STRESSING THE OPPORTUNITIES: AN EXPERIMENTAL TEST OF STRESS’ EFFECTS ON ENTREPRENEURS’ COGNITIVE RESOURCES, OPPORTUNITY RECOGNITION, AND DECISION-MAKING (INTERACTIVE PAPER)

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**Recommended Citation**

Available at: https://digitalknowledge.babson.edu/fer/vol34/iss5/23
Entrepreneurs are often known to operate in dynamic environments that can include financial constraints, rapid change, uncertainty, and other conditions known to induce high levels of stress (Baron et al., 2013). Empirical evidence suggests that stress, especially stress that is prolonged and intense, is related to a wide range of harmful outcomes (Ganster & Rosen, 2013). However, recent research suggests that entrepreneurs, as a group, generally self-select into entrepreneurship and therefore counter-intuitively experience lower levels of occupational stress (Baron et al., 2013). Drawing on extant research and Fiedler and Garcia’s (1987) Cognitive Resource Theory, our study’s multi-method design can further enhance understanding of this phenomenon and allow stronger causal inferences for untested critical assumptions regarding entrepreneurs’ stress management and how it affects entrepreneurial outcomes.

Method

We seek to incorporate a multi-study investigation combining experimental, field-study, and qualitative evidence. Beginning with the qualitative component, we will interview entrepreneurs about stress and decision-making. Incorporating interview findings with suggestions for an experimental approach to entrepreneurship research (Gregoire et al., 2010; Schade, 2005) and psychology and OB experiments that manipulate stress (e.g. Fox et al., 1993), we will design and implement an experiment that simulates real-world situations our respondents faced. By manipulating the level of stress associated with experimental conditions, we can ascertain the effects of stress on decision-making outcomes. Finally, based on the experimental findings, we will design a field-study to ascertain how anxiety and decision-making influence entrepreneurial outcomes.

Possible Implications

Research from various disciplines suggest that job characteristics found from the upper to the lower echelons of organizations and across organizational contexts can expose decision makers to role expectations, uncertainty, and other stimuli that can create stress and impede effectiveness when making important decisions (Munyon et al., 2010). By conducting a multi-method investigation of stress and anxiety effects within entrepreneurial decision processes, we hope to shed light on current theoretical ambiguity. If entrepreneurs are indeed more likely to buffer the negative effects of stress, then it is important not to examine sources of stress but rather sources of resilience against stress and how to better design ventures to enhance resilience (Venkataraman et al., 2012).

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