

Public Abstract

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Title:Expanding Our Understanding of Effective Entrepreneurship and Leadership Processes: An Application to the Wine Sector

The recent economic recession in the U.S. and in the E.U. is enhancing entrepreneurship processes around the world. Old forms of production are becoming obsolete along with old ways of organizing the economy and society. This scenario and the emergence of new leadership processes have prompted an increase in entrepreneurship focused on the needs of new niches. However, not all entrepreneurship and leadership processes have been successful in achieving their goals. Research on entrepreneurship and leadership has identified the need to further understand the dynamic features of these processes and their complexity.

One of the sectors in the U.S. that has shown major growth during the last decade is the wine sector. The increase of national and international market competition in the wine sector has prompted new entrepreneurship and leadership processes in this sector. As a result, it seems timely and appropriate to expand our understanding of effective entrepreneurship and leadership processes in the U.S. wine industry.

The dissertation's main contributions are to: (a) expand the understanding of the dynamics of entrepreneurship, (b) expand the understanding of how human cognition relates to its contexts in order to make entrepreneurship effective, (c) identify two types of leadership that are key for achieving companies' sustained competitive advantage, (d) expand the understanding of how human cognition relates to its contexts in order to make leadership effective, (e) identify the structures (traits and processes) that effective entrepreneurship and leadership share, (f) identify the synergies between entrepreneurship and leadership, and (g) bring useful insights to the nine wineries interviewed so that they can address their current challenges more effectively.

Results indicate that there is a co-evolutionary process between entrepreneurs' cognition and their surroundings. The key elements that enhance the success of entrepreneurship processes are: (a) a clear vision and mission, (b) the ability to undergo deep learning processes, (c) systemic understanding, (d) above average ability to recognize opportunities, (e) effective communication skills, and (f) adequate resources and infrastructure. Ethical and transformational leadership processes are identified as leadership type's necessary to enhance wineries' sustained competitive advantage. Leadership effectiveness is highly dependent on the level of leaders': (a) personal mastery, (b) awareness of mental models, and (c) systemic knowledge. These qualities allow entrepreneurs and leaders to have a broader vision, to identify new opportunities, and to welcome new projects without resistance. At the same time, these qualities facilitate the emphatic listening and generative communication skills necessary for entrepreneurship and leadership effectiveness. Furthermore, without effective leadership there is no materialization of new ideas and projects, and without effective entrepreneurship there is no possibility for sound leadership. The large and mid-sized wineries included in this study experience more effective results from entrepreneurship and leadership processes than do the small ones. The main challenges faced by the wineries studied concern their ability to address the following three behaviors: (a) shifting the burden – the tendency to address the symptoms instead of the fundamental causes; (b) misunderstanding the success process – the tendency to continue with the same old partially effective strategy without addressing the obstacles that prevent wineries from reaching their full potential; and (c) underinvesting in growth – the tendency to overreach without recognizing that the winery's capacity cannot support the current growth pace. Finally, simulation results indicate that small wineries that barely

break-even are not able to adjust their goals so that they can better satisfy their customer's preferences. The model also indicates that wineries that enjoy profits do not satisfy customer environmental preferences, leaving a market opportunity unfulfilled. Results also point out that low well-being levels of managers and employees substantially reduce entrepreneurship and leadership effectiveness by letting the "goals-erosion" mechanism dominate their behavior instead of the "hillclimbing" mechanism.

Keywords:

Entrepreneurship; leadership; dynamic management; organizational behavior; learning; organizational learning; wineries