

EXPLORING THE AFFORDABLE LOSS PRINCIPLE: A SYSTEMATIC LITERATURE REVIEW

SILIANE FERRARI VOLTOLINI

ESCOLA SUPERIOR DE PROPAGANDA E MARKETING (ESPM)

SÍLVIO LUÍS DE VASCONCELLOS

ESCOLA SUPERIOR DE PROPAGANDA E MARKETING (ESPM)

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Introdução

Researchers have been divided into three main groups since the first publications on the Effectuation Theory. Researchers have studied the two processes: causation and effectuation, together (Chandler et al., 2011). Some researchers studied the processes separately, emphasizing the effectuation process (Melinda et al., 2015). Gradually, researchers focus on profoundly understanding a specific principle (Martina, 2020).

Problema de Pesquisa e Objetivo

To understand this field, our article intends to approach the Affordable Loss (AL) principle more profoundly in the effectuation logic literature. We want to answer the research question: "How are business and management researchers approaching the affordable loss principle?". The main objective of this article is to describe how researchers approach the AL principle in the business and management literature.

Fundamentação Teórica

AL is one of the five effectuation principles and is defined as "what" or "how much" entrepreneurs can afford and what they are willing to lose on entrepreneurial investments (Dew et al., 2009). This suggests that the individual must be prepared to tolerate some losses in his entrepreneurial process. By setting an affordable loss limit, entrepreneurs can better manage their risk exposure, avoid excessive financial or personal setbacks, and increase their resilience in the face of uncertainty.

Metodologia

This study conducts a systematic literature review analysis of 41 articles in the field of Business and Management to examine the treatment of the principle of Affordable Loss (AL). Influential author, journals, and publication trends are identified by analyzing publications in the Scopus and Web of Science databases.

Análise dos Resultados

Using the bibliographic coupling and VOSviewer software, the articles are clustered into three groups: Performance, Motivation, and Assessment. Firstly, there is a significant emphasis on investigating strategies employed by companies and entrepreneurs within the context of the AL principle. Secondly, researchers have explored the factors that influence the adoption of strategies incorporating the AL principle. Lastly, there is substantial attention given to the development and application of measurement tools for assessing the AL principle in entrepreneurial ventures and corporate strategy.

Conclusão

After a detailed analysis of the 41 articles found in the Scopus and Web of Science databases, we noticed that the literature that exclusively addresses the AL principle is still very incipient. Therefore, there is a vast area to be studied. The use of the future research agenda and the framework developed in this article may help new research in the area of business and management.

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