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BOUNDED RATIONALITY AND THE SUPPLY SIDE OF ENTREPRENEURSHIP: A PREDICTIVE MODEL OF THE ENTREPRENEURIAL EVENT

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ABSTRACT

If innovative entrepreneurship creates economic growth/jobs, then the “supply side” of entrepreneurship is important. This study reviewed the literature for the antecedents of entrepreneurial action, and attempted to sort out the antecedent mechanisms (including entrepreneurship education) and isolate their impacts. The study’s Person x Context “Bounded Rationality” E-Correspondance model was grounded in Shapero & Sokol’s (1982) entrepreneurial event model, but their “desirability” and “feasibility” constructs were augmented to include Lofquist & Dawis’ (1969) contextual correspondence conceptualization. The model theorized that in addition to the elements of entrepreneurial “desirability” (motivations/wants/needs) and “feasibility” (efficacy in abilities and skills), there must be correspondent goodness-of-fit for both in the workplace context. The model was tested empirically via quasi-experimental research (4,000 University alumni) with strong preliminary support found for the conceptualization as a predictor of entrepreneurial production at the individual level of analysis.

INTRODUCTION

If innovative entrepreneurship creates economic growth/jobs, then the “supply side” of entrepreneurship is important. Conventional wisdom says the supply of entrepreneurs in any society is fixed, yet a number of theorists have argued that without a supportive social context there would be no entrepreneurs, and therefore entrepreneurship itself is a social construct (Shapero & Sokol, 1982). While Schumpeter long ago recognized entrepreneurship as a local (contextual) phenomenon, today’s Austrian economists and endogenous growth theoreticians still source economic growth to economic actors acting in their own boundedly rational self-interest within local contexts and spheres of knowledge (Romer, 1986, 1990; Simon, 1979; Baumol, 2010). Societal and institutional structures that nurture, support, and encourage entrepreneurial behaviors may help influence (or offset) culture and traditions, and may prove as important as personal characteristics in catalyzing entrepreneurship (Baumol, 2010).

This study attempted to sort out the psycho-social antecedent mechanisms of entrepreneurship and isolate their impacts. The research reviewed the antecedent literature across three domains: Personal characteristics, Cognition and Skillsets, and Social Context to understand the extent to which entrepreneurial endeavors and outcomes result from cognitive styles and in what contexts, and whether cognitive or personal characteristics are more or less equivalent influences on entrepreneurial actions. The study’s Person x Context “Bounded Rationality” model is grounded in Shapero & Sokol’s (1982) desirability and feasibility theory, expanded to include Lofquist & Dawis’ (1969) contextual correspondence conceptualization. The model theorized that in
addition to Shapero & Sokol’s entrepreneurial “desirability” (motivations/wants/needs) and “feasibility” (efficacy in abilities and skills), there must be correspondent goodness-of-fit for both in the workplace context.

**REVIEW OF THE LITERATURE**

An exhaustive review of the extant research found increasing acceptance of the notion that some entrepreneurial antecedents may be psychological. The literature review identified a number of predispositions and preferences which may in fact operate as critical antecedents of entrepreneurial behavior (Baum & Locke, 2004; Rauch & Frese, 2000). While early researchers considered entrepreneurship an innate characteristic, today’s scholars have begun to appreciate that entrepreneurial characteristics may be largely psycho-social; they remain in flux over the course of a lifetime, and are subject to molding and re-molding based on contexts, events, people, and learning.

Recent research suggests that the psychology of entrepreneurs may derive less from hard-wired personality traits and more from personal values/beliefs, knowledge/skills/abilities (KSA’s), and socialization experiences. Personal values developed and enhanced through learning and experience represent guiding principles in living one’s life and thus tend to direct attitude and belief perceptions (Gable & Wolf, 1993). Similarly, entrepreneurial motivation may be subject to predispositional tendencies and supportive values systems all potentially influenced by socialization including education. (Stewart & Roth, 2007; Baum & Locke, 2004; Rauch & Frese, 2000).

Carsrud’s (2009) extensive effort to “understand the entrepreneurial mind” concludes that motivation may be the most under-researched key variable in the arena of entrepreneurship research. On the other hand there is a great deal of research on the cognitive antecedents of entrepreneurship, including intuition, creative cognition, and heuristics such as counterfactual thinking, risk attenuation, and failure management (the variable “setback response” in this study).

The immediate social and environmental context an individual finds him/herself in can also influence entrepreneurial proclivities and activities. A sizeable body of literature exists on environmental attributes that encourage the geographic “clustering” of entrepreneurial ventures (Chrisman, et al., 2002). Recent literature on high-technology clustering has emphasized knowledge spillovers (Audretsch, et al., 2007) and the benefits of having access to specialized inputs, including university research and technology-proficient labor expertise (Almeida & Kogut, 1997). Social networks have been identified in supporting entrepreneurial ventures in the development of innovation, knowledge, skills, and procurement of capital, both formal and informal venture capital (Aldrich & Zimmer, 1986; Dubini & Aldrich, 1991; Fountain, 1998; Putnam, 2000; Baker & Nelson, 2005).

Family environments also influence entrepreneurial proclivities and activities. Researchers interested, for example, in how entrepreneurship is passed down through the generations have found that a number of variables including family businesses, values, parental role modeling, genetics, kinship ties, and social immobility (ethnicity, education, physical factors and even out-group discrimination) all help to promote ethnic and immigrant entrepreneurship (Portes & Zhou 1996).
Mixed theorists are particularly interested in the cognitive and behavioral aspects of entrepreneurship and the interaction of individual aspects such as predispositions and values in varying environments. For example, Neufeldt found that self-directed-employment-oriented individuals had four cornerstone characteristics: self-concept, know-how, resources, and the extent to which the context and social/policy environments were enabling. (Neufeldt, 2003).

The literature review identified the theories relevant to entrepreneurship by their association with the above variables and by their application in the research. According to Bloom’s (1976) Theory of School Learning, it is the dynamic interaction between the overlapping cognitive and affective domains, (the latter of which he defined as personal values, attitudes, interests, and self-esteem), that results in both cognitive learning outcomes and associated affective outcomes. These affective outcomes help guide opinions about issues (attitudes), feelings of personal worth and success (self-esteem), desires to become involved in various activities (interests) and personal standards (values). Bloom’s theory supports the idea that self-beliefs supportive of entrepreneurial habits of mind (self-reliance, persistence, adaptability, creativity and proactive achievement, for example), may be just as critical to venture creation as knowledge and skills (content-oriented) education. The affective domain thus likely supplements cognition in fomenting agentic capability and Bandura’s (2006) self-efficacy.

The idea that individuals are motivated by self-beliefs about their talents and abilities and their subsequent confidence in successful outcomes is derived from Bandura’s agentic theory of human development. Successful outcome expectations in turn connects Bandura’s agentic ability to Shapero and Sokol’s (1982) Classic Entrepreneurial Event Model, the theory underpinning this study’s individual entrepreneur x situational context psychosocial perspective. The model, which has earned a great deal of empirical support, predicts that entrepreneurship requires both perceived desirability and perceived feasibility on the part of the individual to happen. Shapero’s “feasibility” is consistent with agentic ability—an individual must not only believe they know how to do something; they also must believe they will succeed.

From the antecedent research I concluded that, while Shapero & Sokol’s (1982) classic Entrepreneurial Event model was helpful, their “desirability and feasibility” constructs needed to be expanded to include the second half of the person x situation equation—the contextual element. The result was the theorized Bounded Rationality E-Event Correspondence model of the entrepreneur. The model also puts Schumpeter’s assertion that all entrepreneurship is local squarely at the center of the entrepreneur construct. (See Figure 1).

The model presents a theoretically grounded conceptualization for expanding Shapero beyond the individual to include person x situation variables. The model is informed by Lofquist and Dawis (1969) who hypothesized correspondence between a worker’s wants, goals, and needs (Shapero’s perceived desirability) and the perceived satisfaction of these wants/needs the worker receives from the workplace. Likewise, the theory requires correspondence between perceived feasibility (confidence in abilities and success) and the positive reinforcement of these abilities to in the workplace. If there is aligned correspondence both between a worker’s intrinsic skills and a job’s extrinsic skill requirements and a worker’s intrinsic values and goals and a job’s extrinsic fulfillment of these desires, an individual will stay engaged in the work context. When there is a discrepancy between a worker’s needs or skills and
the job's needs or skills, then the worker leaves willingly, is forced out unwillingly (the “Go” decision), or the environment must change. The E-Correspondence model itself is an antecedent mechanism for entrepreneurship, since, according to the Kauffman Foundation, the majority of entrepreneurs start their careers as employees, then leave their employer to start their own venture. The model builds on Shapero in suggesting that not only do entrepreneurial individuals require desirability and feasibility, they feel compelled to work in contexts that correspond to their values and goals (work personalities) as well as where their skills and abilities are vital and highly valued. The model explains why an individual with desirability and feasibility might not leave an employer to launch a venture, as well as why she would. The model hypothesizes that entrepreneurs place higher utility than other people on the psycho-social person-workplace fit variables (utilized in this study), and thus are more likely than others to choose a “Go” decision, leaving their current job in order to start their own venture. Or perhaps they are more sensitive to the feedback loops that influence both intrinsic and extrinsic motivation.

The E-Event Correspondence model (Figure 1) parsimoniously fits the psycho-social antecedent research into a conceptualization of the Bounded Rationality of the Entrepreneur. The model depicts four kinds of entrepreneur x situation variable domains: intrinsic motivation (desire); perceived ability (self-efficacy/feasibility), perceived personality workplace fit, and perceived ability workplace fit.

If entrepreneurship is subject to influence from a number of antecedents, (individual psycho-social-cognitive characteristics and external/contextual technological, economic, cultural, and organizational factors), presumably, each of the conditions of individual/internal and contextual/external antecedent mechanisms reinforce each other and either motivate or impede entrepreneurial proclivities and subsequent action taking.

HYPOTHESIS

The study of entrepreneurship is the study of a multi-level construct and systems phenomenon, which calls for a mixed theoretical approach. The operating hypothesis of this study is that personal predispositions, values, beliefs, and attitudes about desirability and feasibility, skillsets, and experiences, in combination with a number of external social and environmental variables including workplace perceptions and preferences, produces entrepreneurial proclivity, behaviors, and outcomes.

Consistent with the model, I hypothesized that there are two kinds of personal characteristics associated with person-workplace-fit: 1) predispositions, attitudes, and values, and; 2) skills and abilities. In addition there is the correspondence of both with workplace organizational cultures. I hypothesized that both are key predictors of entrepreneurial behavior and as such represent critical antecedents of entrepreneurship.

METHODS

The study attempted a robust pre-test-post-test quasi-experimental design methodology (Shadish et al, 2002) and powerful structural equation modeling (SEM) statistical techniques in an attempt to disentangle the effects of known and suspected personal, cognitive, and contextual antecedents on a variety of E-outcomes (business entrepreneurship, product development, intrapreneurship and social entrepreneurship).
Setting: The research setting was a major state university with a prominent engineering program and undergraduate/graduate entrepreneurship programs in a high-tech region of the Southeastern U.S. known for technology startups.

Design: The study employed a longitudinal quasi-experimental matched comparison group design. The study evaluated differences in entrepreneurial outcomes between alumni who participated in University Entrepreneurship Education (E-ed) programs and a matched control group who did not up to 14 years later. Several research designs were employed because of the unique availability of some pretest data for the undergraduate group. For undergraduates, the study employed a pretest-post-test quasi-experimental design (Shadish et al., 2002). For graduates, the study employed a post-test only control group design. Shadish et al. (2002) advises researchers to decrease the odds of selection biases introduced by insufficient pre-testing by forming treatment and control groups through matching or stratifying on likely correlates of the post-test (in this case gender, major, year graduated, GPA, age, race, and type of degree). Optimal matching, (where populations being matched overlap completely on stable and reliably measured matching variables), and where additional variables are employed to prevent undermatching create greater equivalence between treatment and control groups.

Instrumentation: Data collection involved surveys (both email and mail) of 4,000 business and engineering alumni, including 2,000 who had taking E-ed since the early 1990s, and 2,000 matched controls. Complete responses were received from 603 respondents. Group equivalency was confirmed through a rigorous battery of tests. The survey instrument was pre-tested by a small group of local entrepreneurs, alumni, and faculty experts. All scales were thoroughly validated by psychometric analysis.

Measures: Variables included entrepreneurial courses respondents had taken, background data, local context, parent entrepreneur, career histories and entrepreneurial intentions, activities, and accomplishments, and self-assessments in personal and workplace preferences, entrepreneurial knowledge, skills, and abilities (KSA's) and along two dimensions of self-efficacy. Measures were aligned with the constructs depicted in the theorized E-Correspondence model.

Specific metrics included: psycho and social cognitive skillsets and mindsets variables, (including person-workplace-fit personality and ability metrics theorized by the model). Respondents were asked to characterize themselves, compared to their workplace peers, on creative, proactive, adaptive and persistent dimensions by using a likert scale (strongly disagree, disagree, neither agree nor disagree, agree, strongly agree) in response to a series of statements. (All measures were validated in other studies). Creative subscale items included: “It takes me longer to recognize possibilities”; “I think up more new ways of doing things,” etc. Proactive subscale items included: “I set high standards for myself and others”; “I do more than what’s expected,” etc. Adaptive subscale items included: “I dislike beginning new things”; “I prefer routine to variety,” etc. Persistent/Tenacious subscale items included: “I finish things despite obstacles in the way”; “If I make a decision I stick with it” etc.

In addition, respondents were asked to indicate their preferred workplace climate along similar dimensions (innovative, proactive, risk-taking, individual autonomy), and to self-assess their KSA’s (academic and entrepreneur-specific) along a likert scale. Similarly, respondents self-assessed on two types of self-efficacy— Conceptual Know-how (Soft Self Efficacy) and Tangible Know-how (Hard Self Efficacy). (Soft Self Efficacy included Creativity, Opportunity Identification,
Commercialize an Idea, Take Business Risks; while Hard Self Efficacy included Build team, Lead a Startup, Incorporate a Startup, Lease Space/equipment, Finance a Startup). Qualitative data on intrinsic and extrinsic motivations (desirability) was also collected for exploratory analysis.

Pre-measures included general entrepreneurship skills and abilities (speaking, writing, analytical, self-confidence, and the ability to plan and carry out projects independently).

Dependent variables included: intentions, startups, new product/service, intrapreneurship, and social entrepreneurship outcomes.

**Results**

Structural equation models and regression analysis comparing university alumni who became entrepreneurs against matched alumni who did not up to 14 years later (N=603), found strong support for the Bounded Rationality components and for the E-Correspondence conceptualization overall. While many correlational models of the entrepreneurial event exist, the Bounded Rationality model is the first to identify causal mechanisms that can predict entrepreneurship (entrepreneur group membership). Strong correlational support was found for “desirability” intrinsic motivation. Causal analysis (SEM) identified “Feasibility” (the two Self Efficacy measures) as the most significant predictors of E-production (the Startup DV and the summative Entrepreneurship activity DV). Some personality workplace-fit (“Mindsets”) also were significant direct predictors, but other mindset and skillset (KSA) variables were significant indirect predictors in that they worked through (e.g. were mediated by) the Self Efficacy constructs.

SEM identified two causal path models to Entrepreneurship, a “Mindset” model (See Appendix I.) and a “Skillset” model (See Appendix II.). The mindset model found that a sizeable share of the variance between non-entrepreneurs and entrepreneurs, whether treatment or control, can be explained by personal characteristics working both directly and through Soft Self Efficacy.

The mindset path model fit the underlying data well. Model $\chi^2 (10,452) = 6.738$, p=.750, CFI=1.000, TLI=1.024, RMSEA=.000. The paths were all significant (p<.02); coefficients were standardized. The variance of the E-outcome DV explained ($R^2$) was 23%. The analysis showed an $R^2$ value of .32 for Soft self-efficacy. The relatively large effect size of Self Efficacy on the E-outcome DV (.39) was striking. Soft Self Efficacy was itself a function of three mindsets: Risk-Reward work climate, Creative-Adaptive, and Proactive-Tenacious personality workplace-fit characteristics. Of these, Creative-Adaptive had the largest relative impact on Soft Self-Efficacy ($\beta = .31$, p=.000). There was a small, positive direct effect of Group (E-ed Treatment) ($\beta = .12$, p=.003), similar in size to the direct independent effects of ability to work independently at work (Autonomy, $\beta = .13$, p=.003), and approach to handling failure (Setback, $\beta = .10$, p=.022).

As was expected, all of the mindset variables were correlated (but not excessively so), and generally uncorrelated with Group (three variables—Autonomy, Risk (work-fit), and the Creative-Adaptive personality were slightly correlated .12-.15). These correlations hint at a small self-selection effect into E-ed on these personal characteristics. (The pre-test measures, which included “planning and carrying out projects independently,” and “being independent and self-reliant,” were utilized to identify and control for self-selection effects. All analysis was re-run controlling for potential self-selection, with no effect on study findings).
The most interesting thing about the mindset model was its fit despite the lack of skillset (KSA) variables. The model thus suggests that education is one of a number of factors that produce E-outcomes. It suggests that a sizeable share of the variance between non-entrepreneurs and entrepreneurs, whether treatment or control, can be explained by personal characteristics and mindsets working both directly and through Soft Self Efficacy.

The fit of the second (skillset) model (including the KSA variables) was slightly better than the first: Model $\chi^2 (14,452) = 13.593$, $p=.480$, CFI=1.000, TLI=1.002, RMSEA=.000. All paths were significant below the .05 level, and the $R^2$ of the Entrepreneurship DV variance explained was 29%; coefficients were standardized. The model included three skills predictors (Hard Self-Efficacy, Networks, and Business Skills), the two ability predictors (Autonomy and Setback) and one key demographic/contextual predictor (Parent Entrepreneur). Hard Self-Efficacy was the most important predictor of entrepreneurship with an $R^2$ of 51%. The relative size of the effect of Hard Self-Efficacy on the E-outcome DV (.47) was most interesting, in that it was 8 points higher than that of Soft Self-Efficacy in the mindset model. The exogenous variable Parent Entrepreneur worked indirectly, (much like the work personality variables in Model 1), mediated by Networking ($\beta = .09$) and Hard Self-efficacy ($\beta = .08$). Again, the personal abilities (Autonomy and Setback) were, like Hard Self-Efficacy, direct and significant predictors of entrepreneurship ($\beta = .13$ and $\beta = .10$ respectively), similar in size to Group (E-ed Treatment).

The significance of the SEM analysis suggests that personal characteristics (mindsets) work alongside of KSA's (skillsets) in predicting E-outcomes. This analysis is the first that I know of to demonstrate that personal characteristics can predict E-outcomes (most research in this domain is correlational). The rationality of the entrepreneur is based both on endogenous perceptions of feasibility/self-efficacy, but also on perceptions of “fit” in the work context, both with regard to values, goals, and work personality, as well as with perceptions about the efficacy of these knowledge, skills, and abilities (KSA's) in the workplace.

As for the “desirability” antecedents of entrepreneurship, correlational and qualitative analysis shed light on the motivational drivers of entrepreneurship that in turn influence the other predictors. It is notable that Achievement factors (these included goal-oriented behaviors—meet a challenge, obtain leadership, create and build a product or business, as well as dedicated perseverance and personal drive/work-ethic) were the most frequently sited factors behind both personal motivation to start a business and personal business success. Money, autonomy, and opportunity were the next most commonly cited motivators. Sixty percent of entrepreneurs were more motivated by internal stimulus (based on a personal talent, skill, ability or competitive advantage they believed they had) in starting their businesses, while 40% said they were externally motivated to start their businesses (as a response to a perceived market need). This result suggests that when it comes to “desirability,” intrinsic motivation (like Achievement and Autonomy) may be stronger motivators than extrinsic motivation (like Opportunity and Money) when it comes to starting a business. The preference for intrinsic factors in attributions for business success is even more striking with 124 intrinsic mentions (74%) and 43 extrinsic (26%) mentions.

While the intrinsic/extrinsic measure utilized in this study was only a single measure (albeit bolstered by the qualitative results), it is one approach to operationalization of the entrepreneurship effectuation construct (Sarasvathy, 2001); respondents had to indicate whether they relied more upon personal characteristics, KSA's/other inputs at hand in creating their businesses, or whether
they acted more in response to perceived external causes/market conditions. The importance of intrinsic motivations to entrepreneurial “desirability” calls for additional research into the individual/personal characteristics of entrepreneurs, which unfortunately have been under-researched by psychologists. Further research will need to be conducted to confirm these findings that intrinsic motivators may be more important than extrinsic motivators in the creation of entrepreneurial ventures, and to test the psychometrics involved.

Finally, exploratory research was conducted to test the fit of the E-Correspondence model overall. The model’s underlying premise is that individuals leave paid employment (the Go/No Go at the center) to become entrepreneurs because of poor personality/skills correspondence in the workplace. Thus I would expect to find overall support for the model if entrepreneurs were significantly different from non-entrepreneurs in their numbers of job and career changes. Exploratory regression analysis found the odds of having high numbers of job changes was 87% higher for entrepreneurs than for non-entrepreneurs. (N=603; Exp(B)=1.866; p=.000). Likewise, having a large number of career changes was 57% higher for entrepreneurs than for non-entrepreneurs, (N=603; Exp(B)=1.566; p=.000).

**DISCUSSION**

If entrepreneurship is a dynamic person x situation phenomenon, as this study indicates, the mixed theorist approach with its focus on both individual differences and social contexts presents a promising path for further study. The SEM analysis conclusively indicated that work personality and workplace fit play a significant role in creating entrepreneurs. Two of most important individual differences were individual attitudes and needs for personal autonomy, (respondents were asked to rate their workplace fit preferences between “Employee Autonomy” and “Close Employee Supervision”), and individual styles for handling failure (setback response). Group membership (Entrepreneur vs. Non-entrepreneur) was predictable based on respondents’ responses to these questions, as well as to Hard and Soft Self Efficacy and the mindsets and skillsets mediated by these variables. Entrepreneurs were reliably and predictably differentiated from non-entrepreneurs by their self-efficacy, preferences for autonomy at work, and “silver lining” perceptions of failure.

If it were possible to create a portrait of the bounded rationality of a typical entrepreneur, the models hint that she is more often motivated intrinsically than she is extrinsically. The KSA and personal characteristics that most directly catalyze her E-ventures include her abilities and attitudes about Autonomy and Setback. She is an initiative-taking self-starter who rolls with the punches; she perceives failure and setback as opportunities for learning or a better direction. Her Soft Self Efficacy is bolstered by personal mindsets including her values/talents in Creative-Adaptability, and Tenacious Proactiveness. Her Hard Self Efficacy is bolstered by personal skillsets including Business Skills, Networking, and having an entrepreneurial parent. Her personal preferences for a dynamic, high risk/reward non-bureaucratic work climates lead her to entrepreneurial workplaces where her skillsets and personality are useful and valued, or they induce her to create her own such workspace.

Further research will need to be conducted to determine whether psycho-social personal variables like Autonomy and Setback Response are modifiable by educational interventions, or whether they are hard-wired and stable personality traits (like optimism vs. pessimism). However, given the obvious logical connection between both personal Autonomy and Setback Response
with Self Efficacy, it seems likely that teaching approaches that boost confidence in personal abilities (less need to rely upon others) as well as overcoming adversity (even if I lose I still win) will support entrepreneurial action.

These results are particularly salient for E-ed practitioners. When educating the prospective entrepreneur, both skillsets and mindsets matter. Interestingly, the most important predictors of entrepreneurship are two kinds of self-efficacy. And while educators must not ignore the other psychosocial predictive characteristics, they should keep in mind that the effect sizes of the predictors varied. The most efficacious way for educators to expand the number of graduates seeking entrepreneurial careers is likely to be through educational coursework that bolsters student entrepreneurial efficacy (both conceptual and tangible). While bookwork, lectures, and case studies may enhance the former, experiential and authentic learning via andragogical teaching techniques may better achieve the latter. Educational interventions that produce both hard and soft self-efficacy in student entrepreneurs may be the best way to create the enhanced entrepreneurial outcomes economists and policymakers are most interested in—new businesses and new jobs.

In sum, personal predispositions and individual differences in outlook and perspective impact entrepreneurship, perhaps as much as knowledge and skills preparation. In addition to desirability (again, a personal preference), feasibility ultimately depends on confidence in ability which is lacking for those less independent or developed in their personal risk management strategies.

**Conclusion**

The Bounded Rationality model holds promise in explaining individual entrepreneurship. With enhanced understanding of the entrepreneurial dynamic at the individual level of analysis, it is at least theoretically possible that with the right combination of supportive policies and education/investments in individual entrepreneurial capacity we will be able to increase the number of innovative entrepreneurs in a free market economy.

If entrepreneurship is a dynamic person x situation phenomenon, as this study empirically suggests, it is critical to the field that researchers not leave individual differences-in-social-context out of the equation. Additional research needs to be done to rigorously test the suitability of the model as a theory for better understanding (and predicting) the entrepreneurial event, to confirm that work personality and workplace fit play a significant role in creating entrepreneurs (and intrapreneurs), and to determine whether its “Correspondence” conceptualization can withstand the rigor of multiple studies in diverse contexts and environments. Similarly, new metrics and instrumentation will need to be developed to more rigorously and comprehensively test the correspondence aspects of the model.

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REFERENCES


**APPENDIX I.**

![Diagram of Bounded Rationality of the Entrepreneur](image)

Figure 1. Bounded Rationality of the Entrepreneur: Entrepreneurial Event in Context with Intrinsic/Extrinsic Correspondence Feedback
(Adapted from Shapero & Sokol; Lofquist & Dawis)
Figure 2. Mindset Entrepreneurial Path Diagram
(All paths significant p<.05)

Figure 3. Skillset Entrepreneurial Path Diagram:
(All paths significant p<.05)