

A vibrant, abstract painting serves as the background for the title. It features bold, expressive brushstrokes in shades of blue, green, yellow, red, and orange, creating a dynamic and textured composition.

# What Does it Take for Creative Workers to Pivot?: Leveraging Intangible Resources to Pivot After Failure

Arts, Entrepreneurship, and Innovation Lab

Research Brief No. 2020-09

June 8, 2020

Article Author: Jared Allen, Regan Stevenson, Tang Wang

Research Brief Prepared by Michael Weigel



# WHAT DOES IT TAKE FOR CREATIVE WORKERS TO PIVOT?

## Abstract

This research focuses on creative workers “pivoting” (defined in this instance as revisiting of past ideas in a new setting or context). The paper takes a resource-based view (RBV) to explore how intangible resources are leveraged after setbacks that occur at the early stages of creative development. A dataset containing 1474 observations of creators who owned failed Kickstarter projects that later pivoted to self-publishing on Amazon is analyzed to contribute to the literature on creative work, pivoting, and resource utilization during creative development.

## Introduction

Entrepreneurial skills are important for creative workers, as is having the flexibility necessary to “pivot” in response to failures, market changes, or other environmental circumstances. Despite the importance of structured course correction, little scholarly work in this field currently exists. Individual characteristics are important to structuring failure response, but so are intangible resources based on human, social and psychological capital. Since new projects and startups often can become reliant or “fixated” on outdated solutions, this research takes an interest in the temporal dynamics of pivoting as well as the decisions themselves. The paper also employs an RBV framework to define intangible resources in a novel manner. Crowdfunding ventures are a logical area to study pivoting since they have about a 60% fail rate, failure and success are concretely defined, and financial and temporal information is publicly

available. This research models resource availability as a series of incremental decisions that can predict pivot speed and decisions while also examining the role of individual resourcefulness.

## Hypotheses

*Hypothesis 1: There is a positive relationship between intangible human resources and (a) post-failure pivoting decisions and (b) post-failure pivoting speed.*

*Hypothesis 2: Intangible social resources will strengthen the positive relationship between intangible human resources and (a) post-failure pivoting decisions and (b) post-failure pivoting speed.*

*Hypothesis 3: There will be a three-way interaction between intangible psychological resources, intangible human resources, and intangible social resources, such that in conjunction these resources will jointly strengthen (a) post-failure pivoting decisions and (b) post-failure pivoting speed.*

## Methods and Measures

This study compares 1474 creators who posted projects to the same Kickstarter category between 2011 and 2013 for instances of subsequent posting of the same project to Amazon between 2014 and 2016. Publishing was chosen as the category since those project goals are less varied than other artistic industries and for the elimination of industry bias. These cases are of interest because failure manifests as a specific “marketplace redirection” pivot where the move from Kickstarter

## WHAT DOES IT TAKE FOR CREATIVE WORKERS TO PIVOT?

to Amazon represents a change of broader tactics through moving to a riskier non-crowdfunded marketplace. Measurements were taken of the speed (in number of days) of pivoting as well as the decision made, and matches were found via searches for author, title, and social media. Overall, 277 of the 1474 creators pivoted. Controls were implemented to minimize the differences from funding, duration, gender, and some personality dimensions picked up via CATA.

Variable	Measurement Method
Intangible psychological resources	Computer-aided content analysis of project descriptions (CATA)
Intangible human resources	Dummy variable of prior Kickstarter experience
Intangible social resources	Dummy variable of comments left on Kickstarter project

## Results

For analysis, a logistic regression was used to test the relationship between predictors and pivot decisions and a Cox survival model was used to model pivot speed. The first hypothesis was supported by a significant relationship between intangible human resources and post-failure pivoting. The second hypothesis was supported via significant interaction between human and social resources in predicting pivot decisions. The third hypothesis (relating to a three-way interaction between intangible psychological, human, and

social resources in predicting pivot decision and speed) was unsupported: though a statistically significant relationship existed, it surprisingly trended negatively.

## Discussion

The surprising result that psychological resources interacted negatively with human and social ones could possibly be due to overconfidence impacts that lead to either reduced responsiveness to new information from failed campaigns or a tendency to blame failure on external sources. These results have implications for innovation and entrepreneurial activity by creative workers as well as literature on RBV and pivoting. Our findings illustrate the importance of intangible resources as drivers of post-failure pivoting decisions and pivoting speed for creative workers. For entrepreneurship and creativity researchers, this suggests that a broader perspective of the role resources play in creative work should be taken to further explore the relationship between intangible resources and responses to failure (i.e. pivoting). This study also offers insights into the importance of human, social, and psychological resources in individual strategic decision making during the crucial stages of early stage firm development. Limitations of this study were that only two platforms were incorporated and that results may not be generalizable to other entrepreneurial ventures. Future research could focus on the role gender plays in pivoting, incubator programs that offer resources to creative workers, and the role individual resourcefulness plays in maximization of scarce resource utility.

## ACKNOWLEDGEMENTS

The opinions expressed in this brief are those of the authors(s) and do not represent the views of the National Endowment for the Arts Office of Research & Analysis or the NEA. The Arts Endowment does guarantee the accuracy or completeness of the information included in these materials and is not responsible for any consequences of its use. This NEA Research Lab is supported in part by an award from the National Endowment for the Arts (Award#: 1844331-38-C-18).



Jared Allen is a second year PhD student in the Management department at UCF. His research interest are in the field of entrepreneurship, specifically the psychology of entrepreneurship. He is interested in why/how entrepreneurs rebound from failure and how individual differences can account for the effects of failure on future venture outcomes.

Dr. Regan Stevenson is an Assistant Professor of Entrepreneurship and the John and Donna Shoemaker Faculty Fellow at the Kelley School of Business (Indiana University). His research examines how entrepreneurs deal with and overcome early-stage challenges when launching and scaling new ventures. He focuses on topics such as the psychology of entrepreneurship, resource acquisition, decision-making, entrepreneurial hustle, resourcefulness, and experimental methods.



Tang Wang (PhD) is an assistant professor in the Department of Management. His research focuses on technology entrepreneurship and innovation management, including product and technology development and new venture creation and financing. His work examines high-tech industries such as computer software, biotechnology, and defense. He teaches courses in strategy, innovation and entrepreneurship at the undergraduate, MBA and Ph.D level.



**O'NEILL**  
SCHOOL OF PUBLIC AND  
ENVIRONMENTAL AFFAIRS  
Center for Cultural Affairs

