SOCIAL CAPITAL OR SOCIAL SKILLS: EVIDENCE FROM THE PSED I AND PSED II (SUMMARY)

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Recommended Citation
Available at: http://digitalknowledge.babson.edu/fer/vol30/iss7/2
SUMMARY

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Principal Topic

Entrepreneurial success depends in part on the relationships the founder is able to forge with others. People with relevant skills and experience have to be recruited to be part of the startup team. Mentors, advisors, and investors have to be convinced that the venture is worth their time, effort, or financial support. Terms favorable to the venture must be negotiated with suppliers; the very survival of the business depends on careful attention to the desires of customers.

Fifty years of research in social psychology support the conclusion individuals vary greatly in their effective development of social relationships. At least two sources of these individual differences would seem particularly important for entrepreneurial activity: (a) knowledge of what the external world demands and (b) knowledge of one’s internal states (emotions, desires, and capabilities). Self-monitoring theory (Snyder, 1979; Wolf, Spinath, Riemann, & Angleitner, 2009) and emotional intelligence theory (Mayer & Salovey, 2008; Salovey & Mayer, 1990) are excellent examples of these two approaches. We predict that individuals with better social skills will have more extensive relationships with others – in short, higher social capital (hypothesis 1).

Sociologists have empirically demonstrated the influence of life course transitions, specifically marriage and parenthood, on network ties and configurations of individuals (Moore, 1990; Rotolo, 2000). Therefore, this paper considers the extent to which life course transitions mediate the relationship between social skills and network configurations (hypothesis 2) and whether the effects of social skills on network configurations vary, depending on the life course characteristics of entrepreneurs (hypothesis 3).

Method

Data for this research are drawn from the PSED I and the PSED II (Gartner et al., 2004; Reynolds & Curtin, 2009). Weighted regression analyses were employed to test hypotheses predicting the presence and characteristics of teams, helpers, and founding non-owners.

Results and Implications

Our analyses showed that life course characteristics more consistently influenced the social capital of nascent entrepreneurs than did social skills. In addition, the relative influence of life course characteristics and social skills on social capital varied by gender.

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