Home Alone: Innovation and sales growth intentions among the sole self-employed

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It is widely known that solo self-employed entrepreneurs enjoy non-pecuniary benefits from their employment status and earn less compared to those in employment. They have greater freedom and autonomy in running their businesses and can pursue their intrinsic commercial ambitions relying on their experience, abilities and exploiting the available opportunities from their external environment. In this paper, we argue that solo self-employed entrepreneurs’ growth intentions shape their future innovation strategy. We develop a theoretical framework and empirically analyse the relationship and the determinants of innovation and growth intentions using data on a large sample of UK self-employed entrepreneurs. In doing so we extend the theory of planned behaviour to incorporate the role of entrepreneurs’ experience in innovation and growth in shaping their corresponding future intentions. Our empirical results suggest that past innovation performance and achieved growth rates shape future growth intentions through an adaptive learning process given the level of entrepreneurial capabilities and external environment opportunities.