DO ENTREPRENEURS DIFFER FROM EACH OTHER?: THE ROLE OF ENTREPRENEURS' AFFECT (INTERACTIVE PAPER)

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Principal Topic

Much research on entrepreneurial opportunities has emphasized the role of individual characteristics in the entrepreneurial process (Alvarez & Barney, 2007; Casson, 1982; Shane, 2000). In particular, prior research focused on differences between entrepreneurs and non-entrepreneurs (Baron, 1998; Busenitz & Barney, 1997; Shane, 2003). For example, entrepreneurs are distinguished from non-entrepreneurs (e.g. managers) with respect to the use of biases and heuristics and different cognitive styles. However, it is necessary to understand whether or not all entrepreneurs share the same characteristics. They can be different from other entrepreneurs in terms of personality and approach to information processing of opportunities pursued. This paper investigates the role of these different cognitive styles, intuitive and analytic, of entrepreneurs and moderating impact of affect, positive affect and negative affect, in the entrepreneurial process. Specifically, this study examines the entrepreneurs’ cognitive styles as a factor which leads entrepreneurs to pursue different opportunities. Moreover, this study investigates whether the affect of entrepreneurs moderates the relationship between cognitive styles and opportunities pursued by entrepreneurs.

Method

Data was collected from undergraduate students who were enrolled in entrepreneurship classes. A hierarchical regression analysis was used to investigate the main effect of cognitive styles of entrepreneurs on opportunities and the moderating impact of affect in the entrepreneurial process.

Results and Implications

The results showed that entrepreneurs’ cognitive preference for intuitive and analytic styles have positive influences on two types of opportunities, discovery and creation, respectively. Furthermore, affect moderated the relationship between entrepreneurs’ cognitive styles and opportunities. When entrepreneurs with intuitive cognitive style pursue creation opportunities, positive affect at the moment strengthened this relationship. When entrepreneurs with analytic cognitive style pursue discovery opportunities, negative affect at the moment moderated this relationship. This study suggests an important conclusion. The fact that different types of cognitive style and affect are associated with different types of opportunities implies that the benefits of cognitive style and affect are not completely general. Therefore, this study would help managers know how entrepreneurial opportunities can be formed, so that the managers can improve their understanding of entrepreneurs’ characteristics.

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