

DOCTORAL THESIS

The role of humility and risk-taking in the performance of entrepreneurs in the informal economy: a social capital perspective

Mahmood, Arif

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ABSTRACT

We investigate the roles of (1) social capital and (2) firm type (formal versus informal) in shaping the relationship between entrepreneurial behavior and firm performance. To further investigate entrepreneurial behavior and its effect on firm performance, we develop two research themes based on two types of entrepreneurial behaviors – assertive behavior and nonassertive behavior.

The first research theme focuses on the relationship between entrepreneurs' assertive behavior and firm performance. Taking entrepreneurs' risk-taking behavior as an assertive behavior into account, we identify the conditions under which entrepreneurs' risk-taking behavior results in better firm performance. In Model 1 (detailed in Chapter 2), we investigate whether and how firm type and social capital influence entrepreneurs' risk-taking behavior and its effect on firm performance. Through a field study covering 300 entrepreneurs and the same number of employees, we found that firm type and social capital moderate the relationship between entrepreneurs' risk-taking behavior and firm performance. We further found that entrepreneurs' risk-taking behavior is only beneficial for the firm if entrepreneurs have more social capital in their formal firms.

The second research theme focuses on the relationship between entrepreneurs' humility as a nonassertive behavior and firm performance. In Model 2 (detailed in Chapter 3), we conceptualize and investigate the relationship between entrepreneurs' humility and firm performance via social capital in different firm types. Through the same field study, we found that social capital mediates the relationship between entrepreneurs' humility and firm performance. We further found that the indirect effect

of entrepreneurs' humility on firm performance via social capital is stronger in informal firms. The theoretical and practical implications of the two studies are then discussed.

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