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AFFECTIVE REACTIONS TO FEEDBACK IN ENTREPRENEURIAL TEAMS
(INTERACTIVE PAPER)

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Principal Topic

Feedback represents an important source of learning for entrepreneurs and entrepreneurial teams (Haynie, et al., 2010). However, people often do not benefit from feedback (Audia & Locke, 2003), in particular when it provokes negative affect (Baron, 1993). Therefore, it is crucial to understand how team members affectively react to feedback in an entrepreneurial setting because this helps understand why some teams are better able to benefit from feedback than others.

While negative affective reactions to negative feedback have already been demonstrated (Mendolia & Baker, 2008), it is unclear how feedback impacts positive affect. More importantly, it is unclear if there are any moderators in these relationships. For example, team members’ ability to monitor their thoughts (Haynie & Shepherd, 2009) will likely increase negative and decrease positive affect because monitoring is connected to rumination and worry (Spada, et al., 2008). Further, we hypothesize that the satisfaction with the team will decrease affective reactions because it buffers team’s external experiences (Audia & Locke, 2003). Third, we analyze the moderating impact of task uncertainty – a frequent context for entrepreneurial decision makers (McMullen & Shepherd, 2006) – on these two-way interactions.

Method

To test our hypotheses we used a 2 (task uncertainty: high vs. low) × 2 (feedback: positive vs. negative) experimental design. Fifty-two three-person teams were confronted with an entrepreneurial team decision task (opportunity selection; cf. Gruber, et al., 2008). To control for previous interactions, we used on management students as novice entrepreneurs instead of experienced teams. We used established scales to assess our research variables in questionnaires before and after the feedback.

Results and Implications

Our results showed that negative feedback (in contrast to positive feedback) increased negative and reduced positive affect. Further, we found support for the moderating effect of monitoring on the feedback–negative affect relationship and of satisfaction on the feedback–positive affect relationship. For the three-way interactions with task uncertainty, we found support for three out of four interactions. These findings demonstrate the important, but complex, role of uncertainty for understanding entrepreneurial teams’ affective reactions to feedback. To conclude, our findings suggest interesting research avenues regarding the interplay of reactions to feedback, individual-, team-, and task-related factors.

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