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The Sociology of Entrepreneurship Revisited

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Keywords

entrepreneurs, start-ups, organizational founding, organization theory, human capital, social networks, stratification

Abstract

Over the last two decades, the sociology of entrepreneurship has exploded as an area of academic inquiry. Most of this research has been focused on understanding the environmental conditions that promote entrepreneurship and processes related to the initial formation of an organization. Despite this surge in activity, many important questions remain open. Only more recently have scholars begun to turn their attention to what happens to organizations, and the people connected to them, as they mature and move through the life cycle of entrepreneurship. These open questions, moreover, connect to many classic themes in the literature on careers, organizational sociology, stratification, and work and occupations. Using a framework that focuses on three phases of the entrepreneurial life cycle—pre-entry, entry, and post-entry—we summarize sociological research on entrepreneurship and highlight opportunities for future research.

1. INTRODUCTION

While the rate of new company formation has been decreasing for decades (Haltiwanger 2022), the societal perception and legitimacy of entrepreneurship as an occupational pursuit have never been higher. Policymakers view entrepreneurship as an engine for economic growth, creating high-paying and satisfying jobs with benefits. Entrepreneurs, celebrated as economic heroes, grace the pages of news and social media platforms. Ecosystems—college courses, pitch contests, hackathons, and accelerators—have emerged to encourage this entrepreneurial spirit everywhere from Dallas to Des Moines to Delhi.

The field of sociology has seen a similar surge in research focusing on entrepreneurship. In 1999, Thornton published an early and influential review of sociological research on entrepreneurship. At that time, leading journals such as the *American Journal of Sociology*, *American Sociological Review*, *Administrative Science Quarterly*, and *Organization Science* had published no more than a handful of articles on the subject. Today, sociologists contribute dozens of papers to this expanding field every year.¹

As the body of literature has expanded, so too has what is labeled as entrepreneurship. Some define it as any form of self-employment. Others' definition includes only the creation of new organizations, while some restrict it to those attempting to build high-growth or innovation-driven start-ups, such as the Apples, Teslas, and Ubers of the world.² Some have even sought to disconnect it from the idea of starting a business, portraying it as a mindset or an approach to problem-solving (e.g., Sarasvathy 2001).

Sociologists have typically adopted a broad definition of entrepreneurship: one that includes not just the establishment of main street businesses—such as retailers and restaurants—but also self-employment. Despite the attention given to high-growth companies by media outlets and management scholars, most new business formation and job creation occur outside the realm of high-tech and high-growth entrepreneurship (Aldrich & Ruef 2018). A notable number of recent sociological studies on entrepreneurship have nevertheless been dedicated to exploring the origins, expansion, and societal impacts of innovation-driven start-ups. In instances where research focuses only on this narrower segment, our review highlights and acknowledges this restriction.

The sociology of entrepreneurship can be organized in many ways. In her early review, Thornton (1999) split studies into the supply side—focusing on the interest in becoming an entrepreneur—and the demand side—the societal need for entrepreneurs or organizations. At the time, this framework brought attention to the then-neglected demand side of entrepreneurship. Since then, not only has this call for research been answered, but sociologists have also, as in other areas (e.g., Correll 2004), increasingly recognized the interplay and overlap between the drivers of supply and demand (e.g., Thebaud 2015, Hwang & Phillips in press).

Similar to that of Thornton (1999), our article has been structured to call attention to opportunities for future research. At the highest level, it is organized around the life cycle of entrepreneurship. We categorize the research as most relevant to one of three major phases: (a) pre-entry, exploring the environments that promote entrepreneurship; (b) entry, focusing on the event of founding a firm; and (c) post-entry, encompassing the growth, maturation, and failure

¹ Given the large number of articles, our review can only provide high-level summaries of the topics covered. See Ruef & Lounsbury (2007) for an extended review of the early sociology literature. Sorenson & Thornton (2025) provide a recent book-length treatment, covering the topics discussed here in detail. Botelho et al. (2021) offer a complementary review focusing on economics, management, and finance research on innovation-driven entrepreneurship.

² Botelho et al. (2021) and Fairlie et al. (2023) provide extended discussions of the distinction between different definitions of entrepreneurship and their implications for policy and research.

of new organizations. We further divide topics within each of these life cycle stages into subthemes according to theoretical perspectives.

2. ENTREPRENEURIAL ENVIRONMENTS

Several streams of literature have examined the conditions conducive to entrepreneurship, expanding on what Thornton (1999) had characterized as the demand side. The scope of this research has broadened considerably in recent years. It now encompasses not only the societal need for entrepreneurs but also the environmental factors that diminish barriers to entry and stimulate both entrepreneurship and innovation, offering a more holistic account of the ecosystem supporting entrepreneurial activity.

2.1. Institutional Environments

Institutional theory has long examined how various societal factors—from legal regulations to cultural norms—produce conformity in organizational forms and practices (e.g., Meyer & Rowan 1977, DiMaggio & Powell 1983). Initially, this focus on conformity seemed at odds with the concept of entrepreneurship, creating something novel. Despite this apparent contradiction, institutional perspectives have proven to be valuable lenses for examining factors underlying the creation of firms (Tolbert et al. 2011), enriching our understanding of how institutional forces shape and even facilitate the emergence of new enterprises.

Early research from an institutional perspective often highlighted legal regimes as important factors in entrepreneurial entry (e.g., North 1991, Scott 2007). Legal and political environments, however, do not have straightforward relationships with entrepreneurship rates. In some cases, rules and regulations impose costs and constraints on entrepreneurs, reducing the rate of entry (e.g., de Soto 1989). In others, they provide a supportive infrastructure. Enforceable contracts, for example, depend on having a court system that consistently interprets and upholds these agreements, along with a government—or other institution—capable of enforcing them (Greif 1993).

Governments and organizations can also substitute for one another in providing essential infrastructure (e.g., currency and trust). When governments fall short, private organizations—whether nonprofit, for-profit, or informal—often emerge to fill these needs (Ingram & Simons 2000, Yue et al. 2013). Social relationships, for example, have been instrumental in supporting entrepreneurship, particularly in contexts such as China and Imperial Russia, by helping to enforce property rights when the government did not (Peng 2004, Hillman & Aven 2011). Changes in the range and nature of services provided by the state can therefore directly influence the opportunities available to entrepreneurs.

Changes in the legal environment can also act as catalysts for entrepreneurial opportunities, either by generating new needs or by giving certain types of organizations a competitive advantage. A case in point is the temperance movement, which restricted the sale of alcoholic beverages but, in doing so, opened up opportunities for the production and sale of sodas and soft drinks (Hiatt et al. 2009).

A substantial portion of institutional research has concentrated on the interplay between societal norms, values, and entrepreneurship. This approach has deep roots in sociology, dating back at least to Weber's (1958) observation that religious beliefs might account for disparities in economic development across countries. The celebration of entrepreneurship as an activity varies considerably across communities (Aldrich & Fiol 1994). Those that hold it in higher regard and attach less stigma to failure enjoy higher rates of entrepreneurship (Simmons et al. 2014).

The importance of norms has also been a recurring theme in the literature on high-tech startups. The dynamism of Silicon Valley, in particular, has often been credited to its unique regional

culture and institutions (Saxenian 1994). Consider, for example, the role of law firms in Silicon Valley. These firms have developed a set of practices that enable and support venture capital investing, an inherently high-risk activity that could easily lead to extensive litigation in the absence of these practices (Suchman & Cahill 1996).

More recent research in this realm has explored the sources of these institutional changes. Changes in legal environments and shifts in societal norms and values frequently originate from social movements, covered by another body of research with roots in institutional theory. The rise of *nouvelle cuisine* in France stemmed from concerted efforts by a group of chefs and critics interested in freeing French cuisine from its traditional constraints (Rao et al. 2003). In another example, environmentalists played a pivotal role in creating a market for wind energy (Sine & Lee 2009). When social movements bring about institutional change, they create opportunities for entrepreneurs who can provide products and services to satisfy the resulting demand shifts (Hiatt et al. 2009, Sine & Lee 2009).

Changing institutional environments continue to offer opportunities for future research. For example, because most norms and regulations emerged from an analog era, the digital transformation of industries has disrupted many institutions. Digital platforms, such as Amazon Marketplace, Uber, and Upwork, exemplify a new kind of institution. Do these platforms foster or hinder entrepreneurship? Meanwhile, the emergence of the gig economy introduced a novel work environment. Courts have grappled with the classification of gig workers, debating whether they align more closely with employees or entrepreneurs (Vallas & Schor 2020). Gig workers may embody a new paradigm, blending elements of both traditional employment and entrepreneurship, introducing a third logic.

2.1.1. Institutional logics. Over the past two decades, a major development in institutional theory has been the recognition that multiple sets of norms and expectations can coexist within a context (Ocasio et al. 2008, Thornton et al. 2012). Communities of organizations offering mutual fund services in Boston and New York, for example, developed different practices despite being in the same industry (Lounsbury 2007). Similarly, in higher education, diverse entities such as community colleges, trade schools, for-profit institutions, private colleges, and state universities offer similar services but operate under distinct logics, goals, norms, and expectations (Ocasio et al. 2008).

Such variation creates opportunities for entrepreneurs. Savvy entrepreneurs can actively align their start-ups with prevailing cultural narratives and tap into new opportunities (Navis & Glynn 2010). The presence of competing logics within the same industry can also provide opportunities for institutional arbitrage. Cultural entrepreneurs may even attempt to introduce new institutional logics into existing ecosystems (e.g., Rao et al. 2003).

2.1.2. Institutional organizations. In recent years, research focusing on the formal institutional environment has highlighted how specific types of organizations—such as universities, government programs, and financial institutions—support entrepreneurship, particularly innovation-driven entrepreneurship.

Colleges and universities, for example, play a number of roles in fostering innovation-driven entrepreneurs. By offering courses and degrees related to the subject, they legitimize it as an activity and career option, and well-designed programs seem to enhance the success rates of those who launch ventures (e.g., Camuffo et al. 2020). In high-tech fields such as biotechnology, start-ups often emerge from scientific research conducted in academic settings, positioning universities as crucial sources of innovative ideas ripe for commercialization (Stuart & Sorenson 2003, Stuart & Ding 2006). These institutions also equip their students with technical expertise, expanding the employment pool for high-tech start-ups (Stuart & Sorenson 2003).

Financial institutions also support entrepreneurs. Banks, for example, provide loans to many main street entrepreneurs, and communities with more competitive local banking sectors enjoy higher rates of entrepreneurship (Kerr & Nanda 2009). Crowdfunding, where groups of individuals each chip in a small amount to fund a project or business, has also emerged recently as a source of early capital (Mollick 2014). High-growth businesses, meanwhile, rely on support from venture capitalists (see Botelho et al. 2021 for an extended discussion of financing and entrepreneurship), who provide funding in exchange for equity rather than in the form of loans. Increases in the supply of venture capital stimulate higher rates of high-tech entrepreneurship (e.g., Samila & Sorenson 2017).

2.2. Organizations as Environments

Organizational ecology (or corporate demography) emphasizes the role that existing organizations play in determining the creation and survival chances of other organizations (Hannan & Freeman 1977, Carroll & Hannan 2000). Initial research in the field focused on developing the density dependence model, which argues that the entry and exit rates of organizations within a population—typically an industry within a country—depend on the current size, or density, of that population (Carroll & Hannan 2000). It provides a framework for understanding how the presence and prevalence of organizations in a given area can affect the dynamics of industry growth and decline over time.

In its classic formulation, organizational ecology asserted that the rate of firm founding initially increases as the population grows. As a particular type of organization becomes more common in a country, it gains legitimacy among resource holders (e.g., investors, customers, and potential employees). This enhanced legitimacy, in turn, increases the resources available to the population of like organizations. However, each organization also requires and thus competes for these resources. As the population expands, competition intensifies; eventually, it reaches a density threshold where the detrimental effects of heightened competition surpass the benefits of increased legitimacy. Beyond that point, the rate of new firm formation declines with further increases in density.

As industries mature, organizations often establish and benefit from economies of scale, which can heighten barriers for entrepreneurs attempting to enter the industry. Mature industries, however, sometimes experience a burst of innovation and entrepreneurship that disrupts the status quo. A prime example comes from the United States beer-brewing industry. Craft brewers promoted the importance of authentic, small-batch production processes. Initially dominated by a few major brewers, the rise of brewpubs and microbreweries transformed the industry, dramatically increasing the number of producers (Carroll & Swaminathan 2000).

This process has been called resource partitioning (Carroll 1985). Differentiation on various dimensions—such as taste and production processes—can create dozens or even hundreds of distinct niches, each with its own subpopulation (Peli & Nooteboom 1999). By limiting the extent of economies of scale, these niches create opportunities for entrepreneurs to enter (Carroll 1985, Carroll & Swaminathan 2000).

The mechanisms and timing of these partitioning processes within any given industry remain subjects of inquiry and offer opportunities for future research. We see interesting parallels here with the research on social movements and institutional logics. Much as social entrepreneurs attempt to introduce new norms and practices, resource-partitioning entrepreneurs—such as those behind the craft brewing movement (Carroll & Swaminathan 2000)—introduce novel dimensions of differentiation (e.g., production processes). Their success can lay the foundation for a new generation of entrepreneurs, revitalizing the industry.

2.2.1. Categories and cognition. Over the past two decades, organizational ecologists have largely allocated their research attention to elucidating the concept of legitimation (e.g., Hannan et al. 2019). Cognitive psychologists have long understood that people group objects and ideas into categories and that these classification processes, in turn, influence our perceptions of category members (Rosch et al. 1976). Legitimation has thus come to be understood as the process through which an audience perceives a collection of organizations as constituting a distinct category (Hsu & Hannan 2005).

Established categories differ in their ability to aid members in securing resources. Tight categories, characterized by members with more consistent attributes, offer greater benefits to those members who closely adhere to these attribute expectations (Hannan et al. 2019). Similarly, categories that are more distinct and clearly differentiated from related ones typically have an easier time attracting resources (Hannan et al. 2019).

The refinement of legitimation processes carries significant implications for entrepreneurs. Firms perceived as prototypical of a type of organization, for example, accrue advantages relative to those not seen as clearly belonging to a category. Numerous empirical studies have therefore demonstrated that firms and products that attempt to span categories face penalties because people perceive them as not being a member of any category (Zuckerman 1999, Hsu 2006, Negro & Leung 2013, Hannan et al. 2019).

Large language models (LLMs), such as those behind ChatGPT, could transform the study of categorization. These models, to a certain degree, mimic how humans classify objects. They therefore hold significant value as a coding tool, facilitating the automated classification of people, products, and organizations (Le Mens et al. 2023). LLMs may also have potential as a simulation tool. They may, for instance, allow researchers to model the emergence of alternative categorization schemas and to explore the conditions that favor one schema over another.

2.2.2. Spatial ecology of entrepreneurship. Another stream of ecological research has shifted the focus from cognitive processes to examining how existing organizational populations affect the availability of resources. Geography has been an important element in this research. Whereas cognitive legitimacy might emerge at a national or even a global scale, the pools of potential entrepreneurs, employees, and many types of suppliers important to forming companies vary from city to city (Sorenson & Audia 2000; Sorenson 2018, 2023).

Industries, therefore, have a strong tendency to cluster. Successful entrepreneurs have generally been employees in the industry, or in a closely related one, of the business that they launch (e.g., Freeman 1986, Sorenson & Audia 2000). Moreover, they typically found their firms where they have been living (Dahl & Sorenson 2009). Not only do they have strong social connections to these places—family and friends—but also their social capital in these regions helps them to raise capital and recruit employees (Dahl & Sorenson 2012). Industry clusters, therefore, emerge as incumbent firms nurture the next generation of entrepreneurs in an industry (Saxenian 1994).

These industry clusters also become increasingly rich in the resources needed to support startups. Because potential employees build a large share of their expertise on the job, the deepest pools of potential employees for any industry exist in the places with the densest concentrations of incumbents in that same industry (Sorenson & Audia 2000). These places also develop populations of synergistic organizations, such as suppliers and service providers (Stuart & Sorenson 2003).

This perspective offers a distinctly sociological explanation for industry agglomeration, one rooted not in the economic efficiency of these concentrations but in the constraints that social relationships place on geographic mobility and access to resources. Where and how these clusters first emerged and why they eventually wither have been less clear (Sorenson 2017). Answers to these questions may build on insights from biological ecosystems, exploring how the

organizational capture and release of resources in the region promote and suppress entrepreneurial entry (Sorenson 2017).

3. ENTREPRENEURIAL EVENTS

Whereas the literature on entrepreneurial environments primarily addresses pre-entry conditions, exploring the factors that cause rates of entrepreneurship to vary across time, places, and populations, the literature on entrepreneurial events considers entry itself, examining who becomes an entrepreneur and how the characteristics of these individuals affect their capacity to mobilize resources for their organizations.³

3.1. The Careers Perspective

A novel paradigm, known as the careers perspective on entrepreneurship, has been emerging from recent sociological research on entrepreneurial entry (e.g., Sørensen & Fassiottto 2011, Sørensen & Sharkey 2014, Burton et al. 2016). This approach acknowledges that most entrepreneurs have prior experience as employees before launching their own ventures and that many revert to paid employment if their ventures fail and sometimes even when they succeed (e.g., Mahieu et al. 2019, Botelho & Chang 2023, Botelho et al. 2023). The careers perspective, therefore, views entrepreneurship not as an isolated activity but as one among several potential career paths.

In this perspective, alternatives to entrepreneurship determine not only who becomes an entrepreneur but also when they choose to become one. Research focusing on internal labor markets has described opportunities for upward mobility within an organization as a “vacancy chain” (e.g., White 1970). Advancement occurs when a higher-level position in this chain opens up. However, when positions above an employee are already filled, the person faces a choice: accept career stagnation, switch employers, or become an entrepreneur (Bidwell & Fernandez-Mateo 2010, Sørensen & Sharkey 2014).

Several predictable patterns emerge from this insight. Individuals in organizations with slow growth or compressed tenure distributions, for instance, more frequently become entrepreneurs, driven by a lack of career advancement opportunities (Sørensen & Sharkey 2014). Older and higher-performing employees also choose entrepreneurship at higher rates because the competition for upward mobility intensifies with each step up the corporate ladder (for empirical evidence, see Groysberg et al. 2009, Carnahan et al. 2012).

Individuals may also turn to entrepreneurship when their opportunities for employment or career advancement have been hindered by unequal access to jobs and promotions (Sørensen & Sharkey 2014). Echoing the classic literature on immigrant enclaves, where entrepreneurship provided a path for those excluded from the primary labor market (e.g., Light 1972, Wilson & Portes 1980, Portes & Sensenbrenner 1993), recent studies have shown that entrepreneurship can offer a valuable alternative for individuals facing discrimination in traditional employment. Groups such as women, minorities, and those with criminal records pursue entrepreneurship—and often benefit from it—as a response to the limited employment opportunities available to them (e.g., Thebaud 2015, Wang 2020, Hwang & Phillips in press, Yang et al. 2024). Thus, entrepreneurship can offer an avenue for economic success, especially for marginalized groups.

Future research might further our understanding of how entrepreneurship fits into an individual's career. How do career trajectories influence not just the odds of becoming an entrepreneur but also the nature of firms being founded? Do prior careers influence whether they change

³Kerr et al. (2018) review a parallel literature, with more of a psychological orientation, examining the importance of personality traits to entrepreneurship.

industries and whether they pursue opportunity or lifestyle businesses? Do they affect whether entrepreneurs have cofounders?

The careers perspective also calls attention to what happens to founders after a spell as an entrepreneur, particularly for those who return to paid employment. Empirical research on this question, however, remains mixed and limited. In Norway, conditional on finding a job, entrepreneurial experience appears to boost future earnings and accelerate promotions for those returning to paid employment (Luzzi & Sasson 2016). In other cases, however, entrepreneurs appear to suffer a penalty (e.g., Mahieu et al. 2019). Moreover, these effects may depend on many factors. In an audit study design, for example, former founders received fewer interviews than non-founders from hiring firms, but successful former founders fared worse than those who had failed (Botelho & Chang 2023). Future research could dig deeper into which former founders receive a benefit versus a penalty for their experience.

Addressing questions within the careers perspective poses a data challenge (for a discussion, see Botelho et al. 2021). Most studies to date have relied on registry data, but registry data only capture the jobs that individuals held. These observed outcomes can muddle supply-side mechanisms, such as who applies for a particular job, with demand-side factors, such as firm preferences. Further advances in this literature, therefore, may well depend on quasi-experimental research designs, such as audit studies (e.g., Botelho & Chang 2023).

3.2. Social Structures as Environments

Entrepreneurship depends on not just regional and communal factors but also local social structures. Whereas much of the current literature treats the entrepreneurial environment as a common backdrop for everyone in a given region or community, the research on the role of social networks portrays the environment as unique to each individual, shaped by their specific social connections. Individuals consequently differ in their likelihood of becoming entrepreneurs and in the success of their ventures, depending on the structure and composition of their social networks (Ruef 2002, Stuart & Sorenson 2007). Social structure influences entrepreneurial entry through multiple channels.

3.2.1. Peer effects. The concepts of contagion and social influence have long been central to sociology (e.g., Coleman et al. 1957, Strang & Soule 1998). In the realm of entrepreneurship, the presence of connections to, or exposure to, current and former entrepreneurs has been consistently connected to an increased likelihood of an individual becoming an entrepreneur. The children of entrepreneurs, for example, frequently follow in their parents' footsteps (e.g., Blau & Duncan 1967, Aldrich et al. 1998, Vladasel et al. 2021). Individuals residing in neighborhoods with a higher density of entrepreneurs are also more likely to establish their own businesses (Giannetti & Simonov 2009).

Peer effects operate within organizational contexts as well. Employees who work in the same companies as former founders, particularly in smaller firms where close interaction is more likely, embark on entrepreneurial ventures at higher-than-average rates (Nanda & Sørensen 2010). Similarly, individuals who have been exposed to entrepreneurs during their education have higher likelihoods of becoming entrepreneurs themselves (e.g., Kacperczyk 2013).⁴ In a unique quasi-experimental setting, student entrepreneurial teams that were mentored by entrepreneurs more frequently pursued their business ideas after their courses concluded (Easley & Wang 2017).

⁴Lerner & Malmendier (2013) found a notable exception, where Harvard Business School students with former entrepreneurs in their classes actually became entrepreneurs at lower rates, which they attributed to former founders helping to weed out bad ideas.

Multiple factors likely contribute to these peer effects. One is information: Aspiring entrepreneurs gain insights about the pros and cons of starting a business from those with direct experience (Gompers et al. 2005, Nanda & Sørensen 2010). This information not only aids them in evaluating their options but also deepens their understanding of the entrepreneurial process, potentially improving their outcomes as well (Hasan & Koning 2019). Another is inspiration: Observing a peer become an entrepreneur can spur others to believe in their own potential to start a business (Sorenson & Audia 2000). A third is legitimization: Exposure to entrepreneurs normalizes it as a career option (Giannetti & Simonov 2009). Female academic scientists, for instance, rarely participated in start-ups unless they had a senior female colleague already engaged in entrepreneurial activities (Stuart & Ding 2006).

Future research could go beyond simply showing the existence of peer effects to delve deeper into understanding how these social interactions shape entrepreneurial decisions. Which former founders exert the most influence: those who failed or those who succeeded? Who appears most susceptible to peer influence? How do these effects depend on the strength and characteristics of the connections between the individual and their entrepreneurial peers? Future research could analyze other choices beyond just the initial decision to become an entrepreneur, such as how peers influence the businesses that entrepreneurs choose to build and how they build them (e.g., Roche et al. 2022).

3.2.2. Resource mobilization. Entrepreneurs often face the daunting task of securing essential resources that they do not have. They must raise capital, attract employees, find suppliers, and win over customers, all amid the high uncertainty that surrounds a new firm (e.g., Stinchcombe 1965).

Existing social structures help entrepreneurs to access these crucial resources. For example, take financial capital: For most start-ups, initial funding comes from the entrepreneurs' friends and family (Ruef 2010). Those with preexisting relationships with lenders find it easier to obtain loans and often benefit from lower interest rates (Uzzi & Lancaster 2003). In the case of high-growth start-ups, gaining access to venture capital usually depends on being introduced to the investor through a trusted mutual contact (Sorenson & Stuart 2001, Shane & Cable 2002).

Recruiting early employees can prove even more challenging. Unlike investors, who can diversify their risk across a portfolio of start-ups, employees have but one employer. Social connections therefore tend to have an even more important role in recruiting. In the United States, for instance, nearly 90% of the early employees in firms have some preexisting relationship with the founder (Ruef 2010).

Social connections facilitate the resource mobilization process in at least three ways. First, preexisting connections convey valuable information (Granovetter 1985, Portes & Sensenbrenner 1993, Katila et al. 2022). Although fundamental uncertainty always surrounds the fate of a new business, potential investors and employees with social ties to the entrepreneur at least have some sense of the aptitude and trustworthiness of the founders (Sorenson & Stuart 2001, Ruef 2010). Second, friends and family may also get satisfaction from helping a loved one, partially compensating for the risk involved. Third, familiarity breeds bias. Entrepreneurs' family, friends, and acquaintances usually believe that the entrepreneur has higher odds of success than an objective (unrelated) observer would ascribe to that same entrepreneur (e.g., Kollock 1994, Sorenson & Waguespack 2006). Though irrational in some sense, these biases nevertheless provide a social lubricant, easing access to resources (Sorenson & Waguespack 2006).

Social status also matters, particularly in the world of high-growth start-ups. Entrepreneurs who had previously been employed at high-status firms appear advantaged in their access to venture capital funding (Burton et al. 2002, Higgins & Gulati 2006). Entrepreneurs also prefer high-status investors (Hsu 2004). Entrepreneurs, employees, investors, and other resource holders

perceive status as a signal of quality (Podolny 1994, Stuart et al. 1999). However, since these endorsements can also help start-ups to acquire resources, these status advantages can become self-confirming.

Not all enjoy equal access to these important resources. Women and racial minorities notably face disadvantages in securing them (Brooks et al. 2014). One contributing factor may be homophily. Investors remain predominantly white, male, and educated at elite colleges and universities. They tend to invest in entrepreneurs of the same gender and ethnicity who went to the same schools (e.g., Rider 2012, Hegde & Tumlinson 2014, Bengtsson & Hsu 2015). Founding teams also have much higher levels of demographic similarity—in terms of gender, race and ethnicity, and educational background—than one would expect by chance (Ruef et al. 2003, Ruef 2010).

Recent research has begun to unpack these processes, often using lab and field experiments. In one experiment, investors rated pitches by men more favorably than identical ones delivered by women (Brooks et al. 2014). In another study, women received less funding when pursuing businesses not perceived as feminine (Kuwabara & Thebaud 2017, Kanze et al. 2020). In yet another study, when a woman received an initial investment from another woman, other investors perceived it as evidence of in-group bias rather than of the quality of the idea and the entrepreneur (Snellman & Solal 2023). More broadly, entrepreneurship provides a rich context for examining double standards—differential inferences depending on the identity of the individual being evaluated (Foschi 2000, Botelho & Abraham 2017)—that drive many of these disparities.

Resource mobilization influences not only who can pursue entrepreneurship but also their odds of success. Entrepreneurs who have been living in a place for a longer period of time—and who therefore have deeper social connections to recruit and to raise capital—start businesses that survive longer, create more value, and earn larger profits (Dahl & Sorenson 2012). Moreover, disadvantaged access to these resources appears to explain a large share of the gender and racial gaps in entrepreneurial success (e.g., Fairlie 1999). At the level of the community, regions with stronger social cohesion produce more innovation and entrepreneurs and enjoy greater economic growth (Samila & Sorenson 2017).

Future research on the resource mobilization process should investigate the conditions under which entrepreneurs fail to accumulate the necessary resources. Furthermore, different types of resources are likely to present different challenges for entrepreneurs, especially those from underrepresented backgrounds. For example, the barriers to raising initial funding may differ from the barriers to acquiring initial employees or customers. By recognizing the vital role of initial resources in all forms of entrepreneurship, future research may offer practical advice to entrepreneurs and important insights into the relationship between the process of acquiring these resources and stratification.

4. ENTREPRENEURIAL LIVES

Over the past two decades, the bulk of research in the sociology of entrepreneurship has been centered around entrepreneurial environments and events. Recent years, however, have seen the emergence of at least three new streams of research focused on the post-entry phase. These include investigations into how start-ups grow, employment opportunities at entrepreneurial firms, and the broader impact of entrepreneurship on society.

4.1. Start-Up Scaling

Many high-tech and manufacturing start-ups have the potential to become quite large quite quickly. Because these businesses frequently have substantial fixed costs or development costs,

they also need to grow rapidly to ensure that their revenues can cover them. The term scaling has been loosely used to describe the dynamics associated with this growth.⁵

Three complementary themes run through this research: (a) endurance, the idea that organizations tend to retain some of the formative features from their founding years; (b) change, a notion that ventures have a propensity to evolve and adapt in similar ways as they grow; and (c) conformity, a related idea that organizations tend to converge on many dimensions as they mature.

4.1.1. Endurance. Research on organizational endurance has shed light on the lasting nature of certain organizational characteristics. Longitudinal studies reveal that organizations often maintain aspects of their initial organizational designs, employment models, and cultures over time (e.g., Baron et al. 1999, 2001; Gulati 2010). The background of early executives, such as the first chief financial officer, for example, tends to influence the profiles of their successors (Burton & Beckman 2007).

This persistence has most commonly been attributed to imprinting (e.g., Stinchcombe 1965, Baron et al. 1999, Burton & Beckman 2007). In their formative years, organizations lack formal policies and procedures. They often adopt features out of convenience or as temporary measures, rather than by assessing the options and choosing the optimal one. These initial features, however, can become ingrained, perceived as integral to the organization by both internal and external constituents. They therefore persist, even as the organization evolves and personnel change.

These early choices can also create path dependence (Mahoney 2000, Beckman & Burton 2008), where changing them would come at a substantial cost. The employment model, for example, represents an implicit contract between the managers and employees of an organization. When managers rewrite these contracts, employees leave (Baron et al. 2001). Organizations therefore may persist in their early choices not because they are seen as optimal but because the cost of changing them seems too high.

Not only do these characteristics tend to persist, but also they appear to have long-lasting consequences for the life chances and success of start-ups. Early characteristics of the founders, for example, continue to influence access to finance through the composition of the top management team, even up to the point at which the company goes public (Higgins & Gulati 2006, Beckman et al. 2007).

4.1.2. Change. Although many of their features persist, organizations also evolve over time. Much of the research studying this phenomenon has appeared more in management journals than in sociology journals, but it clearly connects to classic sociological themes.

Early research focusing on the relationship between organizational size and structure investigated how growth in size influenced an organization's operations (e.g., Kimberly 1976). It argued that as organizations expand, their operations become more complex. To maintain efficiency and effectiveness amid this increased complexity, organizations must, in turn, develop correspondingly sophisticated structures through the clearer delineation of roles and reporting lines and the alignment of information access with decision-making authority (e.g., Quinn & Cameron 1983).

Subsequent research sought to identify universal developmental stages. Each stage would represent a higher level of complexity through which organizations would evolve as they grew (e.g., Kazanjian 1988). Contrary to contingency theorists—who had emphasized the role of the external environment in shaping organizational structure (e.g., Lawrence & Lorsch 1967)—this school of thought posited that organizational size itself determined organizational structure. These early

⁵Scaling and growth have often been treated as synonymous. Before the label scaling came along, research on this topic had been described as studying organizational growth processes, a field of academic inquiry dating at least to the seminal work of Penrose (1959).

efforts to build a general model of organizational growth nevertheless stumbled as the relevant stages appeared to vary across studies.

The most recent research on organizational change processes has shifted the focus toward examining consistent types of changes or pivots in the organizational structure and operation (e.g., McDonald & Gao 2019). One common transformation involves professionalization (Wasserman 2003). Maturing organizations create formal reporting lines and build operational routines for critical functions, such as human resources, finance, and sales (DeSantola & Gulati 2017). Jack-of-all-trades early employees are replaced or redeployed as functional specialists with deep expertise in specific domains (Wasserman 2003). They adopt larger spans of control to become more efficient (Lee 2022). In many ways, this literature echoes the themes in Hannan & Freeman (1984), where organizations adopt features as they mature that allow them to become more accountable and reliable to employees, customers, and investors.

4.1.3. Conformity. Meanwhile, a third stream of research emphasizes the demand for similarity among ventures as they scale. However, whereas the earlier literature had ascribed these pressures to developmental stages, more recent research—building on institutional theory—points to external agents as the source of these normative pressures (Meyer & Rowan 1977, DiMaggio & Powell 1983). In the world of high-growth start-ups, for example, venture capitalists have explicit and implicit ideal types. Start-ups must generally conform to these beliefs to secure funding (Baron et al. 1999, Zott & Huy 2007). The demand to meet these expectations of what a firm should look like becomes particularly intense as organizations begin the process of going public, exposing them to the scrutiny of gatekeepers and regulators (Gulati & Higgins 2003).

Managerial research on the scaling of start-ups often extends beyond mere description, providing normative guidance for how start-ups should scale. A central theme has been that start-ups need to avoid becoming overly bureaucratic, something that seems almost inevitable in spite of efforts to avoid it (cf. Hannan & Freeman 1984). Entrepreneurs tread a fine line between putting in place structures and systems to operate reliably while preserving the entrepreneurial spirit that some have described as the “soul of a start-up” (Gulati 2019). Those who navigate this tension well appear to retain a connection to the customer, employee voice and choice, and a strong sense of purpose (Gulati 2019).

Despite substantial interest in scaling, the research remains fragmented. Much of it has been qualitative, and few studies have provided clear evidence of the mechanisms at play. Large-sample empirical research on these topics, therefore, remains an exciting focus for future research.

4.2. Start-Ups as Employers

Entrepreneurship has been heralded as a catalyst for economic growth and job creation. However, only recently have researchers started to scrutinize whether these fledgling firms create good jobs—jobs that offer competitive pay, benefits, career development, and intrinsic rewards.

Most existing theories related to work and occupations have been developed in the context of large, established corporations, which are hierarchical and bureaucratic in nature (e.g., Kalleberg 2011). But jobs in young firms differ markedly from those in more mature organizations (Burton & Beckman 2007, Sorenson et al. 2021). Roles in start-ups tend to be broader in scope, requiring employees to assist in various areas of the business. Limited resources and a lack of established routines demand creative problem-solving. Moreover, the intensity and challenges of working in a start-up environment can foster a strong sense of community among founders and early employees (Shah et al. 2019).

In the context of high-growth start-ups, the dynamic and evolving nature of these jobs attracts many individuals. Start-up joiners, as they are sometimes called, represent a distinct group of

individuals who enjoy being involved in a start-up even though they may not have a desire to found firms themselves (Roach & Sauermann 2015).

But many individuals also find themselves employed in fledgling firms out of necessity, often due to an absence of better employment options (Sorenson et al. 2021). This reality underscores the importance of understanding the quality of jobs within start-ups. Gaining insights into the nature of these roles will help further our understanding of individual careers and inform public policy to foster the creation of quality employment opportunities.

4.2.1. Compensation. One aspect of job quality is compensation. Research from numerous developed nations, including Denmark, Germany, Sweden, the United Kingdom, and the United States, finds that, on average, young firms pay less than their more established counterparts (Burton et al. 2018). Much of this disparity, however, stems from a size effect. Small firms, regardless of their age, offer lower wages than larger ones. But not all small firms pay less. High-tech ventures and those growing rapidly in other industries actually appear to pay their employees a small premium (Burton et al. 2018, Kim 2018).

Employees may also join start-ups not so much for immediate rewards but because they hope these jobs will offer better earnings trajectories or may lead to better-paying future positions. Although the employees of a small proportion of high-growth start-ups do earn more in the long run, the vast majority earn less (Sorenson et al. 2021). Employees leaving successful firms, moreover, experience similar pay trajectories to those from failed firms (Sorenson et al. 2021, Botelho & Marx 2023).

Existing research on compensation has predominantly concentrated on income. That focus has generally made sense when studying the broad swath of entrepreneurship, especially in places such as Denmark, where income accounts for nearly all compensation. However, the popularity of this income-centric approach also stems from the straightforward nature of quantifying and comparing wages across organizations.

But other forms of compensation also matter. In the high-tech world, particularly in the United States, start-ups often offer equity or options in lieu of pay. Who gets these awards? How much do they receive? Stories abound of low-level employees who became millionaires when their employers went public. Most of the time, however, this equity ends up being worthless. Nevertheless, research has yet to characterize the distribution of these awards, how frequently they pay off, and whether they adequately compensate employees for the pay that they forgo.

Another open question regarding compensation concerns how this pay might influence selection into young-firm employment. Fledgling firms already represent a high-risk employment option. Employees lose their jobs when the company fails, and young firms fail at high rates. When start-ups offer low base salaries coupled with risky equity-based compensation, who chooses to join them? Does this selection create a demographic or socioeconomic bias in the start-up workforce?

4.2.2. Careers. Large, established firms typically provide well-defined career paths, incorporating structured training programs and routine performance evaluations. Employees in these settings understand both their daily duties and the trajectory of their long-term career development. By contrast, start-ups engender more dynamic and less predictable career paths. This variation arises, in part, from the high failure rates of young firms, but it stems also from the smaller size of these firms, which have corporate ladders with fewer rungs. Employees at smaller firms therefore encounter limited opportunities for advancement earlier in their tenure.

Start-up employees also differ in their career paths as a result of the expertise that they develop on the job. Because fledgling firms do not have the scale to assign employees to highly specialized assignments, their employees must play multiple roles (e.g., Sørensen 2007, Botelho & Chang

2023). Limited resources also mean that they must frequently help those in other functional areas when a crisis hits or a deadline looms (Ferguson et al. 2016). These individuals therefore develop broader expertise than their counterparts at large, established firms.

How this development of expertise, in turn, influences career trajectories depends also on the demands of other employers. In many ways, the employees of small, young companies seem well prepared to become mid-level managers at larger, more established firms. They acquire a broad skill set, comfort with managing ambiguity, and relationships with a range of stakeholders (e.g., Campbell 2012). This experience, therefore, might be expected to pay off in the long run.

However, large employers usually do not value these attributes (Sorenson et al. 2021, Botelho & Chang 2023). They prefer specialists. The expertise developed during a stint at a start-up often ends up being idiosyncratic, misaligned with not only the preferences of a larger firm but even the needs of other new enterprises (Burton & Beckman 2007).

On the other hand, for those aspiring to become entrepreneurs, experience in young firms has many advantages. Witnessing the entrepreneurial process firsthand enhances their understanding of their suitability for such a role (Gompers et al. 2005, Nanda & Sørensen 2010). The broad expertise developed in these settings also equips them for the diverse tasks they may need to undertake as founders (Lazear 2004). Finally, the connections formed with potential advisors, investors, and employees position them favorably for assembling the necessary resources (Sørensen & Phillips 2011, Sorenson 2017).

Research in this area has predominantly used earnings as a proxy for expertise development. Further empirical progress will probably require more direct information on what employees do (e.g., position) and on the demand for these abilities and attributes across different types of employers (e.g., small businesses versus innovation-driven start-ups).

4.3. Start-Ups and Stratification

Entrepreneurs invariably introduce some level of disruption. Where a new restaurant or retail outlet might simply provide alternatives to existing incumbents, high-tech start-ups often replace the old way of doing something with a new one (Christensen 1997, Foster & Kaplan 2011). Netflix, for example, initially offered movie enthusiasts a broader range of content than local video stores. Lyft and Uber, meanwhile, revolutionized transportation by combining the reliability of a car service with the convenience of on-demand booking.

Start-ups create jobs to deliver their products and services, but they simultaneously destroy jobs at incumbent firms. Blockbuster has been superseded by streaming services. Department stores have largely been replaced by Amazon and big-box retailers. Schumpeter (1942) referred to these dynamics as a process of “creative destruction.”

This disruption has implications for all involved. Displaced employees must find new employment. In many cases, stable, skilled jobs with clear career paths have been supplanted by precarious positions that pay little and offer few benefits (Kalleberg 2011). Although this relationship has received little attention—especially in comparison to its frequency and impact—recent work has examined the impact of firm failure on employees’ careers. Employees from failed innovation-driven start-ups, for example, had similar career trajectories to those who left surviving firms, though the leaders of these firms often experienced adverse career outcomes (Botelho & Marx 2023). The failure of solo-practitioner law firms increased entrepreneurial activity in the industry and region (Carnahan 2017). Yet many opportunities remain for future research to understand better how start-up layoffs and failure affect the firm’s employees.

4.3.1. Regional inequalities. The concentration of rewards has been particularly pronounced in high-tech industries (Feldman et al. 2021). High-tech products, such as software services and

pharmaceuticals, are almost natural monopolies. Windfalls of wealth accrue to the owners and employees of the winning firms. But most lose.

One consequence, then, of high-tech entrepreneurship is rapidly growing inequalities across regions (Feldman et al. 2021). High-tech companies are not evenly distributed across the landscape. In the United States, they cluster in a handful of high-tech hubs and secondary cities, such as Silicon Valley, Seattle, Boston, and Austin. Incomes in these places have risen much faster than in the rest of the country (Feldman et al. 2021). These disparities, in turn, have attracted some of the best and brightest from other places. Talent and the well-educated have therefore also become increasingly concentrated in these places (Feldman et al. 2021).

4.3.2. Inequalities within regions. High-tech hubs have their own ills. Silicon Valley, for example, has become famous not just for being one of the richest regions in the world but also for having some of the most expensive real estate. Rents and property prices rise as the employees of and investors in successful start-ups purchase homes near their start-ups (e.g., Butler et al. 2019). These dynamics have produced a modern form of gentrification, where founders and start-up employees displace long-time residents in these neighborhoods (Gagliardi & Sorenson 2023). In Silicon Valley, and in other high-tech hubs, the scarcity of affordable housing has forced even those with stable salaries to live out of their vehicles.

These high-tech hubs also have high levels of within-region income inequality. High property prices raise the costs of doing business. Those high costs, in turn, have pushed many types of non-high-tech firms, such as manufacturers, out of business or to other places (Kwon & Sorenson 2023). Since these businesses typically create jobs in the middle of the income distribution, high-tech hubs have increasingly become places where an elite set of highly paid tech employees are served by a large population of relatively poorly paid local service workers (Kwon & Sorenson 2023).

4.3.3. Demographic disparities. Entrepreneurship, especially high-tech entrepreneurship, also contributes to disparities along class, gender, and racial lines. As previously noted, not all individuals have equal access to resources. Women and minorities, in particular, appear disadvantaged in their ability to raise capital, recruit employees, and attract customers (e.g., Kuwabara & Thebaud 2017, Abraham 2020, Kanze et al. 2020). Since these resources influence the odds of entrepreneurial success, disadvantaged access also implies that entrepreneurs from these backgrounds earn less.

Research also indicates that entrepreneurship may play a role in the intergenerational transmission of class and wealth. Studies, primarily outside sociology, have found that entrepreneurship appears highly concentrated among the wealthiest (e.g., Hurst & Lusardi 2004). Not only are the affluent more inclined to establish firms, but they also enjoy higher success rates in their ventures (Dahl & Sorenson 2012, Jensen et al. 2022). Entrepreneurship may therefore play a central role in perpetuating income and wealth inequality across generations.

The notion that entrepreneurship might exacerbate disparities becomes particularly interesting when contrasted with perspectives portraying it as a path to economic success (e.g., Sørensen & Sharkey 2014). Future research could delve deeper into understanding these dichotomies, exploring the conditions under which entrepreneurship serves as a catalyst for socioeconomic mobility versus when it reinforces existing inequalities.

4.3.4. Social entrepreneurship. The recent shift toward embracing corporate purpose might mitigate some of these societal costs. Entrepreneurs, employees, customers, and investors increasingly believe that businesses should play a role in society beyond simply maximizing returns

to shareholders, and even beyond creating jobs and providing useful products and services for customers (Gulati 2022).

Start-ups that commit to this greater good can reap a variety of benefits (Gulati 2022). Having a purpose can serve as a powerful direction in times of turbulence. Purpose can attract employees who want to work with others who share their values (e.g., Bode et al. 2015). However, just having a mission statement does not suffice. To benefit, a start-up must have this purpose embedded into its operating rhythm and culture (Gulati 2022).

Social entrepreneurship represents the cutting edge of this trend (for a review of the research on this phenomenon, see Saebi et al. 2019). Start-ups have devised ways to embed their mission into their organizational forms (e.g., B Corps). Many investors no longer evaluate their returns simply on a financial basis. They also measure and assess the performance of their investments on their positive contributions to society.

Though still in its nascent stages, the intersection of start-ups and societal impact presents an area ripe for sociological research. How do start-ups driven by a sense of purpose compare to those with a more profit-oriented focus in terms of resource access and long-term viability? Purpose-driven start-ups probably incur higher costs, but they also may have advantages in attracting both customers and high-quality employees (Burbano 2016). Further research could investigate the trade-offs and benefits of a purpose-driven approach in the start-up ecosystem.

More broadly, many of the open questions regarding entrepreneurship and inequality could connect to long-standing research on stratification and urban sociology, on social mobility, and on gentrification. What are the long-term social and economic effects of entrepreneurship, especially high-tech entrepreneurship, on local communities? What models or policies can more equitably distribute economic returns? What governmental, organizational, and community-based policies and initiatives can help to level the playing field for aspiring entrepreneurs, particularly those from underrepresented populations?

5. CONCLUSION

Sociological perspectives on entrepreneurship have matured since Thornton (1999) wrote her seminal review. Our discussion has reviewed this dynamic and growing literature and organized it into a framework that highlights open avenues for future research. We have framed our discussion around the concept of the entrepreneurial life cycle, dividing it into three distinct phases: (a) pre-entry, which encompasses the entrepreneurial environment conducive to the founding of firms; (b) entry, which involves the decision to become an entrepreneur and the process of gathering the necessary resources; and (c) post-entry, the growth, maturation, and, in some cases, failure of entrepreneurial ventures. Although opportunities for future research remain in all three phases, the post-entry period—the growth, maturation, and failure—of organizations has received the least attention to date. Understanding better how start-ups scale, how they influence the lives and careers of those who work for them, and how they contribute to stratification strike us as topics particularly ripe for investigation.

Our review calls attention to a noteworthy shift in the study of entrepreneurship, a transition from differentiating the supply and demand aspects of entrepreneurship to blurring these boundaries. This change reflects a fundamental aspect of entrepreneurial ecosystems: They do not simply emerge as byproducts of consumer demand or as collections of individual ambition. Instead, they are born and evolve through the intricate and complex interplay of social, cultural, and economic factors. The sociological investigation of entrepreneurship has consequently broadened in scope, moving beyond just focusing on entrepreneurs and their businesses. It now extends to broader societal issues, encompassing everything from the generation of economic opportunities to the equitable distribution of rewards.

Although each section of our review has proposed directions for future research, we conclude by emphasizing three additional areas that offer unique opportunities for scholarly exploration in terms of theory, context, and methods.

Theoretically, sociological research on entrepreneurship has developed a distinctively hybrid approach. Whereas traditional sociological research has highlighted the societal forces that shape individuals and organizations, the sociology of entrepreneurship also incorporates individual agency. Founders not only wield significant influence over the organization at its inception but also cast a long-lasting shadow on its identity and operations. Moreover, they exercise considerable agency in influencing and molding their environments. Research on the sociology of entrepreneurship therefore does not simply treat start-ups as passive subjects of social influences around them but rather paints a picture of a complex interplay between individual agency and social context. We see substantial opportunity for exporting this hybrid perspective to other subjects of sociological inquiry.

Though the sociology of entrepreneurship has made significant strides, much of the research remains fragmented and focused on identifying empirical patterns that either corroborate or challenge existing theories. Numerous opportunities exist for theoretical integration and expansion. Future research, for example, could usefully bring additional sociological perspectives—such as those focusing on education, human capital, social capital, status, and inequality—to the study of entrepreneurship. Not only could such research deepen our understanding of entrepreneurship, but also the application of these perspectives to entrepreneurship might further advance those theories.

Contextually, entrepreneurship research from a sociological perspective has focused empirically on a small number of places: the United States, Canada, and Western Europe. Henrich et al. (2010) point out that these societies are WEIRD: Western, educated, industrialized, rich, and democratic. They represent a small slice of the variety of societies in the world (Henrich et al. 2010). This narrow scope probably means that we have a biased understanding of many mechanisms: social capital, status, stigma, and community support, to name a few. Expanding the geographical scope of research to include developing nations, transitional economies, and diverse cultural settings could offer invaluable insights into how these mechanisms operate across contexts and across stages of the entrepreneurial life cycle.

Research might also usefully move beyond physical settings to the digital realm. Online platforms and communities have become their own ecosystems in the ether. Start-up teams have increasingly become virtual, with members who have never met in person collaborating on digital ventures. Moving from the physical to the digital offers advantages, including broader reach and increased flexibility in team composition. However, it also poses challenges—from scalability to issues of trust and credibility—that merit consideration and investigation.

Innovation-driven entrepreneurship increasingly creates platforms such as Amazon Marketplace, eBay, and Etsy. These platforms offer small businesses and start-ups opportunities to increase their revenue, but they also wield power over them. Future research could usefully investigate the factors behind the success of these platforms, as well as how they impact the entrepreneurs who depend on their services.

The advent of artificial intelligence (AI) also promises to transform entrepreneurship in many ways. Entrepreneurs have just begun to experiment with it as a means of idea generation and refinement, a way to speed development and enhance productivity, and a sales tool. Although the end results remain to be seen, sociologists will want to investigate how AI affects start-up creation, growth, and the nature of employment as its use diffuses. They will also want to consider its societal implications, including the ethics of its use and its potential to reshape jobs and careers.

Methodologically, collecting detailed data on entrepreneurs and their enterprises presents distinct challenges. Existing research has often relied on census or registry data or on longitudinal surveys, such as the National Longitudinal Study of Youth (NLSY) and the Panel Study of Entrepreneurial Dynamics (PSED). Although these sources have provided many valuable insights, they also have limitations in terms of the depth of information available about the founding process, the characteristics of the enterprise, and the dynamics of the firm. Sociological methods used elsewhere—such as field experiments and audit studies—might usefully extend our understanding of entrepreneurial processes.

The incorporation of computational methods in the study of entrepreneurship represents an important innovation in the field of sociology, mirroring trends in other disciplines. These methods, including machine learning, natural language processing, and simulations, hold the promise of unlocking entirely new areas of inquiry and providing deeper insights into many of the open questions previously raised.

Over the past 25 years, the sociology of entrepreneurship has become a vibrant literature. It has grown beyond its initial roots in organizational sociology to connect to areas as diverse as economic sociology, social networks, culture and cognition, social movements, gender and race, stratification, and work and occupations. However, despite this impressive growth, we see the sociology of entrepreneurship as still in its adolescence. Many entrepreneurial phenomena have not yet been examined under a sociological lens, and many additional sociological theories and perspectives could find in entrepreneurship an interesting setting for application. This adolescence offers an exciting opportunity for the continued expansion and deepening of the field. As sociologists continue to apply their theories and methods to entrepreneurial settings, they will uncover new understandings of how entrepreneurship operates. Such research promises to enrich sociology as a discipline.

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