

This is a self-archived version of an original article. This version may differ from the original in pagination and typographic details.

Author(s): Häkkinen, Reija A.; Kansikas, Juha

Title: Entrepreneurial Culture Creation through Employee Effectuation

Year: 2023

Version: Accepted version (Final draft)

Copyright: © 2023 Walter de Gruyter GmbH, Berlin/Boston

Rights: In Copyright

Rights url: <http://rightsstatements.org/page/InC/1.0/?language=en>

Please cite the original version:

Häkkinen, R. A., & Kansikas, J. (2023). Entrepreneurial Culture Creation through Employee Effectuation. In M. Dabić, & S. Kraus (Eds.), *De Gruyter Handbook of SME Entrepreneurship* (pp. 643-668). De Gruyter. <https://doi.org/10.1515/9783110747652-030>

Entrepreneurial Culture Creation through Employee Effectuation

Reija A. Häkkinen,¹ Juha Kansikas,² Ph.D.

¹Doctoral Student in Strategy and Entrepreneurship, Jyväskylä University School of Business and Economics, University of Jyväskylä, Finland

Postal address: P.O. Box 35

Postal code: FI-40014

Tel: +358 442560262

E-mail: reija.a.hakkinen@jyu.fi

ORCID ID: 0000-0002-6441-5542

²Senior Lecturer, Docent in Entrepreneurship, Docent in Education Sciences, Jyväskylä University School of Business and Economics, University of Jyväskylä, Finland

Postal address: P.O. Box 35

Postal code: FI-40014

Tel: +358 40 576 7811

E-mail: juha.kansikas@jyu.fi

ORCID ID: 0000-0001-9820-5503

Corresponding author

Reija A. Häkkinen, M. Sc.

Doctoral student in Strategy and Entrepreneurship, Jyväskylä University School of Business and Economics, P.O. Box 35, FI-40014, Finland

Tel: +358 442560262

E-mail: reija.a.hakkinen@jyu.fi

Acknowledgements:

We want to thank professors Tarja Niemelä and Tanja Leppäaho from the University of Jyväskylä for their comments and assistance during the writing process of this article. This article has been discussed in the 3rd Effectuation conference in Enschede, The Netherlands 8.–9.12.2014 under the label: “An Effectual organization, a possibilism or an idealism?” and in Taloustutkijoiden XXXII kesäseminaari 2015, Jyväskylä, Finland 10. – 11.6.2015 and in the doctoral conference. Academy of Management Conference, Vancouver, Canada 7. – 11.8.2015 under the label “Organizational effectuation - effectuation among employees“. We also want to thank professor Helle Neergaard from the University of Aarhus with tutoring this manuscript in the ECSB PDWW Postdoctoral Writing Workshop in RENT XXIX Conference under the name “Effectuation in employees“. Funding for working with this paper has been enabled by the University of Jyväskylä, Peurunka, Foundation of Economic Education (No: 8-4096), Foundation for Private Entrepreneurs.

Biographies

Reija A. Häkkinen, M. Sc.

M.Sc. Häkkinen works in University of Jyväskylä as career specialist in the field of entrepreneurship education. Her research interests are on how organizations may benefit from emergent entrepreneurial behavior of organizational members in their renewal process. Her research may be of interest especially for organizations and decision makers who want to enhance the well-being and strength-based cooperation between their employees and other stakeholders.

Häkkinen, R. (2019). Tiimi&Työnantaja -monitieteinen työelämäprojekti työelämäosaamisen kehittämälustana. In T. Römer-Paakkanen, M. Suonpää, & A. Hermiö (Eds.), *Yrittäjyyskasvatuksen kaari: lapsuudesta tulevaisuuden työhön = The Trail of Entrepreneurship Education: From Childhood to Future Work and Entrepreneurship* (pp. 69-85). Haaga-Helia ammattikorkeakoulu. Haaga-Helian julkaisut, 12/2019. <https://www.haaga-helia.fi/sites/default/files/Kuvat-ja-liitteet/Tutkimus-ja-kehittaminen/julkaisut/yrittaajyyskasvatus.pdf?userLang=fi>

Häkkinen, R., & Patja, P. (2018). Yrittäjyyskasvatuksellinen oppilaitosyhteistyö ja sen kehittäminen: case Jyväskylän Yritystehdas Oy. In K. Peltonen, H. Laakso, P. Kuru, & L. Oksanen (Eds.), *YKTT2018 Yrittäjyyskasvatuspäivät: Artikkelit* (pp. 8-32). LUT University. LUT Scientific and Expertise Publications: Tutkimusraportit, 84. <http://urn.fi/URN:ISBN:978-952-335-246-9>

Häkkinen, R. (2015). Effectuating Person-Organization Fit: Effectuation in Organizations. *Journal of Entrepreneurial and Organizational Diversity*, 4(2), 1-26. <https://doi.org/10.5947/jeod.2015.009>

Kansikas Juha, PhD

Dr. Juha Kansikas works as University Lecturer of Entrepreneurship at the Jyväskylä University School of Business and Economics, University of Jyväskylä, Finland. Kansikas has both post doc qualifications (Docent) in Business (Entrepreneurship) and in Education Sciences (Entrepreneurship education). Kansikas is currently co-leading an Academy of Finland research project on business elite and executive education. In addition to that, he serves at the fall 2021 season as a special researcher

for the University of Jyväskylä Council of Education on studying academic entrepreneurship education. His research interests are business elite, entrepreneurship, entrepreneurship education, and family entrepreneurship:

Ranga, M., Peralampi, J. & Kansikas, J. 2016. The New Face of University-Business Cooperation in Finland. *Science and Public Policy*, Vol. 43, No. 5, 601-612.

Kansikas, J. 2016. Career Paths in Institutional Business Elites: Finnish Family Firms from 1762-2010. *Enterprise & Society*, Vol. 17, No. 1, 1-38.

Hatak, I., Kautonen, T., Fink, M. & Kansikas, J. 2016. Innovativeness and Family-Firm Performance. The Moderating Effects of Family Commitment. *Technological Forecasting and Social Change*, Vol. 102, January, 120-131.

Kansikas, J. 2015. The Business Elite in Finland: A Prosopographical Study of Family Firm Executives 1762-2010. *Business History*, Vol. 57, Iss. 7, 1112-1132.

Abstract

In tourism services, the value creation for the consumer is not just transaction-focused transfer of financial capital and services and products sold, but also transactional experience; socially constructed interaction between tourism employees and customers. The challenge in tourism services is that consumers have versatile expectations, which creates demand for unique value-creation in each transaction. Thus, employees need often respond to customer expectations without prior detailed planning. This paper aims to increase understanding on how entrepreneurial endeavors, aimed towards high performance and good service for customers, are initiated by employees.

This study investigates theoretically enabling and preventing idea-generation, behavior, and actions in the customer service through the lens of effectuation logics. Focus groups were conducted with the aim to understand the perspectives and reasoning of the participants also empirically. The purpose was to analyze the research data at two levels; among the groups and between the groups. Four focus group discussions were held for three hierarchy groups: to the management team, middle-managers, and employees, consisting of 6 to 8 members. Practically, this study creates perspectives

on how employee effectuation can be a way to model entrepreneurialism in a SME, as a positive and enabling asset in value-creative mechanisms.

The results increase understanding of employee effectuation, suggesting that only positive attitude of management is not enough in fostering and supporting entrepreneurial and service-related behaviors among employees. A more concrete HR support and acknowledgement of skills and capabilities of employees is needed, in order for the organization to benefit from the entrepreneurial and service-related behaviors. This study also enlightens the process of employee effectuation. Thus, employee effectuation can be cultivated in entrepreneurial organization culture in which employees can use their full potential and become independent entrepreneurial actors, and role models for new employees.

Keywords: entrepreneurial behavior, effectuation, organization, employee, service behavior

Introduction

Future customer needs and risks related to demand are difficult to predict and manage in small and medium-sized organizations (SMEs). Service organizations in the tourism and hospitality industries not only face challenges in planning services for new seasons but are also struggling for survival during the COVID-19 pandemic, which first emerged worldwide in 2020. (e.g., Fotiadis, Polyzos, & Huan 2021; Sigala 2020). Under uncertain conditions, employee flexibility, service willingness, and service capability, together with the financial and nonfinancial rewarding mechanisms from an employer, can effectively manage future uncertainties. However, Ettlie and Rosenthal (2011) think service processes have been understudied by researchers because of the peculiar nature of service innovations and their processes. Effectual employees, units, and organizations take the initiative to find innovative solutions and new opportunities in the programs they launch in service markets (Nguyen

et al. 2018). Designing a new service is an uncertain process with unpredictable results. Thus, effectuation fits into the service industry, as it provides a logical framework for managing uncertain entrepreneurial processes in organizations (Jiang & Rüling 2019). Entrepreneurial culture is intertwined with everyday practices and processes, and for that reason, studying it through managers and employees in a service-oriented organization is meaningful. Therefore, in this paper, we study how effectuation logic may help to understand the microlevel structures of employee effectuation and the creation of entrepreneurial culture.

Neessen, Caniëls, Vos and de Jong (2019) mention that employees are currently asked to be more innovative and intrapreneurial and have an impact on organizational performance. Internal corporate venturing creates opportunities for effectual culture in service-oriented organizations. Internal corporate venturing, as a form of intrapreneurship, contributes to a firm's strategic evolution and to its capability development processes. As one study puts it, "Organizational performance, growth and development may depend considerably on entrepreneurship in existing organizations (intrapreneurship) and intrapreneurship-employee-related antecedents" (Antoncic & Antoncic 2011, 589).

Through entrepreneurial behavior, employees can influence other employees, teams, and even whole organizations. As organizations are systems that have common rules and behavioral patterns that may affect both service and the possibilities to act effectually, this study set out to investigate employee effectuation and the creation of entrepreneurial culture. The following research questions are answered through focus group discussions and their qualitative analysis:

1. *What kinds of opportunities for employee effectuation are there in service design and development-related discussions of employees?*
2. *What kinds of opportunities are there for the creation of entrepreneurial culture through employee effectuation in a service-oriented organization?*

In this paper, we suggest that effectual employees, units, and organizations are required to find innovative solutions and new opportunities to meet the changing needs of service markets.

This paper is organized as follows. The first section introduces the topic, while the second presents a literature review where the focus is on creating a conceptual pre-understanding of employee effectuation. The third section presents the study method, describing data collection in focus group discussions and the approach to data analysis. Fourth, the findings of the study focus on understanding employee effectuation and the creation of entrepreneurial culture, and fifth, discussion and conclusions reflect on conceptual understanding based on the empirical material gathered, while the study's contributions, limitations, and future research ideas on effectuation are also covered.

How does effectuation increase employee innovation?

Effectuation is a theory (e.g., Sarasvathy 2001, 2008) that explains how expert entrepreneurs start to seek partnerships, invest only what they can afford to lose, and leverage contingencies starting from the factors that are in their control. It must be noted that effectuation logic was originally developed based on the approaches of expert entrepreneurs, but this should not be held as a restriction against using it to understand other contexts (Welter, Mauer & Wuebker 2016). Deligianni, Voudouris and Lioukas (2016) encourage researchers to study effectuation in fields of entrepreneurship other than new venture creation. Thus, in this paper, we study how effectuation logic may help in understanding the microlevel structures of employee effectuation and the creation of entrepreneurial culture.

Causation and effectuation are methods used in decision-making simultaneously by entrepreneurial employees, but studies have shown that they can be analyzed separately in empirical research (e.g., Perry, Chandler, & Markova 2011; Read, Song & Smit 2009). Causation is a goal-driven logic where the market is defined, or the goal is otherwise predetermined. In causation, knowledge is used to build a competitive advantage over competitors. In effectuation, on the other hand, the creation process is open, and knowledge is shared between stakeholders (Reymen, Andries, Berends, Mauer, Stephan & van Burg 2015). Competitors can occasionally be cocreators in effectuation.

Contextually, effectuation denotes different types of normative behavioral forms. It describes expert entrepreneur behavior in relation to their cocreators. Thus, when accounting for the context of an organization, researchers need to consider effectuation according to the working styles of the specific unique organization. The work-related behavior of individuals differs: some employees work with each other, others are possibly forced to do so, and some cocreate new solutions innovatively. With this heterogeneity of organizations in mind, we respond to the call by Smolka, Verheul, Burmeister-Lamp and Heugens (2018) to study effectuation at the level of the organization – how does it occur as employee effectuation, and how can it be used in entrepreneurial culture creation.

Emergence of entrepreneurial activities in an organization

When we want to study effectuation inside an organization, we need to consider in our research that all employees are possible effectuators. Additionally, all employees are also possible noneffectuators. An effectuator is an active agent who considers his or her means, invites the stakeholders into cooperation and starts building a future where stakeholders participate in shaping the outcome. Thus, effectuation reflects internally motivated action.

Active agency requires reciprocity. Sarasvathy and Dew (2008) debate with Goel and Karri (2006) about overtrust in effectuation. According to Goel and Karri (2006), effectuation assumes overtrust, which means trusting others without objectively understanding the situation. However, in effectuation, stakeholders are assumed not to trust more than they can afford to lose (Sarasvathy and Dew (2008)). Here, we introduce the concept of reciprocity, which may be more functional in the context of the organization. Armstrong-Stassen and Schlosser (2008) found that because of the normative nature of reciprocity, employees who perceive their organization to be committed to them are more likely to give resources and effort back to their organization. According to them, one sign of this kind of commitment by an organization is an organizational culture that supports developmental

activities by employees. Lack of support and dysfunctional corporate strategy, as well as bureaucratization, may hinder intrapreneurship (Neessen, Caniëls, Vos & de Jong 2019). Basically, in the organization, reciprocity does not only occur between persons but is also experienced in the relation between the person and the organization.

Furthermore, in order for employee effectuation to occur, organizational culture needs to support intrapreneurial efforts and, for example, creativity of action. Creativity of action is further explained by Sarasvathy (2008) with the help of, for example, Joas (1996). In an organization, using creativity is not merely the decision of the employee but is also affected by the circumstances. Antoncic and Antoncic (2011) point out that many researchers have shown that organizational culture, management support, and organizational values have an effect on employee intrapreneurship. Atienza (2015) mentions that an organizational culture supporting intrapreneurship gives employees the feeling that they have a freedom to share their ideas and that their active initiatives are encouraged, supported, and rewarded. According to Amabile (2012, 3), “...*creativity should be highest when an intrinsically motivated person with high domain expertise and high skill in creative thinking works in an environment high in supports for creativity.*” When surprises occur, creativity is needed to overcome them (Sarasvathy 2003, 2008). Thus, employee effectuation in an organization requires management to understand the conditions enabling and encouraging creative, active and innovative behavior.

Finally, management in effectual organizations needs to tolerate unpredictability. As Duening, Shepherd and Czaplewski (2012, 209) mention, “*Managers seeking to make their enterprise entrepreneurial will be forced to resort to exhortations to be more ‘flexible’, ‘adaptable’, or ‘innovative’ like entrepreneurs appear to be, without knowing how these virtues are operationalized.*” Effectuation has the potential to be a tool with the help of which an enterprise might be able to systematically adopt entrepreneurial action and behavior in the organization.

As Kerr and Coviello (2020) remind us, effectuation strategies go in line with the opportunity-creation school of thought as it defines actions toward controlling an unpredictable future. Building unknown futures together with other stakeholders requires dialogue between parties. Sarasvathy, Kumar, York and Bhagavatula (2014) consider an effectuator to be an active agent with access to resources. Effectuation requires agency, which is a prime driver for opportunity creation (Sarasvathy 2008). Therefore, to be considered an effectuator, employees need to identify themselves as active agents who participate in creating opportunities. In relation to understanding oneself as an active agent, being an effectuator also requires determination and a mutual vision toward a common goal. Cocreating the outcome requires a willingness to consider the perspectives of others, new information, and change. In effectuation, all these aspects may be assembled together as a patchwork quilt in cooperation with the other interested parties (e.g., Sarasvathy 2001). In addition to striving toward a common goal, these active agents need to feel a sense of responsibility for actions that influence the outcome. An effectuator needs to consider resources available—whether they are tangible or intangible, or whether they are knowledge- or person-related—as potential, and he or she needs skills to affect the outcome (Sarasvathy, Kumar, York & Bhagavatula 2014).

Methodological Choices in this Study: Focus Group Discussions and Data Analysis

Peurunka is an organization located in Central Finland that is seeking organizational renewal and ways to foster service innovations. The case organization is an SME with approximately 150 employees. This organization was chosen for empirical study because it provided opportunities to understand employee effectuation within an organization where (a) the services are multiple, (b) there is often a need for customization, (c) there is a need to cooperate with experts from different fields, and (d) there is a strong customer service focus in its strategies. The case provides opportunities for a qualitative study of service supply, a heterogeneous employee base, and an ownership that is divided into

a foundation and a corporation. Although this change from a rehabilitation center into a service provider happened in 2014, it has provided opportunities to adopt more flexible strategies to survive the COVID-19 pandemic, and thus it reflects the long-term development of an effectual culture in a service-oriented organization.

Focus group discussions were chosen as a research method to gain in-depth information on the interaction among the participants and to obtain an idea of the collective nature of the main themes in organizational development (Eriksson & Kovalainen 2008). Focus groups aim to understand the perspectives and reasoning of the participants (Hennink 2007). In this study, the purpose was to analyze the research data at two levels: among the groups and between the groups.

Four focus group discussions were held for three hierarchical groups: the management team, the middle managers, and the employees, consisting of six to eight members (the recommendation being between 4 and 12; Litosseliti 2003, 3; Eriksson & Kovalainen 2008). Twenty-two individuals participated in the discussions. Six of them represented the management team, eight were middle managers, and eight were employees. The discussions were held from the end of November 2014 to mid-January 2015. Discussions were recorded with two voice recorders and a video recorder. The discussions lasted approximately 60 to 90 minutes and were transcribed into files 21 to 33 pages long. All of the focus groups discussed the following themes:

- Own job and the use of one's own strengths at work;
 - Other respondents' jobs and how the others see their strengths;
 - Changes at work and how they affect one's own work;
 - How the participants receive and give feedback, and what customer interactions were like;
- and
- How their jobs developed from the beginning until the present

The analysis adopted procedures similar to the Gioia method, utilizing first-order codes, sub-theoretical categories, theoretical categories, and aggregate theoretical dimensions within the data

(e.g., Gioia, Corley & Hamilton 2012; Shepherd & Williams, 2014; Patzelt, Williams & Shepherd, 2014). The analysis is not entirely emergent in nature but was conducted using effectuation characteristics. This approach was chosen in the process of analysis because the findings were considered to provide a deeper understanding of the effectuation dynamics within an organization. As Gioia, Corley and Hamilton (2012) state, new tools and concepts are needed to gain a better understanding of reality. However, our view is that another means to gain a better understanding of reality is to trust previous research results, which here regard effectuation, and to seek a deeper understanding of emergent employee actions with their help. We have applied the Gioia method to more deeply understand the different dimensions of employee effectuation. We seek to further explore effectuation dimensions and explain them more carefully within the context of an organization. Effectuation as a background theory gives us a frame to study the process of employee effectuation, but the result is “a static picture of a dynamic phenomenon” (Gioia, Corley & Hamilton 2012, 22) grounded in both effectuation theory and our empirical data.

The analysis was conducted as follows. First, the transcriptions were read to obtain general impressions. Then, theoretically driven content analysis (Stemler 2015) was used to study effectuation in the context of an organization. The idea behind this choice was twofold: to deepen our understanding of emergent entrepreneurial employee behavior and to seek additional avenues to support the use of emergent behavior in an organization when appropriate. As theorized in Häkkinen (2015), effectuation might help us understand how employees can actively affect an organization. Effectuation principles were held as aggregate dimensions, and the written data were analyzed under effectuation principles. The first author read the material several times and placed direct quotations of text into effectuation categories. Direct quotations were considered first-order concepts. After this phase, second-order themes emerged from the first-order concepts and those were linked with aggregate dimensions.

How does effectuation appear in the organizational context?

This part of the study reports the results of the focus group discussions. The features of effectuation dimensions are considered in the organizational context with the help of the theoretical background of effectuation in Table 1. The original effectuation principle is mentioned shortly at the top of each table, and the contents are considered with the help of several extant theories explaining the phenomenon in a deeper fashion as employee features.

Tab. 1: Features of effectuation dimensions from the theoretical background

Means; Bird-in-hand principle - who I am, what I know, whom I know (Sarasvathy 2001)

Employee feature	References
Awareness of one's own capabilities and those of others, open conversations, and not trying to seek specific expertise. Limited and specialized abilities that are fit for exchange with others.	Brettel et al. 2012, Read & Sarasvathy 2005, Rotsgaard Evald & Senderovitz 2013
Making an effort in a collectively defined direction and supporting cooperation among cocreators	Read & Sarasvathy 2012
In the organization, having an effect means enactment, cooperation, and negotiation, e.g., the employees can control their situation and how they do their assigned job	Read & Sarasvathy 2012
Because the outcome gets created during the process, the actors are going to encounter failure, success, change responsiveness, and learning from experiences	Shepherd 2003, Read et al. 2011
Trying without knowing the consequences requires action, courage, and persistence, and it might as well include getting rejected	Read & Sarasvathy 2005

Affordable loss; nonpredictive control (Sarasvathy 2001)

Employee feature	Reference

Paying attention to the cheapest alternatives and coming up with creative ways to do things more efficiently with no additional costs requires intellectual ability and participation, and deciding bravely what not to do	Read et al. 2011, Read & Sarasvathy 2005
Risking less and making small changes along the way can be interpreted as investing only extra time and extra wealth, putting your reputation and emotions into the game.	Read et al. 2011, Sarasvathy 2008

Partnerships, patchwork quilt principle (Sarasvathy 2001)

Employee feature	Reference
Dynamic interactions between various stakeholders require interaction, disclosing new worlds and ways of worldmaking, taking something away, and adding something	Goodman 1978, Spinosa, Flores & Dreyfus 1997
The cocreation of markets needs transformation, change, cocreation, and the crafting and relating of compelling stories	Goodman 1978, Read & Sarasvathy 2005
In order to reduce uncertainty and entry barriers, alliances and precommitments are realized through teamwork, communication, idea sharing and delegating responsibilities	Read & Sarasvathy 2005
Cocreation is inherent in effectuation	Read & Sarasvathy 2012

Leveraging contingencies, lemonade principle (Sarasvathy 2001)

Employee feature	Reference
Creativity is needed in finding ways to benefit from surprises.	Sarasvathy 2003, 2008
Surprises can be used as building blocks.	Sarasvathy 2008
Resources may be rebundled in order to better respond to changes in environments.	Sarasvathy 2008

Next, we will consider aspects that emerged from focus group discussions on the effectuation dimensions.

Means: Reflecting a strong sense of identity

Means are limited and specialized abilities that are fit for exchange with others. The comments that characterized abilities considered the awareness of one's own and others's capabilities, open conversations, and interaction between interested parties. Expertise development and other learning-related processes are slow, and quality formation requires time. The skills of individual employees will increase and develop while they work and obtain more experience. Long-term employee relations and deep expertise may be especially beneficial when employees are aware of how to use their knowledge and experience for the benefit of others. Table 2 explains how the first-order codes were categorized into subcategories, and representative quotes are presented related to the effectual means.

Tab. 2: Means characteristics in focus group discussions of the case organization.

<i>Aggregate Theoretical Dimension</i>	<i>Sub-Category</i>	Representative quotes
MEANS		
	<i>Abilities</i>	<p>“Ability to simplify and concentrate on the essential. Ability to keep the message short. Pick up the right things in the right scale and scope.” (Management 1)</p> <p>“I have been able to use my capabilities according to my interests and learn as well as being able to use new systems.” (Prmm14)</p> <p>“Everyone has their own capabilities but also general interest in each other’s work; everyone brings their own vision, participates in conversations and helps solving problems.” (Management 1)</p> <p>“Employees are encouraged to develop versatile capabilities.” (Middle managers)</p>
	<i>Personality characteristics</i>	<p>“Using one's personality as means to make difficult topics interesting and easily understandable by others. Making them humane.” (Prdm12)</p>
	<i>Experience</i>	<p>Strong expertise in one’s own field, and ability to listen and understand others. (Management 1, interpretation by the authors)</p>

“Professional capabilities are up to you, they are never up to your employer. If you don’t like to develop yourself, try to be selfish – all the capabilities will follow you. They never follow your employer.” (Pref18)

“Long employee relations are beneficial when they know how to use their knowledge and experience for the benefit of others.” (Middle Managers)

Learning

“That’s how you should think about it. Everything is experience and everything teaches you.” (Pref12)

“You have to acknowledge that you don’t know. I have been thinking that human life is like a curve where in the beginning there are asking states. Now I have allowed myself to realize that I have again moved to this kind of asking state. I ask a lot of things, strange things, and it has been truly interesting. Really! People like to tell.” (Pref18)

The *means* category was divided into personality characteristics, abilities, experience and learning according to the empirical data. All of these are individual characteristics, and one’s attitude among other control-related characteristics may affect all of them.

[Affordable loss: Adopting new opportunities through shaping](#)

Creating something new in service-oriented organizations might cause losses, changes, and an exit from old routines, services, and customer relationships. Organizations must therefore calculate how much they can afford to lose in innovative cocreation. The principle of affordable loss in effectuation aims to choose options that create more opportunities in the future by preferring long-term opportunities to short-term profits (Sarasvathy 2001; 2008). The affordable loss principle is based on more than evaluating how much an organization can afford to lose in entrepreneurial processes. It also aims to develop service-oriented organizations and to recognize and eliminate behavior that restricts doing work efficiently. Finding new ways to bring one’s own ideas into existence requires cooperation,

changing plans, interaction, transformation, and creativity. Staff actions and motivation help control risks at service-oriented organizations, thus helping management recognize affordable losses (Read et al. 2011). Table 3 shows how the first-order codes were broken down into subcategories. In addition, representative quotes related to affordable loss are presented.

Tab. 3: Characteristics of affordable loss in focus group discussions of the case organization.

<i>Aggregate Theoretical Dimension</i>	<i>Sub-Category</i>	Representative quotes
<i>AFFORDABLE LOSS</i>		
	<i>Choosing</i>	<p>“What to hold onto and what to get rid of? How to decide what to offer the customers?” (Management 1)</p> <p>“The firm is starting to get rid of that “for war veterans only” stamp...” (Prmm12)</p> <p>“Now we also have a polyclinic, laboratory, and spa. Many think that it is not even possible.” (Prmm12)</p>
	<i>Combining</i>	<p>“Awareness of the skills and competencies of oneself and others so that it is possible to combine them in order to improve the product, service, or the customer experience.” (Management 2)</p>
	<i>Awareness</i>	<p>“Awareness of the whole so that you do not stick in the wrong things.” (Prdm15)</p> <p>“Maybe the most essential place to be is not participating in the highest possible meeting in the hierarchy level, sometimes you have to prioritize by looking at things from the holistic perspective.” (Prdm14)</p> <p>“To understand how strategy affects one's own job.” (Management 1) "Strategy aims toward informing the focus on the essential, not on the superficial matters. To have the big picture in shape." (Prdm11)</p>

Partnerships: The future emerges in cocreation

Interactions between customers, employees and other stakeholders may create a process of discussion, sharing and understanding of what services and products mean to others (Read et al. 2011, Read & Sarasvathy 2005). By rebundling resources in negotiations, cooperation means putting available but unused resources into use (Bradley, Wiklund & Shepherd 2011). This increases the value for customers, organizations, and other stakeholders. However, the process requires awareness of the capabilities of others as well as discussion. This outcome in the effectuation literature is called the patchwork quilt (Sarasvathy 2008). In the context of an organization, this means working with others, noticing their strengths, virtues and tastes. Cooperation with others using available means allows individual capabilities to affect and develop the cocreational process of employees, business partners, and customers (Ordanini & Parasuraman 2010). Table 4 presents the first-order codes by partnerships and their subcategories.

Tab. 4: Partnerships in focus group discussions of the case organization

<i>Aggregate Theoretical Dimension</i>	<i>Sub-Category</i>	Representative quotes
<i>PARTNER-SHIPS</i>		
	<i>Management</i>	<p>“There is a bunch of professional people around me which makes it so much easier to understand the whole. You don’t have to ask for an opinion, everyone will give it.” (Prdm13)</p> <p>“This feels like a really mature way to function. It requires responsibility, knowledge sharing, and follow-through.” (Management 1)</p> <p>“I’m spreading out the responsibility further, so that the middle managers are aware of their business responsibilities to do actions that increase revenue or decrease the costs.” (Prdm14)</p>

<i>Collective effort</i>	<p>“We have a really good ‘esprit de corps,’ cooperative vision, and follow-through here. And we also support each other.” (Prdm1 1)</p> <p>“We collectively plan with marketing and sales how to schedule the bigger events.” (Prmm1 1)</p> <p>“Holistic success is important, because it is not enough if one unit succeeds really well.” (Prdm24)</p>
<i>Reflective development</i>	<p>“The cooperation with different stakeholders has led into an understanding of well-being tourism in Finland.” (Prdm14)</p> <p>“Customers want sometimes specified menus and we usually try to offer them. Of course, you have to look after the ingredient purchases, so that unnecessary products do not pile up.” (Prmm16)</p> <p>“It gives a positive lift to employees, really, when after some big events or big groups they get feedback that it went really well.” (Prmm15)</p>
<i>Interaction</i>	<p>“How can we know about customer expectations if we do not interact with them?” (Prdm22)</p> <p>“We are at the tables where changes are planned and we try to have an influence. We don’t always succeed in the best way possible but at least we are aware of what happens.” (Prdm14)</p> <p>“Awareness of the industries and awareness of others.” (Management 2)</p> <p>“She can make the matters more down-to-earth, more human, and they do not feel so dry...” (Prdm12)</p>

What we found from the discussions, presented in the form of quotes, is that partnerships in organizations consist of management, collective efforts, outcome creation, reflective development, and opportunities to fail and to try again. Partnerships are built through interactions, and altruism

helps in finding outcomes that are not necessarily dependent on the opinion of key managers but that emerge in open discussion.

Leveraging contingencies: Creating new opportunities from contingencies

Uncertainty can be perceived as both a resource and as a process. It is continuous, leaves traces and demands a reaction from service-oriented organizations. Leveraging unexpected contingencies requires creativity in finding ways to benefit from the current and future surprises in the markets (Sarasvathy 2003, 2008). Both positive and negative surprises can be used as inputs when creating something new. The unexpected future and the contingencies it contains create resources and opportunities for resource combinations that may be valuable in making new business opportunities (Sarasvathy 2008). Table 5 presents the first-order codes and subcategories of leveraging contingencies.

Tab. 5: Characteristics of leveraging contingencies in focus group discussions of the case organization

<i>Aggregate Theoretical Dimension</i>	<i>Sub-Category</i>	Representative quotes
LEVERAGING CONTINGENCIES		
	<i>Flexibility</i>	<p>“Versatile services bring along the needs for flexibility, and there are a lot more surprises during the work day.” (Prmm12)</p> <p>“All the employees are not so flexible for this because they have never had to be. It is enough that they do their jobs as they are used to and when a customer group challenges him or her, well...” (Prmm15)</p> <p>[Referring to the internal change process] “From a rehabilitation center into a spa center with laboratories, multiple professional and well-being services.” (Middle-Managers)</p>

<i>Proactive</i>	“The webstore was opened at a great time as the Ukrainian crisis and disturbances in
<i>Change</i>	Russia disabled all the travel agencies.” (Prdm13)
	“Integrating the expertise of the crowd from different sectors and units.” (Employees)
	“You just have to stay with the change and preferably create models.” (Prdm14)
<i>Unpredictability</i>	“The behavior of the funding agencies in the social and health industry has changed. It has not been possible to count on them.” (Prdm14)
	“This is a strange time and economists can’t predict what’s going to happen. That is why it’s important that we have all networked in our own special areas.” (Prdm13)
<i>Surprise</i>	“We have been able to bring something extra to the customers because they still have continued coming here despite the higher prices.” (Prdm13)
	“To surprise the customers by greeting and serving them well.” (Prdm23)
	“Offering coffee to the customer who has been waiting too long.” (Management 1)

As shown in the quotes, principles of effectuation were found in focus group discussion interactions in a slightly different form than they appear in the original Sarasvathy (2001, 2003, 2008) papers explaining effectuation as found among expert entrepreneurs. In sum, we can describe employee effectuation with the following characteristics:

- Means-principle in employees is explained by abilities, personality characteristics, experience, and learning
- Affordable loss in employees can be characterized by choosing, combining, and awareness
- Partnerships appear as management, collective effort, reflective development, and interaction

- Leveraging contingencies is described through flexibility, proactive change, unpredictability, and surprise.

Control principle among effectual employees

The overarching principle in effectuation is control, whether it is control for resources in hand or control over performance (e.g., Sarasvathy 2001, 2008). The empirical findings of this study suggest that there were three overarching themes in the empirical data, which further explain the control principle of effectuation. The three themes are (1) entrepreneurial culture creation, (2) enablers or facilitators in the organization, and (3) employee attitudes. We propose that these all need to be considered on several organizational levels to encourage effectuation and its characteristics in the context of an organization.

Entrepreneurial culture creation

An organizational culture that supports the developmental activities of employees is one sign of reciprocity (Armstrong-Stassen & Schlosser 2008). The decision to act is internal and depends on how the actor perceives the situation (Joas 2005). Thus, although the actor might perceive the situation differently depending on earlier personal experiences, organizational culture can provoke trust and encourage action. An enabling factor may also be fluency in information flow. In our empirical data, one of the informants suggested listening to both employees and managers and picking up the best and the most functional practices. Employees need to feel that they have the freedom to share their ideas and that their active initiatives are encouraged, supported, and rewarded in effectuation-based organizations (Atienza 2015).

Johansson and McKelvie (2012) found that individual decision-making style is affected by organizational context. The organizational context may be restrictive, and it has been suggested that

individuals might feel that their action is constrained by an “iron cage” (e.g., DiMaggio & Powell 1983) of institutionalized practices in an organization. As Lusch and Vargo (2014, 6) explain, “*Humans create organizations and structures that in turn influence and control them*”. Rising against these practices, as an employee, may look and feel like a rebellious act against the employer, causing uncertainty.

Enabler(s) of facilitator(s) in the organization

Tolerating unpredictability and uncertain circumstances enables entrepreneurial behavior (Dunning, Shepherd and Czaplewski 2012). Sharing and discussing difficult experiences with others may help to solve work-related issues. For example, according to the employee discussion, cooperation between departments would lead to a better understanding of the customer as well as better abilities to serve the customer.

Based on the findings of this study, the starting point in effectual culture creation is not just idea generation but also organizational support. As we brought up earlier, Sarasvathy (2008) mentioned that effectuation requires agency, which is a prime driver for opportunity creation. Employees feel they have ideas about how to improve services, but at the same time, they feel helpless. They do not recognize what the next step would be in putting ideas into action. It seems that there is a lack of enablers, facilitators, or other entrepreneurial decision-makers, and perhaps because of the underlying organizational culture, individuals are not yet sure how to be active and how to independently take the initiative. Using a multilevel reconceptualization of the dynamics of effectuation designed by Kerr and Coviello (2020), it could be assumed that the employees are in a loop between level 1 (individual dynamics) and level 2 (dyadic relationship dynamics), waiting for one or several collaborators on board to iterate the idea to achieve level 3 (entrepreneurial network dynamics). These enablers can be middle managers or other organizational members who know how to create strong ties between specialists and help individual dynamics evolve further into dyadic relationship dynamics.

Employee attitude

Not only management but also employee attitude positively and negatively influences effectual culture creation. Perspectives by new employees can increase entrepreneurial behavior in a service-oriented organization. Perceived control over one's own choices also has an impact on it. According to the first management discussion, service-oriented businesses need to prioritize tasks. Control can also be at least partially conditional according to the middle managers, when the supervisor enables, directs, and delegates responsibilities and power. According to the findings of the study, work development should belong to everyone: not only to those planning how the work is done but also to the employees who perform their duties. Intrinsic motivation and high domain expertise entail possibilities for creativity (Amabile 2012). The employees saw that spontaneity also leads to insights, where one's own intuition and creativity may blossom. It also requires the freedom to make one's own decisions. Autonomy is therefore one of the signs of effectual culture creation.

Not only individual skills, but also one's own attitude affects the development opportunities offered by an employer; it may also have an effect on how customers are actually served and how they feel about the service provided by employees. The responsibilities of one's own job may also reflect employee attitudes, as well as how employees perceive the possibilities around them, as seen in the following discussion:

"...a lot could be given if there were some possibilities. Somehow it feels that there are quite strict limitations on what you can do within a product, but somehow it just feels like a train." (Pref13)

"It feels that the possibilities to impact narrow all the time as the years go past." (Pref13)

"Nowadays the funding agencies (payers) determine what the products contain. They clearly determine what there can be and that probably really affects your work." (Pref12)

"You might have really good ideas, but if you tell them to your supervisor, they may say that yes, it is a good idea, but nothing happens. That is quite frustrating." (Pref17)

"You can develop your job under the big themes but you cannot be too innovative because nobody pays for it." (Prmm17)

Table 6 shows factors that hinder development and employee possibilities for effectual behavior.

Tab. 6: Development hindering factors

Hindering factors	Representative Quotes
<i>Blocks in the information flow</i>	"There should be enough information available in order to independently develop one's job." (Survey) "We always go through the negative feedback but the positive may go unnoticed." (Prmm11)
<i>Own attitude</i>	"I think we perceive each other's job descriptions as narrower than what they really are." (Prmm17) "One needs to be pro-active and willing to be aware of the products and services, so that you can sell something extra and tell the customer how he or she could spend his or her freetime." (Prmm12)
<i>The possibilities to control</i>	"Developing one's job does not always depend on oneself and can be constrained by several factors. Although I would be positive toward change, all of the others are not..." (Survey)
<i>Paying attention to well-being</i>	"In customer service, employee well-being should be followed." (Prmm13) "One precondition for managing one's own work is positive feedback" (Prmm12) "Many are on sick leave, because of foot, shoulder or back problems. Perhaps it could be better if our well-being was more central than the numbers." (Pref17) "And we could perhaps have more strength to keep smiling if we did not feel so much pressure." (Pref17) "The numbers could also be improved by well-being." (Pref12)
<i>Unawareness of each other's jobs</i>	"If there is a change in eating hours, at a minimum, we have all processes mixed up!" (Prmm11)
<i>Solitude</i>	"Then, there is not that much support, the group is not standing behind you, there is no alliance, and it is challenging to assimilate oneself with a certain professional group. It is quite negative to notice that it would be really nice to develop and share things with someone..." (Pref13)

Table 7 illustrates through quotes how different factors were perceived to encourage development and add motivation toward entrepreneurial enactment, learning and creativity.

Tab. 7: Development-enabling factors

Enabling factors	Representative Quotes
-------------------------	------------------------------

<i>Own attitude</i>	<p>"When someone is especially good at holistic thinking, it is an advantage because they may perceive things differently and communicate it so that it is understandable also by others. Perhaps closer to as it really is." (Prdm14)</p> <p>"Everyone can take as much responsibility in their own roles as they dare." (Prdm13)</p> <p>"Self-directedness and self-active role in bringing matters forward so that they can be processed. Own active employee role. That is the point that gives added value; taking new ideas forward, fostering them and picking up the best, not just the basic formal tasks." (Prdm15)</p>
<i>Control over one's own choices</i>	<p>"When you understand why things are done like this, why we want to go there, and when you see that you can do it, you just go forward." (Prdm12)</p> <p>"It is important to be able to influence the various decisions and one needs versatile networks among the management group." (Prdm14)</p>
<i>Freedom</i>	<p>"Freedom to use one's own thinking, so there's not someone all the time telling us how to do things." (Prmm11)</p> <p>"Freedom to do as we please, a possibility to succeed through our own choices." (Prmm16)</p>
<i>Networking</i>	<p>"We are all cooperating in our own networks with different stakeholders and background organizations. We bring that knowledge to the management meetings." (Prdm13)</p> <p>"We are at the tables where it is planned. We do not always succeed as we would like but at least we know what changes are coming." (Prdm14)</p>
<i>Awareness of each other's jobs</i>	<p>"It is really good that we get to know each other's jobs; you can always decide whether to value or evaluate...at least to get some actual knowledge before evaluating." (Prmm12)</p> <p>"I still think that although I have been here for a long time, a lot of individuals working here have something to give me. I would not have to go far to learn something valuable." (Pref16)</p>

Discussion

In the studied organization, the realities of managers and employees differ. Management viewed themselves as entrepreneurial and collaborative, and they were puzzled why employees did not promote more entrepreneurial behavior in their daily work. In line with the findings of Kerr and Coviello (2020), the organization and its members seemed to be stuck between individual (level 1) and dyadic relationship dynamics (level 2). This loop could be broken by a facilitator or enabler or by changing practices to include more interactional mechanisms.

Focus group discussions demonstrated that creative resources and autonomy, together with the support of leadership and control, are needed to have an effectual culture. In addition, reward systems

reinforce desired behavior (Yost & Plunkett 2010). In a theoretical framework, we introduced conditions that may enable entrepreneurial behavior and act as starting points for effectual culture creation: reciprocity (Armstrong-Stassen & Schlosser 2008), creativity (Amabile 2012), intrapreneurship (Atienza 2015), and how management tolerates unpredictability (Duening, Shepherd & Czaplewski 2012) and failures by employees (ul Haq, Jingdong, Usman & Khalid 2018).

This study set out to answer two research questions: “*What kinds of opportunities for employee effectuation are there in service design and development-related discussions of employees?*” and “*What kinds of opportunities are there for entrepreneurial culture creation through employee effectuation in a service-oriented organization?*”

Drawing from the observation made by Courpasson, Dany and Martí (2014) that entrepreneurial behavior, such as corporate entrepreneurship, has mainly been researched as a managerial effort, in this study on effectuation, the focus on employees revealed behavioral microlevel structures. The study responds to the call by Nair, Paulose, Palacios and Tafur (2013) to consider the microlevel core competence strategies influencing business models. In line with Nair et al. (2013), one way to encourage effectual actions in organizations would be to benefit from creative outputs as a form of cocreative customer service improvement. This study also addresses the question posed in Read and Sarasvathy (2012, 227): “Under what circumstances can cocreation shape competitive advantage?” We suggest that the circumstances should support creativity and entrepreneurial behavior that seeks to improve organizational circumstances or develop products and services cocreatively either with customers or with other employees based on customer feedback.

We need to find more ways to promote and encourage employee ideas that challenge the persistent beliefs of dysfunctional structures to make those actions easier to notice and be leveraged. This is especially valuable for management because leveraging this kind of behavior may require a change in managerial perceptions. This study echoes the statement by Courpasson et al. (2014) that

although management may first view free interaction among the employees as rebellious and chaotic, it may also lead to revival and renewal outcomes, which can be fostered by giving more space for free interaction between organizational members.

Sarasvathy, Dew, Read and Wiltbank (2008, 336) have asked “How can we understand the microfoundations, i.e., the decisions and actions at the entrepreneurial level that drive the processes of organizational design?” Similarly, Venkataraman and Sarasvathy (2000, 4) stated, “Strategy essentially focuses on existing firms and the activities of existing firms. Entrepreneurship, on the other hand, has been focusing attention on the creative process, particularly that of new firms. Where they overlap is at the nexus of the creative process of existing firms.” In line with these ideas, we found the following outcomes of this study. In understanding the creative process of existing firms and the decisions and actions that are used in building it, researchers need to study the interaction between the organizational members and understand their realities in their unique organizational context through a range of qualitative methods. This interaction may contain multiple types of communication, including tension, contradiction, and paradoxes between the parties, as suggested by Langley, Smallman, Tsoukas and Van de Ven (2013, 9) in their change process studies. Langley et al. (2013, 10) believe that an individual level of analysis could illuminate management and organizational concerns, which is what this study aims to accomplish.

As noted at the beginning of this chapter, human action has a central role in effectuation (Sarasvathy 2008). The goals may change (Sarasvathy et al., 2003, Welter, Mauer & Wuebker 2016), and commitment is re-evaluated during the process of change. This chapter has set out to identify the opportunities for effectuation in an organization as an interactional development of outcomes. In the future, it might be interesting to study partnerships in effectuation and their formation more closely in an organization. This might increase the understanding of social mechanisms and relationships between stakeholders and their commitment to new outcomes.

Effectuation might be of use for management when they are willing to encourage entrepreneurial behavior in the organization. When the organization is the context, employees might need assistance and encouragement to become active agents and realize their means, partnerships, affordable loss, unpredictability, and control. Means need to be identified for them to be beneficial to the employee. Sometimes it only requires someone to pay attention to another's strengths and to offer them positive feedback. Encouraging self-development and self-reflection helps individuals become more aware of their daily work.

Partnerships need space to evolve informally and formally. The formation and comparison of different professional perspectives and dealing with possible contradictions could help in solving problems. Affordable loss becomes visible when employees dare to say what doesn't work and how processes or services could be improved. When employees are aware of their own work but also that of others, they are more prone to make more informed choices when prioritizing tasks. Unpredictability, changes, challenges, and opportunities to discuss them are the first signals of creating an effectual culture together. When different professionals from various fields look at the same challenge from different angles, it becomes less unpredictable. Planning strategies to overcome these challenges is a way to control the unpredictable future and its contingencies.

Conclusion and limitations of the study

In addition to its functionality in explaining the behavior of expert entrepreneurs, effectuation logics helps us to understand emergent entrepreneurial behavior among the organizational members who can be considered experts in their own field. The results of this study suggest that the entrepreneurial attitude of management is not enough to foster and support creative and innovative service-related behaviors among task-performing employees. A more concrete acknowledgment of the skills and capabilities of the employees is needed to benefit from entrepreneurial and service-related behaviors at the organizational level.

Langley et al. (2013, 4) suggest that although we have many types of process research studies, they are usually based on controlled lab experiments or large quantitative samples. The focus group discussions conducted in this study were a functional technique for capturing a community view and the methods of interaction within the different groups and levels of the organization. The in-depth nature of the discussions enabled tentative suggestions to increase the understanding of effectuation possibilities between the different hierarchical levels and groups in the organization. Understanding organizations and their mechanisms can produce future research on effectual social mechanisms and interactions.

Our study reveals that when studying effectuation in the organization, several hierarchical, interactional and power-based factors need to be considered relative to expert entrepreneur-type effectuation. We suggest that the positive attitude of management is not enough to foster and support entrepreneurial and service-related behaviors. Direct acknowledgment of the skills and capabilities of the employees is needed for the organization to benefit from entrepreneurial and service-related cocreational behaviors in the organization.

Managerially, employee effectuation creates many opportunities for flourishing organizations. Employee effectuation benefits from an organizational culture in which autonomy and creativity are appreciated and in which full individual potential can be used. Typically, effectuation is useful in sales and marketing professions in which decisions need to be made immediately and directly with customers. Sales performance can thus be increased by having entrepreneurial employees and by nurturing effectual culture in an organization. Agility in decision-making can increase performance in service sales and decrease some of the costs that arise from communicational, organizational, and individual errors. Entrepreneurship, in the forms of thinking, new idea generation, and agile decision-making, enables an organizational culture in which employee effectuation can flourish. This requires resource access and the capabilities to combine resources in new ways. Individually, employee effec-

tuation is captive to organizational culture, management, and profession. However, enabling a working culture that is friendly to entrepreneurial behavior leads to employee effectuation and decision-making tailored for customer problem solving. In an organization, the talent, skills, knowledge, and knowhow of each employee influence how effectuation takes place and how the possibilities of organizational renewal occur.

Educationally, employee effectuation is born and cultivated over the long term, meaning entrepreneurship education should take place throughout the school system and through the interaction of theory and practice. Experience-based projects, work experience, summer jobs, traineeships, and career development offer opportunities for the birth of employee effectuation processes. Entrepreneurial learning can reflect effectual culture creation. Enabling creativity, innovativeness, and the proactive behavior of employees leads to understanding what opportunities effectuation can bring. In addition to encouraging entrepreneurial behavior, employees and employers together set the limits and the organizational rules for the opportunities for the continuous development of professions. Entrepreneurial behavior and effectuation are not appropriate for every task. Controlled routines and repeated working tasks are also needed in the workplace. Additionally, the performance stemming from customers and from effectuation influences how the organization and work will be developed as well as how it will change.

A limitation of the study is that the results cannot be generalized. They reflect an understanding of a single organization and its members. In addition, the data collected reflect the past five years of the organization and its development but not the post-COVID-19 era and future strategies. Group dynamics (Hennik 2007) typical of focus group limitations also need to be considered. There is a likelihood that some of the employees and the managers might answer based on group dynamics. The moderator was aware of this and accounted for it by discussing it with different personnel.

This paper examined the possibilities of employee effectuation from the interaction and discussions of employees. In the future, employee effectuation could also be studied by understanding resource accumulation and the resource access employees need when consciously creating an effectual culture in the workplace. Many of the earlier studies have shown that entrepreneurs use both effectuation and causation styles in daily decision-making. A greater understanding of the relationships between employee effectuation and causation would increase our understanding of how employees benefit from different decision-making styles in different tasks in the service industry. In relation to causation and effectuation, it would be interesting to study the decision-making styles and reasoning used by employees who do not want to or who cannot apply effectuation in their work. As effectuation is dependent on the employer up to a point, cross-cultural studies can also increase the value of understanding the cultural differences of entrepreneurial behavior across continents.

References

Amabile, T.E. (2012). Componential theory of creativity. Working paper. In E.H. Kessler (Ed.) *Encyclopedia of management theory*, Sage Publications <http://www.hbs.edu/faculty/Publication%20Files/12-096.pdf>

Antoncic, J.A., & Antoncic, B. (2011). Employee satisfaction, intrapreneurship and firm growth: a model. *Industrial Management & Data Systems*, 111(4), 589–607.
<https://doi.org/10.1108/02635571111133560>

Armstrong-Stassen, M., & Schlosser, F. (2008). Benefits of a supportive development climate for older workers. *Journal of Managerial Psychology*, 23(4), 419–437.
<https://doi.org/10.1108/02683940810869033>

- Atienza, C. M.R. (2015). Organizational culture as a key enabler of intrapreneurship: A critical review of literature. *Journal of Asia Entrepreneurship and Sustainability*, 11(3), 85–128. Retrieved from <https://www.proquest.com/scholarly-journals/organizational-culture-as-key-enabler/docview/1773198490/se-2?accountid=11774>
- Bradley, S.W., Wiklund, J., & Shepherd, D.A. (2011). Swinging a double-edged sword: The effect of slack on entrepreneurial management and growth. *Journal of Business Venturing*, 26(5), 537–554. <https://doi.org/10.1016/j.jbusvent.2010.03.002>
- Brettel, M., Engelen, A., & Küpper, D. (2012). Corporate effectuation: Entrepreneurial action and its impact on R&D project performance. *Journal of Business Venturing*, 27(2), 167–184. <https://doi.org/10.1016/j.jbusvent.2011.01.001>
- Courpasson, D. Dany, F., & Martí, I. (2014). Organizational entrepreneurship as active resistance: A struggle against outsourcing. *Entrepreneurship Theory and Practice*, 40(1), 131–160. <https://doi.org/10.1111/etap.12109>
- Crevani, L., Palm, K., & Schilling, A. (2011). Innovation management in service firms: A research agenda. *Service Business*, 5(2), 177–193. <https://doi.org/10.1007/s11628-011-0109-7>
- Deligianni, I, Voudouris, I., & Lioukas, S. (2016). Do effectuation processes shape the relationship between product diversification and performance in new ventures? *Entrepreneurship Theory and Practice*, 41(3), 349–377. <https://doi.org/10.1111/etap.12210>
- Duening, T.N., Shepherd, M.M., & Czaplewski, A.J. (2012). How entrepreneurs think: Why effectuation and effectual logic may be the key to successful enterprise entrepreneurship. *International Journal of Innovation Science*, 4(4), 205–216. <https://doi.org/10.1260/1757-2223.4.4.205>

- Eriksson, P., & Kovalainen, A. (2008). *Qualitative Methods in Business Research*. Sage Publications Ltd.
- Ettlie, J. E., & Rosenthal, S. R. (2011). Service versus manufacturing innovation. *Journal of Product Innovation Management*, 28(2), 285–299. <https://doi.org/10.1111/j.1540-5885.2011.00797.x>
- Fotiadis, A., Polyzos, S., Huan, T.C. 2021. The good, the bad and the ugly on COVID-19 tourism recovery. *Annals of Tourism Research*, 87, 1-14. <https://doi.org/10.1016/j.annals.2020.103117>
- Gioia, D.A., Corley, K.G., & Hamilton, A.L. (2012). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16(1), 15–31. <https://doi.org/10.1177/1094428112452151>
- Goel, S. & Karri, R. (2006). Entrepreneurs, effectual logic, and over-trust. *Entrepreneurship Theory and Practice*, 30(4), 477–493.
- Häkkinen, R.A. (2015). Effectuating person-organization fit - Effectuation in organizations. *Journal of Entrepreneurial and Organizational Diversity*, 4(2), 1–26. <https://doi.org/10.5947/jeod.2015.009>
- Hennink, M.M. (2007). *International Focus Group Research: A Handbook for the Health and Social Sciences*. Cambridge University Press.
- Jiang, Y., & Rüling, C.-C. (2019). Opening the Black Box of Effectuation Processes: Characteristics and Dominant Types. *Entrepreneurship Theory and Practice*, 43(1), 171–202. <https://doi.org/10.1177/1042258717744204>

Kerr, J., & Coviello, N. (2020). Weaving network theory into effectuation: A multi-level re-conceptualization of effectual dynamics. *Journal of Business Venturing*, 35(2), 1–20.

<https://doi.org/10.1016/j.jbusvent.2019.05.001>

Langley, A., Smallman, C., Tsoukas, H., & Van de Ven, A.H. (2013). Process studies of change in organization and management: Unveiling temporality, activity, and flow. *Academy of Management Journal*, 56(1), 1-13. <https://doi.org/10.5465/amj.2013.4001>

Litosseliti, L. (2003). *Using Focus Groups in Research. Continuum Research Methods*. MPG Books Ltd.

Nair, S., Paulose, H., Palacios, M., & Tafur, J. (2013). Service orientation: effectuating business model innovation. *The Service Industries Journal*, 33(9–10), 958–975.

<https://doi.org/10.1080/02642069.2013.746670>

Neessen, P.C.M., Caniëls, M.C.J., Vos, B., & de Jong, J.P. (2019). The intrapreneurial employee: toward an integrated model of intrapreneurship and research agenda. *International Entrepreneurship and Management Journal*, 15(2), 545-571. <https://doi.org/10.1007/s11365-018-0552-1>

Nguyen, N.M., Killen, C.P., Kock, A., & Gemünden, H.G. (2018). The use of effectuation in projects: The influence of business case control, portfolio monitoring intensity and project innovativeness. *International Journal of Project Management*, 36(8), 1054-1067.

<https://doi.org/10.1016/j.ijproman.2018.08.005>

Ordanini, A. & Parasuraman, A. (2010). Service innovation viewed through a service-dominant logic lens: a conceptual framework and empirical analysis. *Journal of Service Research*, 14(1), 3–23. <https://doi.org/10.1177/1094670510385332>

- Patzelt, H. & Williams, T.A., & Shepherd, D.A. (2014). Overcoming the walls that constrain us: The role of entrepreneurship education programs in prison. *Academy of Management Learning & Education*, 13(4), 587–620. <https://doi.org/10.5465/amle.2013.0094>
- Perry, J. T., Chandler, G. N., & Markova, G. (2011). Entrepreneurial effectuation: A review and suggestions for future research. *Entrepreneurship Theory and Practice*, 36(4), 837–861. <https://doi.org/10.1111/j.1540-6520.2010.00435.x>
- Read, S., & Sarasvathy, S.D. (2005). Knowing what to do and doing what you know: Effectuation as a form of entrepreneurial expertise. *The Journal of Private Equity*, 9(1), 45–62. <https://doi.org/10.3905/jpe.2005.605370>
- Read, S., & Sarasvathy, S.D. (2012). Co-creating a course ahead from the intersection of service-dominant logic and effectuation. *Marketing Theory*, 12(2), 225–229. <https://doi.org/10.1177/1470593112444381>
- Read, S., Sarasvathy, S.D., Dew, N., Wiltbank, R., & Ohlsson, A-V. (2011). *Effectual Entrepreneurship*. Routledge.
- Read, S., Song, M., & Smit, W. (2009). A meta-analytic review of effectuation and venture performance. *Journal of Business Venturing*, 24(6), 573–587. <https://doi.org/10.1016/j.jbusvent.2008.02.005>
- Reymen, I.M.M.J., Andries, P., Berends, H., Mauer, R., Stephan, U., & van Burg, E. (2015). Understanding dynamics of strategic decision making in venture creation: A process study of effectuation and causation. *Strategic Entrepreneurship Journal*, 9(4), 351–379. <https://doi.org/10.1002/sej.1201>

- Roach, D.C., Ryman, J.A., & Makani, J. (2016). Effectuation, innovation and performance in SMEs: an empirical study. *European Journal of Innovation Management*, 19(2), 214–238. <https://doi.org/10.1108/EJIM-12-2014-0119>
- Sarasvathy, S. (2003). Entrepreneurship as a science of the artificial. *Journal of Economic Psychology*, 24(2), 203–220. [https://doi.org/10.1016/S0167-4870\(02\)00203-9](https://doi.org/10.1016/S0167-4870(02)00203-9)
- Sarasvathy, S.D. (2001). Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of Management Review*, 26(2) 243–263. <https://doi.org/10.5465/amr.2001.4378020>
- Sarasvathy, S.D. (2008). *Effectuation: Elements of Entrepreneurial Expertise*. New Horizons of Entrepreneurship. Edward Elgar Publishing.
- Sarasvathy, S. & Dew, N. 2008. Effectuation and Over-Trust: Debating Goel and Karri. *Entrepreneurship Theory and Practice*, 32(4), 727-737.
- Sarasvathy, S.D., Dew, N., Read, S., & Wiltbank, R. (2008). Designing organizations that design environments: Lessons from entrepreneurial expertise. *Organization Studies*, 29(3), 331–350. <https://doi.org/10.1177/0170840607088017>
- Sarasvathy, S.D., Kumar, K., York, J.G. & Bhagavatula, S. 2014. An Effectual Approach to Inter-national Entrepreneurship: Overlaps, Challenges, and Provocative Possibilities. *Entrepreneurship Theory and Practice*, 38(1), 71 – 93. <https://doi.org/10.1111/etap.12088>
- Sigala, M. 2020. Tourism and COVID-19: Impacts and implications for advancing and resetting industry and research. *Journal of Business Research*, 117, 312-321. <https://doi.org/10.1016/j.jbusres.2020.06.015>

Shepherd, D.A., & Williams, T.A. (2014). Local venturing as compassion organizing in the aftermath of a natural disaster: The role of localness and community in reducing suffering. *Journal of Management Studies*, 51(6), 952–994. <https://doi.org/10.1111/joms.12084>

Smolka, K.M., Verheul, I., Burmeister-Lamp, K., & Heugens, P.M.A.R. (2018). Get it together! Synergistic effects of causal and effectual decision-making logics on venture performance. *Entrepreneurship Theory and Practice*, 42(4), 571-604. <https://doi.org/10.1177/1042258718783429>

Stemler, S.E. (2015). Content Analysis. In Scott, R., & Kosslyn, S. (Eds.) *Emerging Trends in the Social and Behavioral Sciences*. John Wiley & Sons.

ul Haq, M.A., Jingdong, Y., Usman, M., & Khalid, S. (2018). Factors affecting entrepreneurial behavior among employees in organizations: Mediating role of affective commitment. *Journal of Enterprising Culture*, 26(4), 349–378. <https://doi.org/10.1142/S0218495818500139>

Venkataraman, S., & Sarasvathy, S. (2000). *Strategy and Entrepreneurship: Outlines of an Untold Story*. Darden Graduate School of Business Administration University of Virginia. Working Paper No. 01-06.

Welter, C., Mauer, R., & Wuebker, R. (2016). Bridging behavioral models and theoretical concepts: Effectuation and bricolage in the opportunity creation framework. *Strategic Entrepreneurship Journal*, 10(1), 5-20. <https://doi.org/10.1002/sej.1215>

Yost, P.R., & Plunkett, M.M. (2010). Ten catalysts to spark on-the-job development in your organization (Commentary). *Industrial and Organizational Psychology - Perspectives on Science and Practice*, 3(1), 20–23. <https://doi.org/10.1111/j.1754-9434.2009.01190.x>

INDEX

Causation 6

Effectuation 6-7

Employee effectuation 5-7

Entrepreneurial culture 5-7

Focus group 10

Gioia method 11

Intrapreneurship 5

Service innovation 4