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In this paper, I investigate how evolving conditions in the entrepreneurial household during the process of new venture creation could affect the success of the focal venture. Focusing on discrete, major life events surrounding the entrepreneur, I found that subsequent to the founding of a new venture, the birth of a new child significantly reduces the likelihood that the venture would survive, while the experience of death in the family produces an opposite effect. When combined with an entrepreneur's overconfidence, these influences are accentuated, although, conditional on survival the net effect of a birth event engenders profitable new venture growth. In addition, a near bankruptcy situation confronting the household increases the probability of new venture survival. This study elucidates and contributes to an improved understanding of the intertwined relationship between business and household.

In this talk, I will also discuss some of the finer points of using the Household, Income and Labor Dynamics survey in Australia (HILDA) 2001-2012 data set, as well as a canonical approach to measuring overconfidence.

Date: Wednesday, 9th April 2014
Time: 11:00am - 12:00pm
Venue: BUSN201 (Case Study Room)
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