BEYOND COGNITION: CREATIVITY, DISINHIBITION AND ENTREPRENEURIAL ACTION (SUMMARY)

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SUMMARY

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Principal Topic

Action under uncertainty is the fundamental premise of entrepreneurship (Knight, 1921; McMullen and Shepherd, 2006). The outcomes of entrepreneurial endeavors are unknown and unknowable a priori. This uncertainty surrounding entrepreneurship has substantial implications for entrepreneurial process that has largely remained unexplored. For example, even if people form the explicit intention to engage in entrepreneurial action, most often they never do (van Gelderen et al., 2015). Therefore, a focus on nascent entrepreneurship as solely a rational evaluative process provides an incomplete understanding. Recent studies of decisions under uncertainty suggest a strong influence of the ‘hot’ decision system, which is uninhibited, rapid, and intuitive (Evans, 2008; Kahneman, 2011).

Building on the dual process theory of decision making and reasoning (Evans, 2003), we propose that creativity and disinhibition are two important traits that reply heavily on the ‘hot’ system and thus having multiple influences on the entrepreneurial process. Creative ‘outside-the-box’ thinking enhances opportunity discovery and exploitation, which facilitates entrepreneurial action. Likewise, disinhibition may represent a psychological resource because disinhibited people act without much deliberative consideration of consequences, and enjoy the pursuit of risky activities, without experiencing much anxiety (e.g., Dindo et al., 2009; Whiteside & Lynam, 2001). These characteristics of disinhibition could also facilitate entrepreneurial action.

Methods

To test our hypotheses regarding the influence of creativity and disinhibition on entrepreneurial action we relied on a sample of 136 north-American business students. We used established measures including a 65 item scale for disinhibition (Dindo et al., 2009) and adapted scales for creativity (Jackson, 1994; Bateman & Grant, 1993). In terms of engaging in entrepreneurial action, the number of nascent gestation activities based on Farmer, Yao, and Kung-Mclntyre (2011) and specific PSED organizing activities were used. Finally, we controlled for gender, race, major and year in college. Path analysis was used to estimate the relationship between these constructs.

Results and Implications

As anticipated, both creativity (0.18; p<0.05) and disinhibition (0.17; p<0.05) increase entrepreneurial action. Our results speak to the importance of reconsidering factors that may be valuable for entrepreneurial action. We take into account recent insights into the mental processing that underpin entrepreneurial decisions and behavior under uncertainty. Incorporating dual-process insights we propose that the hot and cold systems are engaged in parallel in entrepreneurship. Creativity and disinhibition may represent traits that are linked to entrepreneurial action primarily through the ‘hot system,’ rather than analytical processes. Moreover, the negative implications of disinhibition across different spheres of human activity are well documented. Very little attention, however, has been devoted to potentially positive implications of disinhibition. Entrepreneurship appears to represents a context where disinhibition may represent an asset.

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