THE INFLUENCE OF COGNITIVE APPRAISAL & ANTICIPATED OUTCOME EMOTIONS ON THE PERCEPTION, EVALUATION & EXPLOITATION OF SOCIAL ENTREPRENEURIAL OPPORTUNITIES (SUMMARY)

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SUMMARY

THE INFLUENCE OF COGNITIVE APPRAISAL & ANTICIPATED OUTCOME EMOTIONS ON THE PERCEPTION, EVALUATION & EXPLOITATION OF SOCIAL ENTREPRENEURIAL OPPORTUNITIES

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Principal Topic

Understanding opportunity perception, evaluation and exploitation remains central to advancing entrepreneurship research. Neuroeconomics research argues that we must explicitly consider much deeper cognitive phenomena, even physiological, if we are to understand important human decision processes. This requires explicit consideration of entrepreneurial emotions, not just rational cognitions, though most research focuses on the effects of rational cognitions on entrepreneurial behaviour. Despite the near-cliché association of entrepreneurs (especially social entrepreneurs) with passion, entrepreneurial emotions are under-researched. Here, experiments analyze how cognitive appraisal and anticipated-outcome emotions influence individual perception, evaluation and exploitation of entrepreneurial opportunities and permit increased understanding of deep beliefs. We focus here on social entrepreneurial opportunities where both rational analysis and deep emotion must arguably be salient. Social entrepreneurship research already argues that cognitions and emotions work together to significantly influence intentions toward becoming social entrepreneurs, little work has empirically tested how these factors inhibit or facilitate the perception, evaluation and exploitation of social entrepreneurship opportunities. To address this gap, we test experimentally cognitive appraisal theories of emotion, which explicitly address cognitions, emotions and their interaction.

Method

Using a between-subjects experimental design, we randomly assign subjects to scenarios characterized by the triple bottom line characteristics (sustainable economically, socially and environmentally) Subjects then make evaluative judgments estimating outcome and attribution-dependent emotions, controlling for other potential covariates, e.g. perceived value and importance (primary appraisal) and secondary appraisal (e.g. available coping mechanisms). Cognitions and emotions individually and jointly moderate relationships between recognized social entrepreneurial opportunities and their evaluation and exploitation. Relationships between opportunity characteristics and its perception and evaluation as an entrepreneurial opportunity are moderated by evaluative cognitions (motivational congruence and relevance) and by anticipated emotions (e.g. fear of expected failure).

Results and Implications

We advance research into key drivers of entrepreneurial emotions by analysing the influence of anticipated outcome and attribution-dependent emotions on opportunity recognition, evaluation and exploitation. Second, we demonstrate the value of cognitive evaluations (appraisals) as useful for entrepreneurial research, permitting us to assess separately the individual and combined influence of cognitions and emotions on entrepreneurial activity. Third, we demonstrate the value of using experimental methods based on strong theory from neuroscience.

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