by 'novice' and 'habitual' founders in Great Britain. *International Small Business Journal* 12(1): 38-60.
- Perks H and Medway D (2012) Examining the nature of resource-based processes in new venture development through a business-duality lens: A farming sector taxonomy. *International Small Business Journal* 30(2): 161–188.
- Robson PJA, Akuetteh CK, Westhead P and Wright M (2012) Export intensity, human capital and business ownership experience. *International Small Business Journal* 30(4): 367-387.
- Scott MG and Rosa P (1996) Has firm level analysis reached its limits? *International Small Business Journal* 14(4): 81-89.
- Thorgen S and Wincent J. (2013). Passion and habitual entrepreneurship. *International Small Business Journal* online first
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### **Introduction**

Despite growing media, practitioner and academic interest and activity relating to the entrepreneurship phenomenon, considerable debate surrounds the notion of entrepreneurs and entrepreneurship. It is very difficult to present an over-arching theory of entrepreneurship, because there is no consensus surrounding the definition of entrepreneurs or the entrepreneurial process. Beyond definitional problems, an additional source of difficulty in understanding entrepreneurship stems from the heterogeneity of entrepreneurs. One notable source of heterogeneity is variations in

the extent and nature of entrepreneurs' experience (Reuber and Fischer, 1999), in particular prior business ownership experience (PBOE). In 1986, Ian MacMillan asserted to really learn about entrepreneurship there is a need to study habitual entrepreneurs. Entrepreneurship is not a single action event and some people have careers in entrepreneurship (Westhead and Wright, 1998). Scott (1990: 11) insightfully reflected that, "... the life cycle of the entrepreneur may not match the life cycle of the company. For a few of the sub-sample the company was the first founding and the entrepreneur has remained in charge throughout. This is, however, rare. In most cases, the company is one episode in a series of occupational roles...". Variations in PBOE have led to the distinction between experienced ('habitual') entrepreneurs and first-time ('novice') entrepreneurs. An individual's human capital needs to be viewed through a dynamic rather than a static lens. Rather than only being involved in one venture, entrepreneurs can vary in the extent and nature of their PBOE. Scott and Rosa (1996: 81) asserted that, "The study of multiple ownership should be more than a specialist curiosity, but fundamental to our understanding of the process of capital accumulation in a free-enterprise economy and society, a process that is entrepreneur, not organisationally-based, and which operates across all size boundaries. The processes of ownership diversification may shed new light on the way we can conceptualise start-up and growth dynamics".

In 2011, a Global Entrepreneurship Monitor survey of more than 140,000 adults (18–64 years of age) in 54 economies, estimated that 388 million entrepreneurs were actively engaged in starting and running new businesses (Kelley et al., 2012). But, habitual entrepreneurs who have been in business before have established approximately 40% of new businesses. These habitual entrepreneurs have accumulated assets and/or liabilities associated with PBOE in economically successful and/or unsuccessful ventures. Entrepreneurship and entrepreneurs are, therefore, complicated and ambiguous phenomena.

To build theory and to provide appropriate contextualised support to address the market failures facing each 'type' of entrepreneur, there is a need for a greater understanding of the resources profiles, behaviour and contributions of each 'type' of entrepreneur relating to the extent and nature of their PBOE. Practitioners seeking to maximise the wealth creation and job generation returns relating to public support to enterprise are supporting the formation and quick death of new private firms and/or seeking to 'pick winning firms' with substantial growth potential. However, it may be more appropriate and easier to target support to 'winning entrepreneurs' with PBOE to mobilise, and who have already learnt to address barriers to the entrepreneurial process and firm development (MacMillan, 1986). If support for entrepreneurship is to be effective, it is vital that issues relating to the entrepreneurial process are well understood (Westhead

and Wright, 1999; Ucbasaran et al., 2001; Westhead et al., 2004, 2005a). The accumulation and utilisation of ‘entrepreneur / entrepreneurial team’ resources and skills, rather than solely ‘business’ resources and skills, can provide fresh insights into the entrepreneurial process. While, the ‘firm’ rather than ‘entrepreneur’ has traditionally been the focus of much policy attention, some recognition of the importance of the individual entrepreneur is emerging.

The *International Small Business Journal* (ISBJ) has played an important role in publishing research and debate focusing upon the evolution of understanding relating to the habitual entrepreneur phenomenon. In this Virtual Special Issue of ISBJ, we focus on habitual entrepreneurs who have the potential to mobilise their PBOE in subsequent ventures. Habitual and sub-groups of serial and portfolio entrepreneurs with PBOE are compared against novice entrepreneurs who do not have any PBOE to draw upon. Our aim is to reflect this complexity and ambiguity, but also to weave a pathway through the debate, and offer some clarity to the reader. This Virtual Special Issue highlights seven key papers that demonstrate the breadth and insight of evolving work relating to the habitual entrepreneur phenomenon. This introduction will outline these seven papers in context, why they are important, and why they should be (re)read by academics, students and practitioners.

Scholars considering entrepreneurial events, processes and outputs in the contexts in which they occur (Ucbasaran et al., 2001) are reflecting upon the following questions (Westhead and Wright, 2013): What is habitual entrepreneurship and why is it important? What is the scale of the habitual phenomenon? What do habitual and sub-types of habitual entrepreneurs do? What is distinctive about habitual entrepreneurs? Do some types of habitual entrepreneurs make greater contributions?

### **Contexts and motivations for portfolio entrepreneurship**

Some contexts encourage portfolio entrepreneurship. Norwegian scholars Kolvereid and Bullvåg (1993) suggest that habitual entrepreneurship becomes more common in settings where opportunities for growth are restricted. This may force the entrepreneurs to substitute growth of one venture with the creation of multiple firms. The following diverse array of reasons for habitual entrepreneurship have been detected: tax reasons and to support the first venture established (Donckels et al., 1987); a desire for independence and autonomy and the desire for (personal) wealth creation (Wright et al., 1997); and motivations related to the operation of an existing business focusing upon the need for more income and the desire to grow the business activities (Alsos and Carter, 2006). Monetary gain may become less important in subsequent ventures. In

part, this is because they do not want to put at risk the wealth generated from an earlier successful venture (Wright et al., 1997).

Rosa and Scott (1999a) interviewed habitual entrepreneurs regarding ‘how’ and ‘why’ each business was added to the business group. The motivations cited related to the wish to diversify into a new market; to spread risk or to overcome potential adversity; business creation as a challenge or a hobby; to protect a new area or brand name; to ring fence a geographical diversification; to ring fence risk; to add value to existing ventures owned by the entrepreneur; to assist a friend or relative; to launder money; profits and/or family assets; to avoid paying taxes; and to cut costs and enhance internal efficiencies. Carter and Ram (2003: 375) concluded that motivations for portfolio entrepreneurship can “... range from entrepreneurs who invest in several sectors at once and who are thus able to move their capital between various enterprises as the market conditions require; to small scale traders who diversify their economic activities to cover both productive and distributive functions; to the only survival strategy available to marginal businesses”.

### **Definitional issues**

Definitions of the habitual entrepreneur phenomenon have evolved. Initially, there was no generally accepted definition of a habitual entrepreneur. Donckels et al., (1987: 48) suggested that, “Multiple business starters are entrepreneurs who, after having started a first company, set up or participate in the start-up of (an) other firm(s). Similarly, Birley and Westhead (1993: 40) focused on ‘habitual’ founders who had established at least one other business prior to the start-up of the current independent venture. Rosa and Hamilton (1994) viewed portfolio entrepreneurs as individuals who found, own, manage and control more than one business at a time. Thorgen and Wincent (2013) defined habitual entrepreneurs solely with regard to entrepreneurs that own two or more start-ups (i.e. individuals who have been exposed to multiple venture engagements). However, Kolvereid and Bullvåg (1993) adopted a narrow habitual entrepreneur definition relating to individuals who have had experience in multiple business start-ups, and simultaneously (are) involved in at least two businesses.

Habitual entrepreneur definitions do not solely relate to new firm formation (NFF) alone (Westhead et al., 2005a; Robson et al., 2012a). Business ownership and a decision-making role within the firm are now widely recognised as important dimensions of entrepreneurship (Marshall, 1920). Given the prevalence of team-based entrepreneurship (Ucbasaran et al., 2003a), this ownership may involve minority or majority equity stakes. The emerging opportunity-based

conceptualisation of entrepreneurship (Shane and Venkataraman, 2000) suggests that entrepreneurship involves the discovery and exploitation of at least one business opportunity. In contrast to views of entrepreneurship that focus on NFF, this approach recognises that a business opportunity can be exploited through NFF, the purchase of an existing private firm, the discovery and creation of new opportunities in existing (family and non-family firms) (Westhead and Wright, 2013), or the discovery and creation of opportunities for self-employment. Entrepreneurs can, therefore, be viewed as having a minority or majority ownership stake in at least one business that they have either created or purchased, within which they are a key decision-maker. With regard to these key elements of entrepreneurship, the following distinction between novice and habitual entrepreneurs can be made (Ucbasaran et al., 2008a).

*Novice entrepreneurs* are individuals with no prior minority or majority firm ownership experience, either as a firm founder or as purchaser of an independent firm, who currently own a minority or majority equity stake in an independent firm that is either new or purchased. *Habitual entrepreneurs* are individuals who hold or have held a minority or majority ownership stake in two or more firms, at least one of which was established or purchased. Habitual entrepreneurs can be sub-divided into serial and portfolio entrepreneurs. *Serial entrepreneurs* are individuals who have sold / closed at least one firm which they had a minority or majority ownership stake in, and currently have a minority or majority ownership stake in a single independent firm. *Portfolio entrepreneurs* are individuals who currently have minority or majority ownership stakes in two or more independent firms.

### **Scale of the habitual entrepreneur phenomenon**

There is no comprehensive published list of habitual entrepreneurs who have ownership stakes in private businesses. To identify habitual and sub-types of habitual entrepreneurs there is a need to gather primary information relating to independent firms which is more widely available. Survey evidence from stratified random samples of independent private firms is now widely used to ascertain the scale of the habitual entrepreneur phenomenon (Birley and Westhead, 1993). Given the emphasis on the entrepreneur as the unit of analysis, a questionnaire survey is sent to a key respondent (i.e. a decision maker) in each of the randomly selected businesses, generally a founder and/or the principal owner. Studies have confirmed habitual entrepreneurs are a widespread and substantial phenomenon. Habitual entrepreneurs account for high proportions of owners of private firms in countries such as the UK (12% to 52%), US (51% to 64%), Finland (50%), Australia

(49%), Norway (47%), Ghana (41%), Sweden (30% to 40%) and Malaysia (39%) (Birley and Westhead, 1993; Ucbasaran et al., 2008a; Robson et al., 2012b; Thorsten and Wincent, 2013).

Some scholars studying multiple business ownership have focused on business groups relating to the set of businesses under control of the habitual entrepreneur (Rosa, 1998; Rosa and Scott, 1999b). Iacobucci (2002) noted that 25% of Italian manufacturing firms were members of a business group created by a habitual entrepreneur (or their associated entrepreneurial team). Using secondary data relating to Italian businesses, Iacobucci and Rosa (2005) found that growth through the formation of business groups was a strategy to organise geographical extension, product diversification or market differentiation. They noted that business groups were more prevalent among larger rather than smaller firms. Iacobucci and Rosa (2005) found sectoral variations in the prevalence of business groups. Entrepreneurial teams formed by portfolio entrepreneurs (i.e. joint ventures with established entrepreneurs, employee involvement, and intrapreneurship) enhance entrepreneurs' ability to grow and diversify the businesses under their control without compromising their ownership control of the overall business group (Iacobucci and Rosa, 2010).

The 'correct' magnitude of the habitual entrepreneur (or business group) phenomenon is difficult to determine. Variations in the scale of the habitual entrepreneur phenomenon is, in part, shaped by the habitual entrepreneur definition operationalised, the industrial sector(s) focused upon, and whether team ownership is considered. Nevertheless, the scale of the phenomenon highlighted above suggests increased academic and practitioner interest is warranted to understand the profiles, behaviour and contributions of habitual entrepreneurs and their firms.

### **Evolution from descriptive background to theory building and testing**

The research in the seven papers presented in this VSI show how research on habitual entrepreneurs has evolved from initial 'ground-clearing' descriptive studies of the phenomenon through qualitative studies focused on theory development, to quantitative studies undertaking hypothesis testing. Birley and Westhead (1993) claimed that there was no single theory to facilitate hypothesis formation and testing relating to habitual entrepreneurs. Their exploratory study provided a 'descriptive background' surrounding the under-researched habitual entrepreneur. With reference to a large representative sample of firms their univariate analysis provided initial insights surrounding the differences (and similarities) between habitual and novice entrepreneurs with regard to the founder (i.e. personal background, work experience, reasons leading to start-up, and personal attitudes towards entrepreneurship), the firm (i.e. basic business data, customer and

supplier base, competitive structure, future of the business and performance), and environment (i.e. local economic environment and policy and support services).

Building upon insights from human capital theory (Becker, 1975) and the broadening conceptualisation of human capital to include an individual's cognitive characteristics (Alvarez and Busenitz, 2001), Westhead et al., (2005b) conceptualised PBOE as a dimension of entrepreneurship. Building on the distinction between novice, serial and portfolio entrepreneurs (Westhead and Wright, 1998), they presented several theoretically derived hypotheses relating to the assets (i.e. entrepreneurial, managerial and technical skills and the ability to build stronger and more effective networks (Wiklund and Shepherd, 2008)), and liabilities (i.e. diminished motivation, success syndrome, illusion of control, blind spots, over-confidence, hubris, entrepreneurs may think that they already know enough, infer too much from the limited information available because they want to confirm prior beliefs, liability of staleness, liability of sameness, etc.) of PBOE and the cognitive mindsets of entrepreneurs. Univariate tests were conducted to test the presented hypotheses in relation to a large representative sample of firms in Great Britain. Some support was found for the following hypotheses: serial and portfolio entrepreneur surveyed firms will have more equity partners than those owned by novice entrepreneurs; novice, serial and portfolio entrepreneurs differ in relation to their attitudes to entrepreneurship; portfolio entrepreneurs will be more creative than novice entrepreneurs; and portfolio entrepreneurs will be more innovative than novice entrepreneurs. Based on this evidence, they concluded that practitioners should provide customised support reflecting the needs of novice, serial and portfolio entrepreneurs.

The ability of entrepreneurs to identify and exploit business opportunities is assumed to generate beneficial outcomes for entrepreneurs and society. Westhead et al., (2009) sought to provide insights surrounding the relationship between an entrepreneur's human capital profile and their opportunity identification behaviour. They considered the relative importance of entrepreneurship-specific PBOE human capital vis-à-vis other dimensions of general and specific human capital. Building upon insights from human capital theory and an individual's cognitive characteristics they explored variations in entrepreneur information search intensity relating to 12 sources of information (Cooper et al., 1995), and the number of opportunities identified for wealth creation (Shepherd and DeTienne, 2005). Theoretically derived hypotheses were tested in relation to a large representative sample of firms in Great Britain. Hierarchical ordinary least squares (OLS) regression analysis was conducted. The following two hypotheses were not supported: experienced (habitual) entrepreneurs will report lower levels of information search intensity than inexperienced (novice) entrepreneurs, and portfolio entrepreneurs will search for less information than serial

entrepreneurs. However, the following two hypotheses were supported: experienced (habitual) entrepreneurs will identify more business opportunities than inexperienced (novice) entrepreneurs, in a given time period, and portfolio entrepreneurs will identify more business opportunities in a given period than serial entrepreneurs. Westhead et al. concluded that practitioners seeking to facilitate local and national wealth creation should consider targeting assistance to entrepreneurs with regard to their PBOE. Evidence presented in the article highlighted that habitual entrepreneurs should not be regarded as a homogeneous entity. Notably, practitioners seeking to maximise job generation and wealth creation should consider targeting assistance to portfolio entrepreneurs with more diverse knowledge and resources.

Besides recognising multiple opportunities, for habitual entrepreneurship to flourish, entrepreneurs need to be able to undertake the process of assembling resources in more than one venture. Until recently, this aspect of habitual entrepreneurship has been neglected. Perks and Medway (2012) contribute to filling this void by investigating the nature of resource-based processes where a new venture is developed alongside an established business, what they term business duality. They employ a multiple case study methodology situated in the farming sector. The details of resource assembly and deployment are examined and presented through four stages of the entrepreneurial process relating to initiation, experimentation, mature, and late stage. Their findings provide insights into how resource ties between the businesses relate to processes of resource assembly and deployment. In addition, they inform a business duality-based classification involving three generic approaches to managing resource-based processes relating to holistic innovators, reactive innovators, and cautious innovators. Further research might usefully explore whether the insights in this paper from the farming sector hold in other contexts for habitual entrepreneurship.

Debate surrounds whether entrepreneurial passion shapes entrepreneurial behaviour. Building upon insights from social psychology, particularly a Dualistic Model of Passion, Thorger and Wincent (2013) tested novel hypotheses relating to whether habitual (and serial and portfolio) entrepreneurs were more prone to report harmonious and obsessive passion than novice entrepreneurs. Passion is viewed as a strong inclination toward a self-defining activity (i.e. starting a new firm) that people like, find important, and in which they invest time and energy. Harmonious passion originates from autonomous internalisation where an individual does not feel any psychological pressure to the activity in question. Here, the activity is valued as important to the person's identity independent of any pressure. People engage in the activity to ensure free will and flexibility. Conversely, obsessive passion originates from controlled internalisation where an

individual enjoys the activity and has positive feelings toward it. There can be intrapersonal and/or interpersonal pressure to engage in the activity. Here, individuals engage in the activity to maintain self-esteem, and to cope with pressuring social environments and the pressure for high performance. People that engage in the activity value it highly, and it accounts for a disproportionate space in their identity. With reference to 704 entrepreneurs in Sweden, logistic regression analyses detected that habitual entrepreneurs were significantly more likely to report more obsessive passion than novice entrepreneurs. In contrast, habitual entrepreneurs failed to report more harmonious passion than novice entrepreneurs. Portfolio entrepreneurs reported more harmonious passion than novice entrepreneurs, but serial entrepreneurs did not report more harmonious passion than novice entrepreneurs. Further, portfolio entrepreneurs reported more harmonious passion than serial entrepreneurs. Serial entrepreneurs, however, reported more obsessive passion than novice entrepreneurs, but portfolio entrepreneurs did not report more obsessive passion than novice entrepreneurs. Thorsten and Vincent have called for more studies to unravel the factors behind the pressures associated with entrepreneur harmonious and obsessive passion.

Issues relating to PBOE have generally been explored in developed economies. Robson et al., (2012a) explored whether human capital, particularly PBOE, was associated with the opportunity exploitation outcome relating to the intensity of exporting reported by serial and portfolio entrepreneurs relative to novice entrepreneurs in Ghana. The latter context is associated with inadequate market support institutions and weak enforcement capacity of regulatory and legal institutions, which creates business uncertainty that can be potentially reduced by entrepreneurs who can mobilise their PBOE. With regard to replication, they explored whether an entrepreneur's ability to assemble and mobilise human capital was associated with the widely explored intensity of exporting measure (i.e. sales revenue generated by exports as a proportion of total sales revenue). But, with respect to extending previous work, they explored whether the extent and nature of an entrepreneur's PBOE (i.e. entrepreneurship-specific human capital) shaped exporting intensity. Building upon insights from human capital theory relating to specific human capital several hypotheses were presented and tested with regard to survey data from 432 entrepreneurs. A Heckman two-stage test was conducted to explore for potential sample selection bias between exporters and non-exporters. No evidence of selection bias was detected with regard to models focusing upon export propensity and intensity. Heckman models detected support for several hypotheses. The nature rather than the extent of PBOE was linked to higher exporting intensities. Habitual entrepreneurs were significantly more likely to be exporters, and to report higher exporting

intensities. Further, portfolio rather than serial entrepreneurs reported higher exporting intensities. Robson et al. concluded that if the goal of policy is to increase the 'quality' of new business start-ups (i.e. rapid business development potential) and to maximise investment returns, practitioners should consider picking winners with regard to the profiles of entrepreneurs citing significantly higher exporting intensities. Notably, they asserted that there is a case to target assistance to habitual entrepreneurs, particularly portfolio entrepreneurs.

### **Contribution to wealth creation**

Scott and Rosa (1996: 81) asserted that, "By focusing almost exclusively on small organizations and the firm as unit of analysis, the unintended consequence has been the continuing invisibility of the real wealth creating activities of our established entrepreneurs. If you study only small firms, that is what you will ever see, thus reinforcing existing paradigms of business start-up and growth". Further, Scott and Rosa (1996: 82) developed the view that habitual entrepreneurs are an important sub-group of entrepreneurs who have the potential to make a fundamental contribution to "... the process of wealth creation and capital accumulation which is entrepreneur- (not organization) based...". They called for additional studies that specifically focused on habitual entrepreneurs that would facilitate a broader understanding of the entrepreneurial process (Rosa, 1998), as well as shed light on the sources of wealth creation.

Early studies generally assumed that entrepreneur PBOE would be associated with superior firm performance outcomes. Birley and Westhead (1993), however, detected that the performance of habitual entrepreneurs in terms of employment generation and wealth creation, on average, was not significantly better than that reported by novice entrepreneurs in Great Britain. Conversely, Westhead et al., (2003) found that the average sales revenues of businesses owned by portfolio entrepreneurs were larger than those owned by novice and serial entrepreneurs in Scotland. On average, businesses owned by portfolio entrepreneurs reported larger absolute sales growth than those owned by novice entrepreneurs. A larger proportion of portfolio rather than novice entrepreneurs, reported that their current operating profit performance was above average relative to competitors. Further, a larger proportion of serial rather than novice entrepreneurs, reported that their current profit performance was above average relative to competitors. Portfolio entrepreneur firms were larger than those owned by other entrepreneurs in terms of total employment size. Moreover, portfolio entrepreneur firms, on average, reported higher absolute and percentage total employment growth than firms owned by novice and serial entrepreneurs.

Ucbasaran et al., (2008b) noted that entrepreneurs with more PBOE in Great Britain identified significantly more opportunities, and more innovative (i.e., more wealth creating) opportunities. Up to 15 prior firms PBOE was found to be a valuable resource for opportunity identification, but beyond this point the benefit of the number of PBOE was detected to decline. Here, entrepreneurs may believe that they already have sufficient knowledge and subsequently do not search for additional information, especially in new areas.

A certain amount of PBOE failure can encourage habitual entrepreneurs to learn from their mistakes, and to subsequently practice what they have learnt. Ucbasaran et al., (2009) detected an inverse U-shaped relationship between the proportion of failed businesses relative to the number of businesses owned by habitual entrepreneurs in Great Britain and the number of opportunities identified in a given period. However, they failed to detect a significant link between failure PBOE and the subsequent ability to exploit innovative opportunities.

With reference to the Ghana context, Robson et al., (2012a) explored factors associated with higher exporting intensities. As discussed above, habitual entrepreneurs reported higher exporting intensities, but portfolio rather than serial entrepreneurs reported higher exporting intensities relative to novice entrepreneurs. In addition Robson et al., (2012b) explored factors associated with innovation performance in Ghana. They detected portfolio entrepreneurs were more likely than other entrepreneurs to cite '*innovation tried and introduced*'. Portfolio entrepreneurs were less likely to cite '*tried and always failed*' or a '*mixture of failed and introduced*' with reference to the composite index. Notably, portfolio entrepreneurs were more likely than other entrepreneurs to cite innovation '*always introduced*'. Robson et al. concluded that if the goals of policy are to increase the 'quality' of new business start-ups and maximise investment returns, there is a case to target assistance to habitual entrepreneurs, particularly portfolio entrepreneurs. More customised assistance to entrepreneurs is required to improve the 'quality' of the entrepreneurial pool.

In developed economy contexts, no consistent association has generally been identified between an entrepreneur's PBOE and superior firm performance. Several studies have failed to detect any significant link between prior business ownership experience and superior firm performance (Westhead and Wright, 1998; Ucbasaran et al., 2008a).

### **Future research avenues**

Additional studies are warranted exploring how PBOE can enable habitual entrepreneurs to better assemble a resource base (Robson et al., 2013) that enables them to invest in and mobilise resources (such as innovation (Robson et al., 2012b)) to promote competitive advantage for the individual

and/or group of firms they own. The external environment can shape access to resource accumulation and mobilisation. PBOE may counter issues that can impede the entrepreneurial process and venture development. Additional research is warranted surrounding how types of habitual entrepreneurs may compensate for location disadvantages by mobilising their PBOE (Mueller et al., 2012). The role of context is increasingly being recognized in entrepreneurship research (Zahra and Wright, 2011; Westhead and Wright, 2013). Future studies need to explore how context in developed and developing economies promote or impede habitual entrepreneurship. Further, different context may influence the particular configurations of the phenomenon and they need to be examined. For example, to what extent do some contexts promote habitual entrepreneur start-ups versus habitual entrepreneur venture purchase modes? To what extent do some contexts favour portfolio forms of entrepreneurship involving family networks?

Some habitual entrepreneurs realise that they were initially too optimistic, and subsequently adjust their thinking. Consequently, they report a more realistic outlook in a subsequent venture(s). Entrepreneurs with PBOE, particularly business failure experience, may be less likely to subsequently report comparative optimism. Alternatively, experienced entrepreneurs may accumulate biases and hence can be subsequently more likely to report comparative optimism. Additional research is warranted surrounding how the extent and nature of PBOE enables types of habitual entrepreneurs to (more quickly) address barriers (i.e., success syndrome, illusion of control, blind spots, denial and over-confidence) to the entrepreneurial process.

Storey (2011) suggested that superior business performance is due to luck, and that entrepreneur resources and learning do not play significant roles in explaining variations in firm performance. The latter view has been questioned (Westhead and Wright, 2012). Because habitual entrepreneurs can accumulate both assets and liabilities associated with their PBOE it may be misleading to assume that all habitual entrepreneurs are successful and outperform novice entrepreneurs (Ucbasaran et al., 2006). The current stock of novice entrepreneurs is the breeding ground (i.e. pool) for future experienced habitual entrepreneurs. Some highly successful entrepreneurs are associated with PBOE 'failure(s)', which represent potentially valuable opportunities for learning, and the revision of expectations (Ucbasaran et al., 2010). Notably, some entrepreneurs respond to and learn from failure PBOE. Here, there is a need to differentiate economic (i.e. firm bankruptcy) from non-economic failure (i.e. the venture closed because its performance was too low in relation to the entrepreneur's expectations) PBOE. In addition, some entrepreneurs learn from PBOE success and/or a diverse pool of success and failure PBOE success. If failure of one business is an isolated case among a series of successes, or among a portfolio of

ventures, it may weigh less heavily in the entrepreneur's cognitive processes. Policies aimed at incentivising all failed entrepreneurs to re-enter business ownership on the grounds that they will have learnt from their experience could be too simplistic. Currently, we know very little about how habitual entrepreneurs learn from their PBOE, and how this learning is implemented in subsequent ventures. Detailed, longitudinal case studies, perhaps involving ethnographic research, are needed to open the present black box relating to this process. Similarly, we do not know whether all entrepreneurs that learn from PBOE failure become better entrepreneurs. Further research is, therefore, also warranted relating to the links between PBOE success and/or failure experience and learning, and the linkage between entrepreneurial learning reported by types of habitual entrepreneurs and subsequent entrepreneur attitudes, cognition, behaviour in relating to economic and non-economic firm and entrepreneur performance outcomes.

Previous studies have explored cross-sectional survey evidence. There is a need for longitudinal quantitative studies and studies that explore the performance of sub-types of serial and portfolio entrepreneurs with regard to pools of prior success and economic and non-economic failure experience. Studies have generally monitored the performance of a surveyed venture and not the performance of each business currently owned by portfolio entrepreneurs (Carter, 1999; Rønning and Kolvereid, 2006). Additional research is warranted relating to the total wealth contributions of portfolio entrepreneurs. Most habitual entrepreneur studies have explored survey evidence. To build theory, there is a need for more qualitative studies and longitudinal studies (Ucbasaran et al., 2003b; Perks and Medway, 2012) to ascertain the environment, firm and external environmental stimuli and barriers to the entrepreneurial process reported by types of habitual entrepreneurs who have diverse PBOE to mobilise in relation to the entrepreneurial process and venture development. In sum, due to two decades of evolving research, as reflected in the seven papers in this VSI, we now know a great deal more about the habitual entrepreneur phenomenon, but there still remains a vibrant and varied research agenda.

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