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DISINHIBITION & ENTREPRENEURIAL BEHAVIOR: A NEW AND INTEGRATIVE PREDICTOR OF ENTREPRENEURIAL ACTION (INTERACTIVE PAPER)

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Principal Topic

Disinhibition is a broad construct from psychology involving weak cognitive and behavioral inhibition. While most literature focuses on the negative aspects of disinhibition, it may facilitate nascent entrepreneurial behavior. This paper appears the first to empirically and theoretically link the two. Disinhibition, or relatively weaker cognitive and behavioral inhibition, has been associated with a variety of adverse outcomes – from poor job performance and workplace deviance (e.g., Hogan & Holland, 2003; Diefendorff & Mehta, 2007), to substance abuse and clinical disorders (Sher & Trull, 1994; Nigg, 2000). Yet disinhibition and associated sensation seeking or impulsivity can also be productive (e.g., van den Boss et al., 2009; Carver, 2005; Dickman, 1990). Entrepreneurship requires individuals uninhibited by established protocol, willing to act under uncertainty and with limited planning (e.g., Schumpeter, 1934; Busenitz & Barney, 1997). As disinhibition addresses key aspects of cognition, motivation, and behavior in concert – it reflects the complexity of reality while offering parsimony to theorists and empirical researchers.

Method

A quantitative study tested the connection between disinhibition and engaging in nascent entrepreneurial behavior. Since sampling entrepreneurs would preselect on the dependent-variable, business students (n=137) completed a study incorporating multiple operationalizations for robustness. For disinhibition (independent-variable), established scales from psychology were used, as were exploratory scales. For engaging in nascent entrepreneurial behavior (dependent-variable), a behavioral index/count based on Farmer, Yao, and Kung-McIntyre (2011) and specific PSED behaviors was used, as was the number of entrepreneurial ventures formed.

Results and Implications

Disinhibition under various operationalizations was positively and significantly predictive of nascent entrepreneurial behavior whether operationalized as a behavioral index or ventures formed. The total explanatory power of the disinhibition measures was notable – explaining 32% of variance in the behavioral index ($R^2=.32, p<.001$), 24% after controlling for gender and sensation seeking ($\Delta R^2 =.24, p<.001$). Results were robust and similar for the alternate DV operationalization. The findings provide a basis for future research, uncovering a new predictor (integrating individual cognition, motivation, and behavior) of initial entrepreneurial action. The findings also contribute to OB and psychology literatures by illuminating an alternative side of disinhibition and comparing different measures. Finally, to the extent disinhibition may undermine diligent exploitation at the individual level, it suggests material multi-level interactions and outcomes.

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