PERCEIVING AND CONTROLLING RISK IN THE ACADEMIC ENTREPRENEURSHIP PROCESS (INTERACTIVE PAPER)

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Principal Topic

Academic research plays an important role in the creation of new knowledge, in turn stimulating business activity and growth (Di Gregorio & Shane, 2003). Therefore academics' participation in entrepreneurial processes is essential (Agrawal, 2006), however, researchers are only beginning to investigate the cognitive processes associated with why academics pursue differing entrepreneurial pathways (Jain et al. 2009).

Academic entrepreneurship has been described as “any activity that occurs beyond the traditional academic roles of teaching and/or research, is innovative, carries an element of risk, and leads to financial rewards for the individual academic or his/her institution” (Abreu & Grinevich, 2013, p. 408). As such, the perceived risk of undertaking entrepreneurial activities lies on a spectrum from potentially more risky activities (e.g. spin-off) to potentially less risky (e.g. professional development) activities. Thus, we ask the following research questions:

1) How do academics perceive risk within the spectrum of activities?
2) How do academics control perceived risks in the academic entrepreneurial process?

Methodology

Face to face, semi-structured interviews averaging forty minutes in duration with thirty five academics from three UK universities, across a range of disciplines were carried out, recorded, transcribed and analysed. To capture the heterogeneity of entrepreneurial activity amongst the academics in terms of quantity and range of activities, academics were selected who had undertaken at least one entrepreneurial activity within the spectrum, while some had participated across the entire spectrum.

Results

Findings indicate that when an academic considers undertaking entrepreneurial activities, their perception of risk is more a gut feeling than any attempt at a rational evaluation. Our findings suggest that academics are basing their judgments of particular activities not only on what they think about it, but also on how they feel about it. If feelings toward an activity are favourable, they judge the risks as low and benefits as high; if feelings are unfavourable, they judge the activity as high in risk and low in benefit (Finucane et al. 2000). This study also suggests that academics engage in self-regulation using different regulatory foci during the entrepreneurial decision-making process (Brockner et al., 2004).

Given the paucity of literature addressing perceptions of risk within the academic entrepreneurial process, this study contributes towards better understanding how academics perceive and manage risk.

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