

Entrepreneurial Cognition

Dean A. Shepherd • Holger Patzelt

Entrepreneurial Cognition

Exploring the Mindset of Entrepreneurs

palgrave
macmillan

Dean A. Shepherd
University of Notre Dame
South Bend, IN, USA

Holger Patzelt
Technical University Munich
München, Bayern, Germany



ISBN 978-3-319-71781-4 ISBN 978-3-319-71782-1 (eBook)
<https://doi.org/10.1007/978-3-319-71782-1>

Library of Congress Control Number: 2017961832

© The Editor(s) (if applicable) and The Author(s) 2018. This book is an open access publication.

Open Access This book is licensed under the terms of the Creative Commons Attribution 4.0 International License (<http://creativecommons.org/licenses/by/4.0/>), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this book are included in the book's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the book's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use. The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

*Dean would like to dedicate this book to his daughter Meg and the rest of
Diamond Dynamics Blue (for reasons stated in the preface).*

*Holger would like to dedicate this book to his wife Sylvia
and daughter Helen.*

PREFACE

“What do you know about softball?” asks my daughter as she hopes to convince me (Dean) to resign as assistant (and first base) coach of her softball team. I must admit I had asked myself the same question over the last two years, but I told her that perhaps I know a bit about how to think, which I believed had helped the girls and the team. In past seasons, the girls had worn their hearts on their sleeves such that one error (e.g., striking out looking) created such a negative emotional reaction (and a stream of tears) that it created a subsequent more intense negative emotion that the rest of the team caught, putting performance in a downward spiral.

I worked with the girls on how some errors are part of the game, explaining that they are a source of learning, and I gave them some tools for regulating their emotions. As with all coaches of junior sports, we (the other coaches and I) struggled at times to capture and maintain the girls’ attention. We worked on mechanisms that helped them switch their attention to critical events (with some but not complete success). We worked on helping each girl find/develop her identity for the specific role she plays on the field and for the identity of the team (which sometimes created identity conflict as we asked some girls to play non-preferred positions for the good of the team). It was interesting to see how the team developed their knowledge of the game—from not knowing where to throw the ball once fielded to consciously thinking before the play where they would throw the ball if it were to come to them (given which bases were occupied by the other team) and, eventually, more automatically making the “right” play.

Sometimes the girls played like superstars, whereas other times they played horribly, and while the other coaches and I tried to stimulate the former and eliminate the latter, we never completely understood the “special sauce” of the team’s motivation. However, we did find that they played better when they were more relaxed and energetic than “professional” and bored, which was stimulated by music during warm-up and a team dance just before the game started. (I would have joined in the team dance, but my daughter was already embarrassed by my being so close to the action and telling unfunny jokes all the time.)

I followed my daughter’s advice and stopped coaching this season. Having coached the girls for two years, I think I was able to import some of my knowledge into helping develop their cognition (individually and collectively as a team). From them, I learned the different ways in which people think and the complexity of a team’s shared cognition, and I learned that helping people regulate their emotions is not an easy task.

Fortunately, this book is not about the thinking, feelings, and actions of a girl’s softball team but about the cognitions of individuals engaged in the entrepreneurial context—a topic that we (Dean and Holger) have been studying for over two decades.

University of Notre Dame
South Bend, IN, USA
Technical University Munich
Munich, Bayern, Germany

Dean A. Shepherd

Holger Patzelt

ACKNOWLEDGMENTS

Dean and Holger would like to thank Ali Ferguson for the help in copy-editing the manuscript, Alexis Bezos and Ali Webster for their help in formatting the book, and Marcus Ballenger and Jazmine Robles from Palgrave Macmillan for their editorial support.

We would also like to thank the co-authors on the studies that directly contributed to the content of this book (roughly in order that they occur in the book): Trent Williams, Robert Baron, Anne Domurath, Dawn DeTienne, Julio DeCastro, David Deeds, Steve Bradley, Jeff McMullen, Stephanie Fernhaber, Tricia McDougall, Johan Wiklund, Evan Douglas, Mark Shanley, Dev Jennings, Willie Ocasio, Denis Grégoire, Pam Barr, Melissa Cardon, Maw Der Foo, Marcus Wolfe, Orla Byrne, Mike Haynie, Sara Thorgren, Joakim Wincent, Dan Holland, Deniz Ucbasaran, Andy Lockett, John Lyon, Rene Bakker, Young rok Choi, Denis Warnecke, Jeff Covin, Don Kuratko, Judith Behrens, Holger Ernst, Moren Levesque, Jeff Hornsby, Jennifer Bott, Nicki Breugst, Ethel Brundin, Anja Klaukien, and Rob Mitchell.

CONTENTS

1	Introduction	1
2	Prior Knowledge and Entrepreneurial Cognition	7
3	Motivation and Entrepreneurial Cognition	51
4	Attention and Entrepreneurial Cognition	105
5	Entrepreneurial Identity	137
6	Emotion and Entrepreneurial Cognition	201
7	Conclusion	259
	Index	277

LIST OF FIGURES

Fig. 5.1	Optimal distinctiveness for an entrepreneuring individual's identity	144
Fig. 5.2	Micro-identities and the 'super-ordinate' identity	145
Fig. 5.3	Compartmentalization of micro-identities	148
Fig. 5.4	Integration of micro-identities	149
Fig. 5.5	Managing entrepreneurs' multiple micro-identities to maximize PWB	152
Fig. 5.6	Optimal distinctiveness and psychological well-being	153
Fig. 5.7	Managing multiple identities	154