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## ENTREPRENEURS' BEHAVIORAL STRATEGIES IN REGULATING AFFECT: TEST WITH DAY RECONSTRUCTION METHOD (SUMMARY)

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≈ SUMMARY ≈

**ENTREPRENEURS' BEHAVIORAL STRATEGIES IN REGULATING  
AFFECT: TEST WITH DAY RECONSTRUCTION METHOD**

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**Principal Topic**

Using a multiple-case study methodology, Kato and Wiklund (2010) contended that persevering entrepreneurs engage in entrepreneurial behaviors in order to induce certain affective states. They challenged the assumptions that entrepreneurial decisions have to be rational in terms of profit maximization, and studied entrepreneurs' experiences throughout their processes. The theory concludes that persevering entrepreneurs learn to manipulate their affective states through their behaviors, offering an alternative theoretical framework to capture entrepreneurs' various motives. Although the theory seems to have important implication, the theory was built based on the limited number of cases. This paper thus tests the theory with more general population of entrepreneurs.

**Method**

Since affective states change frequently, the Day Reconstruction Method (DRM) is used to capture entrepreneurs' affective states and their behaviors (Kahneman, 2005). We test a) whether entrepreneurs manipulate their affective states through their entrepreneurial behavior, and b) whether entrepreneurs learn the behavioral strategy from their experiences. We collected data from three groups of entrepreneurs, based on their entrepreneurial stage—pre-launch, launch, and post-launch of their first product (Kato & Wiklund, 2010). From the past DRM and ESM studies (Dockray et al., 2010; Foo et al., 2009), we collected data for two non-consecutive days. Specifically, hypothesis 1 (entrepreneurs exhibit a more positive affect when engaging in entrepreneurial tasks than in managerial tasks) is tested with nested ANCOVA. Hypotheses 2 (persisting entrepreneurs learn behavioral strategies throughout the process) is tested with HLM since the serial autocorrelation is highly influential in the hypothesis and the dependent variable is binary (Schwartz & Stone, 1998; Uy et al., 2010).

**Results and Implications**

Preliminary results partially support both hypothesis 1 and 2. For Hypothesis 1, the results show that networking has stronger effects in inducing positive affect, but new product development research show mixed results. Hypothesis 2 predicts that entrepreneurs in later stages show more likelihood to engage in affect-manipulating behaviors. Although entrepreneurial experience shows weak correlation, we could not find the difference between stages. This study contributes to the theory of entrepreneurial behavior by offering a methodology to capture and test frequently-changing states: affect and behavior. We also contribute to entrepreneurship literature by offering empirical evidence to a newly-developed theory of entrepreneurial behavior.

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