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WORKING PAPER

Beyond environmental scarcity: Human and social capital as driving forces of bootstrapping activities

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ABSTRACT

Although entrepreneurship scholars highlight bootstrapping as an important resource acquisition approach to respond to the inherent resource constraints which nascent ventures face, little is known about what causes nascent ventures to engage in bootstrapping. Theory highlights the environment as an important determinant of bootstrapping activity. Analyzing bootstrapping behavior of 298 nascent ventures, we find that beyond environmental factors, individual characteristics of the nascent entrepreneurs and factors relating to the embeddedness of the entrepreneurs in the environment determine their venture's bootstrapping behavior. In a more fine-grained analysis we gain insights how these antecedents shape the use of particular bootstrap strategies. Findings contribute to our understanding of how early resource management approaches are developed in nascent ventures.