Expertise and entrepreneurial decision-making in business start-up: evidence from Sri Lankan micro-entrepreneurs

Nadeera Ranabahu Mudiyanselage
*University of Wollongong, nurm263@uowmail.edu.au*

Mary Barrett
*University of Wollongong, mbarrett@uow.edu.au*

Publication Details

Expertise and entrepreneurial decision-making in business start-up: evidence from Sri Lankan micro-entrepreneurs

Abstract
This paper presents a study of effectuation (means driven) and causation (predictive) thinking between 'expert' and 'non-expert' micro-entrepreneurs in business start-up. Entrepreneurs borrowing from a microfinance institute, that is micro-entrepreneurs, were categorised as 'nonexperts' if their main business—the longest managed enterprise—was their first business and 'experts' if it was not. Interview and survey data gathered highlighted that effectuation rather than causation were dominant during business start-up. In contrast to findings about entrepreneurial thinking in other contexts, this study found that 'experts' balanced effectuation and causation, while 'non-experts' used effectuation more. However, further studies are required to identify the extent to which these effects are due to the business being the entrepreneur's first ever business or due to the micro-entrepreneur's gender. (Abstract only.)

Publication Details

This conference paper is available at Research Online: [http://ro.uow.edu.au/buspapers/994](http://ro.uow.edu.au/buspapers/994)
Expertise and entrepreneurial decision-making in business start-up: Evidence from Sri Lankan micro-entrepreneurs

Ranabahu, Nadeera; Barrett, Mary

This paper presents a study of effectuation (means driven) and causation (predictive) thinking between 'expert' and 'non-expert' micro-entrepreneurs in business start-up. Entrepreneurs borrowing from a microfinance institute, that is micro-entrepreneurs, were categorised as 'non-experts' if their main business—the longest managed enterprise—was their first business and 'experts' if it was not. Interview and survey data gathered highlighted that effectuation rather than causation were dominant during business start-up. In contrast to findings about entrepreneurial thinking in other contexts, this study found that 'experts' balanced effectuation and causation, while 'non-experts' used effectuation more. However, further studies are required to identify the extent to which these effects are due to the business being the entrepreneur's first ever business or due to the micro-entrepreneur's gender.