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## CALL FOR CHAPTER PROPOSALS

# “Multidimensional Assessments of New Venture Legitimacy”



### Editor:

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### Introduction

Nearly 40% of firms do not reach their 5th anniversary (INSEE, 2021). If in 2020, the number of failures has decreased (about 32,000 firms according to a study commissioned by EY, 2021) in particular thanks to the support of the government, this figure is likely to increase in the coming years (40% more from 2022, according to Euler Hermes, 2021).

In the current context, the growth or failure of firms depends on their ability to meet the expectations of different audiences such as customers (Elmholdt, 2016; Wang et al., 2014), suppliers (Liao & Liu, 2016; Low et al., 2007) or investors (Certo, 2003; Homburg et al., 2014). These audiences develop a social judgment of the firm in a social environment (Deephouse et al., 2017; Fisher et al., 2016) which can be legitimacy, image, reputation or even social status.

New entrepreneurial ventures face a “liability of newness”; their risk of failure is much higher than for established organizations (Stinchcombe, 1965). This uncertainty and lack of operating history make it difficult for them to access needed resources to exploit opportunities (Zimmerman & Zeitz, 2002). To overcome this liability, entrepreneurs strive to establish organizational legitimacy: a “generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995, p. 574). Although organizational legitimacy attainment and management is relevant for all organizations (Suchman, 1995), it is in the early phases of venture development - when a venture is still young, resource constrained, and extremely uncertain (McMullen & Shepherd, 2006) - that legitimacy hurdles and challenges are greatest (Fisher, Kotha, & Lahiri, 2016).

For entrepreneurs, establishing and maintaining new venture legitimacy is complex; research has highlighted various specific contingencies that complicate this process. There is tension between fitting in with market norms, values, beliefs, and definitions, and standing out from others in the market to gain a differentiation advantage (Gehman & Grimes, 2017; Navis & Glynn, 2010, 2011; Zhao et al., 2017). There is a need to establish legitimacy with different groups of stakeholders (Fisher et al., 2017) and to account for different market contexts in which a venture operates (Navis & Glynn, 2011; Tracey, Dalpiaz, & Phillips, 2018; Soublière & Gehman, 2019; Younger & Fisher, 2020). And all this takes place in a processual way over time; legitimacy is not something that is established quickly or simply (Suddaby, Bitektine, & Haack, 2017; Tracey et al., 2018).

Prior research on new venture legitimacy has mostly adopted a contingency perspective, in which researchers attempt to abstract a limited set of structural or organizational concepts and relate them to a limited set of abstracted situational concepts or legitimacy complications (or contingencies) to account for an outcome (Meyer, Tsui, & Hinings, 1993; Miller & Friesen, 1984). However, as entrepreneurs develop a new venture, most will grapple with multiple complicating factors that interact in complex ways. In sum and as stated by Fisher (2020), we need to move from a contingency to a configurational understanding of new venture legitimacy. Thus, we can shift from a unidimensional, variance-based, reductionist assessment to a multidimensional, processual, inter-temporal assessment of new venture legitimacy.

Perceived legitimacy (Major & Schmader, 2001; Costarelli, 2007) by entrepreneurs, both in their relationships with themselves (called “identity legitimacy” by Pailot et al. (2015)) and in their interactions with their stakeholders (qualified as “entrepreneurial legitimacy”) is an issue that intrigues researchers in entrepreneurship in general and in female entrepreneurship in particular. While the academic field (and the largest journals) reserves a crucial attention for research into women's entrepreneurship, while institutional actors (international organizations, States, local authorities, consular organizations, etc.) are multiplying the incentives to develop it, do women entrepreneurs feel legitimate to them? Do they feel recognized as legitimate by their various internal and external stakeholders?

Entrepreneurial legitimacy pertains to entrepreneurs' and start-ups' ability to conform to stakeholders' expectations (Suchman, 1995; Tornikoski, 2009). In order to conform to these expectations and transform them over time, entrepreneurs and their organizations must first build a personal representation about what it means to be an entrepreneur. Then, entrepreneurs can start a dialogue with the stakeholders' external representations of what it means to be an entrepreneur in order to improve their ability to either conform to these expectations or to try to change them in accordance with what is perceived internally. Entrepreneurial legitimacy characterizes either the entrepreneur, as an individual, or the interaction between the nascent organization and its stakeholders (Tornikoski, 2009; Überbacher, 2014). However, as Suchman (1995) observed, legitimacy is an interactive construct of communication in the public sphere that reflects its context and contributes to shaping individual and collective action. A broader approach toward entrepreneurial legitimacy can contribute to a better understanding of the situated nature of entrepreneurship and entrepreneurial culture.

In recent decades several academic articles have explored the dimensions of entrepreneurial legitimacy (Nagy et al., 2012; Shepherd and Zacharakis, 2003; Zimmerman & Zeitz, 2002), yet little is known about how entrepreneurial legitimacy emerges and evolves at the social level (Radu-Lefebvre, Lou & Redien-Collot, 2019). This is an important theoretical gap in the understanding of entrepreneurial legitimacy. Prior research mostly focused on the impact of entrepreneurial legitimacy on various stakeholders, with little emphasis on its very genesis in a context of social interaction (Tornikoski, 2009; Nagy et al., 2012; Überbacher, 2014).

Entrepreneurial legitimacy is a key element of this evaluation process, because it is known to favor the survival of new ventures (Delmar & Scott, 2014). Surprisingly, legitimacy has mainly been analyzed from a theoretical point of view (Greenwood et al., 2017). Vergne (2011) is one of the rare reflections on the operationalization of the concept and the development of a composite measure of legitimacy. The limited amount of work devoted to legitimacy from a methodological and practical point of view reflects the complex nature of this concept (Bitektine, 2011; Castelló, Etter, Årup Nielsen, 2016; Bitektine & Haack, 2015).

Entrepreneurship literature supports the contention that legitimacy attainment facilitates favorable judgments from key stakeholders regarding the acceptability, appropriateness, and worthiness of entrepreneurs and their efforts. Theorists and empirical researchers regard these favorable judgments tied to legitimacy as important determinants of the decisions of key stakeholders as they weigh whether or not to buy from, partner with, and invest in the efforts of new venture leaders. Although legitimacy attainment is a milestone that emerging venture leaders strive to reach, researchers have not developed a measure that examines whether a firm is operating pre-legitimacy attainment or post-legitimacy attainment, based on the perceptions of new venture leaders.

To date, legitimacy research has investigated the myriad ways legitimacy can be attained, either through isomorphic firm behaviors, strategic means, or social relationships (e.g., Parhankangas & Ehrlich, 2014; Rutherford & Nagy, 2015). In addition, many studies have been conducted to investigate what are the likely antecedents to legitimacy attainment (Choi & Shepherd, 2005; Nagy, Pollack, Rutherford, & Lohrke, 2012; O'Neil & Ucbasaran, 2016; Pollack, Rutherford & Nagy, 2012; Zimmerman & Zeitz, 2002). And, overall, researchers agree that failure rates for pre-threshold firms are much higher than for post-threshold firms (Jawahar & McLaughlin, 2001; Singh, Tucker, & House, 1986; Stinchcombe, 1965). However, despite our growing depth of knowledge, we do not yet know how to measure if a company is operating pre- or post-legitimacy. No empirical study has been conducted to aid the effort to better understand the salient activities that take place before and after legitimacy attainment based on the assessments of entrepreneurs and their teams – activities that may be very important signals to entrepreneurs as well as stakeholders that the emerging venture is or is not legitimate. This issue highlights the need to measure the legitimacy threshold (Nagy et al., 2017).

Similarly, the very wide range of phenomena to which legitimacy relates is confusing. Indeed, legitimacy is mobilized to apprehend radically different social processes (e.g. practices, status, roles, identities, power, authority, rules, social control, social change, etc.) situated at levels of analysis also very heterogeneous (e.g. acts, people, groups, institutions, etc.) (Zelditch, 2001). In the managerial literature, the authors thus distinguish between external and internal

legitimacy (Drori & Honing, 2013), cognitive legitimacy (Sheperd & Zacharakis, 2003; Pérez Rodriguez & Basco, 2011; Pollack, Rutherford & Nagy, 2012), organizational legitimacy (Golant & Sillince, 2007; Vergne, 2011; Schröder, 2012), entrepreneurial legitimacy (De Clerq & Voronov, 2009), institutional legitimacy (Cho et al., 2011), cognitive legitimacy and sociopolitical legitimacy (Aldrich & Fiol, 1994), or sociopolitical regulatory, normative sociopolitical and cognitive legitimacy (Zimmerman & Zeltz, 2002).

### **Objective of the Book**

The main objective of this edited book is to generate a collection of theoretical and empirical chapters dealing with issues related to entrepreneurial legitimacy, and to provide new answers in this research perspective. Its chapters can follow a qualitative or quantitative approach. They can relate to different epistemologies as long as the implications and research issues are clarified. They must show rigor in the conceptual and theoretical framework and in the methodology used.

### **Target Audience**

The target audience of this book will be composed of researchers (professors, post-doctorate researchers, or doctoral students) working in the field of Entrepreneurship, and management in general. It is also aimed at practitioners, entrepreneurs, civic society stakeholders, etc.

### **Recommended topics include, but are not limited to, the following:**

This edited book encourages submissions on the following themes, topics and approaches:

- Social judgments
- Social representation
- Identity and legitimacy
- Entrepreneurial Identity
- Professional identity
- The Entrepreneur as a Social Representation
- The Legitimacy Threshold
- Entrepreneurial Activities and the Legitimacy Threshold
- New Venture Legitimacy
- Multilevel analysis of legitimacy / social judgments
- Entrepreneurial support and legitimacy / social judgments
- Student entrepreneurship and social legitimacy/judgments
- Image and identity of Start-ups
- Measurement of legitimacy / social judgments
- Legitimation process
- Reputation and legitimacy
- Social networks and legitimacy / social judgments
- Business takeovers and legitimacy/social judgments
- Performance and legitimacy / social judgments
- Brand legitimacy
- Legitimacy of entrepreneurial ecosystems

### **Submission Procedure**

Researchers and practitioners are invited to submit on or before **July 19, 2023**, a chapter proposal of 1,000 to 2,000 words clearly explaining the mission and concerns of his or her proposed chapter. Authors will be notified by **August 2, 2023** about the status of their proposals and sent chapter guidelines. Full chapters are expected to be submitted by **November 16, 2023**, and all interested authors must consult the guidelines for manuscript submissions at <https://www.igi-global.com/publish/contributor-resources/before-you-write/> prior to submission. All submitted chapters will be reviewed on a double-blind review basis. Contributors may also be requested to serve as reviewers for this project.

Note: There are no submission or acceptance fees for manuscripts submitted to this book publication, *Multidimensional Assessments of New Venture Legitimacy*. All manuscripts are accepted based on a double-blind peer review editorial process.

All proposals should be submitted through the eEditorial Discovery<sup>®</sup>™ online submission manager: <https://www.igi-global.com/publish/call-for-papers/submit/6597>

### **Publisher**

This book is scheduled to be published by IGI Global (formerly Idea Group Inc.), an international academic publisher of the “Information Science Reference” (formerly Idea Group Reference), “Medical Information Science Reference,” “Business Science Reference,” and “Engineering Science Reference” imprints. IGI Global specializes in publishing reference books, scholarly journals, and e-collections featuring academic research on a variety of innovative topic areas including, but not limited to, education, social science, medicine and healthcare, business and management, information science and technology, engineering, public administration, library and information science, media and communication studies, and environmental science. For additional information regarding the publisher, please visit [www.igi-global.com](http://www.igi-global.com). This publication is anticipated to be released in 2024.

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