THE EXPERIENCE OF EMOTION IN NEW VENTURE START-UPS

Uros Vujnic: Auckland University Of Technology, Auckland, New Zealand
Patricia Corner: Auckland University Of Technology, Auckland, New Zealand

Contact: Patricia Corner, Auckland University of Technology, 42 Wakefield Street, 1010 Auckland, New Zealand, (T) 64-021-535-489, Email: trish.corner@aut.ac.nz

ABSTRACT
Entrepreneurship scholars have recently identified emotion as a potentially important construct to examine in research. Emotion is seen as important in this context given the sustained investment in time and money entrepreneurs make when beginning a business, whether the business fails or succeeds. However, very limited empirical research exists on the topic. This qualitative study empirically examined entrepreneurs’ experience of emotion when creating new ventures, employing a method of narrative inquiry. Findings revealed three broad and overlapping stages of entrepreneurship processes within which the events that evoked certain emotions occurred. Prominent emotions within each of these stages are explored and their implications discussed.

INTRODUCTION
Much of the entrepreneurship research has focused on the individuals and what sets them apart from non-entrepreneurs. Entrepreneurs are commonly seen as “super heroes” and entrepreneurship has been seen as “something extraordinary” (Karp, 2006). The entrepreneurs are the ones who are “making it happen”, perceived as the fundamental workers in job and wealth creation (Mitchell et al., 2002). It therefore is understandable why the individual entrepreneur has been very much the focus of entrepreneurship research. In fact, the most common concern for entrepreneurship researchers has been to understand why some individuals, and not others, engage in entrepreneurial processes (Shane, 2000, Shane et al., 2000). Entrepreneurship literature has been dominated by motive, personality and behavioural theories (Cross et al., 2003). These theories have demonstrated various characteristics of entrepreneurs, such as the need for achievement (McClelland, 1961), locus of control (Rauch et al., 2007), and risk-taking propensity (Gartner, 1985). However, research to date has not been able to isolate a unique set of personality traits that characterise the entrepreneur (Brockhaus, 1980), although there have been attempts to outline entrepreneurial personality as the key ingredient in new venture formation (Mitchell et al., 2007). More recent research focused on cognitive processes of entrepreneurs, still trying to explain the role of the individual in entrepreneurship. Cognitive theories identified that entrepreneurs think differently from non-entrepreneurs (Mitchell et al., 2007), that they are unrealistically optimistic and poses exaggerated perceptions of control (Busenitz et al., 1997).

Despite a considerable amount of research that focused on the individual entrepreneur, one important aspect of individuals that has largely been overlooked is emotion experienced by entrepreneurs and its role in establishing new ventures (Shepherd, 2003, Singh et al., 2007). In the studies that investigated this phenomenon, emotion usually entailed subordinating emotions to more rational aspects of decision-making and processing of information (Goss, 2005). This is surprising, and concerning, given the fact that around 50 percent of entrepreneurial ventures fail within five years of start-up (Singh et al., 2007), an experience which is commonly associated with strong and deep emotions. In respect of the time and monetary investments that entrepreneurs put in their ventures, emotions are likely to play a role in their ability to effectively lead the business to success or failure (Singh et al., 2007, Shepherd et al., 2007). More recently, scholars have stared acknowledging the role that emotions play in entrepreneurship and have postulated what are the possible impacts of emotions on entrepreneurs (e.g. Shepherd, 2003, Shepherd et al., 2007, Baron, 2008, Singh et al., 2007). The present study extends our understanding of how entrepreneurs experience emotions through empirical examination of these emotions. In particular, this study addresses the research question of “how entrepreneurs experience emotion when creating new ventures” An interpretive research design is used to surface qualitative evidence that can illuminate the research question. This is a contribution because much existing research has been conceptual in nature. It thus examined the following: the impact of emotion on cognitive processes and decision making of entrepreneurs; the effects of positive and
negative emotions on type of action; and the effects that emotions have on entrepreneurs’ ability to respond to dynamic entrepreneurial environments. The study of emotions is relevant in entrepreneurship research because of the strong influence of emotions on cognitions and behaviour that was widely acknowledged in the existing literature (Baron, 2008). Moreover, the behaviour of new venture formation would certainly involve a sustained emotional investment. Findings in this area may help to extend theory on entrepreneurial decision making and process and may provide insights regarding potential training and education of prospective entrepreneurs.

LITERATURE REVIEW

Much entrepreneurship research has focused on the study of individual entrepreneurs and their characteristics in an effort to understand how they might be different from non-entrepreneurs (Shane & Venkataraman, 2000). In particular, these studies stem from a psychological perspective and include studies of personality traits and cognitions (Shaver et al., 1991). Psychological theories propose that entrepreneurship is a function of stable characteristics possessed by some individuals and not the others. These studies suggest that characteristics, combined with ability and desire to take action, ultimately determine who becomes an entrepreneur, rather than the nature of opportunities or economic structures (Shane, 2000). However, researchers have not been able to isolate a unique set of personality traits that characterise the entrepreneur (Broekhaus, 1987). The shift of focus from the entrepreneurial act to the entrepreneurial actor (Shaver & Scott, 1991) happened in large part with McClelland’s (1961) analysis of successful new business initiators. He studied the relationship between the needs and behaviours of individuals and proposed three main motives behind behaviours of individuals: the need for achievement, the need for affiliation, and the need for power (Mazur et al., 1977). He is most recognised however for his study of the need for achievement, which has the longest history out of all psychological measures in entrepreneurship literature (Shaver & Scott, 1991). McClelland (1961) defined the need for achievement as desire to accomplish something difficult, overcome obstacles and attain a high standard, increase self-regard by successfully applying talents, to perform well in competitive situations, and to do this with a high degree of autonomy or as independently as possible. Research on individuals found that entrepreneurs had a greater need for achievement than non-entrepreneurs, although the link is not strong (Rauch & Frese, 2007). Gartner (1985), in his framework for describing new venture creation, suggested that in addition to the need for achievement, the psychological characteristics of locus of control and risk-taking propensity may have validity in differentiating entrepreneurs from non-entrepreneurs. Locus of control is a measure of individual’s perceived ability to influence events in their lives (McClelland, 1961). Internal locus of control is found to be consistent with the high achievement orientation and entrepreneurs have been found to exhibit higher degree of internal locus of control compared to non-entrepreneurs (Boyd et al., 1987). Findings in a study carried out by Brockhaus (1980) failed to distinguish the levels of risk-taking propensity between entrepreneurs and non-entrepreneurs.

More recently, the focus on individual entrepreneur has expanded to include the study of entrepreneurial cognitions in an attempt to contribute to multidisciplinary perspective of entrepreneurship (Mitchell et al., 2002). The cognitive approach is concerned with entrepreneur’s preferred way of gathering, processing and evaluating information (Mitchell et al., 2002). Cognitive psychology emerged to explain individuals’ internal process as they interact with others and the environment around them (Baron et al., 2004). Some of the first research involving entrepreneurial cognitions (Mitchell et al., 2002) was done in assessment of cognitive biases and heuristics (Busenitz & Barney, 1997). Busenitz and Barney (1997) found differences in cognitive biases between entrepreneurs and non-entrepreneurs. Cognitive biases are a result of complex situations in which individuals’ cognitive capacity to process and store all information stimuli is exhausted (Neisser, 1967). In order to minimise cognitive effort, entrepreneurs use heuristics (mental shortcuts) and simplify strategies which lead to a number of cognitive biases. Without these biases and heuristics many of the entrepreneurial decisions would not be made (Busenitz & Barney, 1997). Busenitz & Barney (1997) found in particular that overconfidence and representativeness correctly categorised entrepreneurs. Overconfidence is a term that describes individuals’ overestimation of certainty in regards to the facts due to failure to recognise the limits of their knowledge, it occurs when ease of information recall is substituted for certainty. Representativeness is defined as entrepreneurs’ willingness to generalise from small and non-random samples (Busenitz & Barney, 1997). The current study extends research on individual entrepreneurs and their characteristics by considering the emotions experienced by entrepreneurs during the start up of their ventures.
Why Study Emotion/Entrepreneurship Relationship

Starting and building a new venture has been described as an emotional roller-coaster by experienced entrepreneurs. The nature of moods and emotions in their ability to influence behaviour and cognition indicates a potentially significant role in the thoughts and behaviour patterns of entrepreneurs (Cross & Travaglione, 2003). The entrepreneurial environment is highly unpredictable and rapidly changing (Brockhaus, 1987). Entrepreneurs are not in a position to follow prescribed procedures, but they “make it up as they go along” (Smilor, 1997), thus engaging in biased decision-making (Busenitz & Barney, 1997). Hence, in the context of high uncertainty, emotions can exert strong effects on cognition and behaviour, and may tip the balance toward a specific action or decision (Baron, 2008). In addition, emotions may impact the scope of entrepreneurial actions and perseverance (Baron, 2008). For example, positive emotion is known to encourage initiative and action (Modell, 2008), while negative emotions may have the opposite effect.

Emotions: Definitions and Kinds

In considering entrepreneurial emotions, it is useful to begin with a definition of emotions. Many attempts to provide a widely acknowledged and accepted definition of emotion proved unsuccessful (Izard, 2009). Like entrepreneurship, the definition of emotion depends largely on the perspective from which it is being investigated (Lutz et al., 1986). Emotions are social constructions according to common view of many sociologists. The emphasis is on the word constructions as sociologists assert that emotions emerge from situation that are “intimately social”, and that individuals learn appropriate emotions through socialization into culture and participation in social structures (Turner et al., 2005). However, this perspective neglects that activation and experience of emotions are intimately connected to the body. Modell (2008) asserts that emotions arise from our bodies “without our bidding” and are thus beyond our control. Hence, it is important to consider emotions from biological perspective to understand how they work (Turner & Stets, 2005). Emotions emerge as the brain activates certain body systems which are independent of socio-cultural context, and have a direct effect on arousal and expression of emotions (LeDoux, 1996). Damasio (2000) suggested that brain responses instigate emotion (or the body expression of emotion) and that emotion feeling is a consequence of this neurobiological expression. Izard (2009) defined emotion feelings as a dynamic component in emotions. It is a neurobiological activity experienced as motivational, which influences thought, action or tendency, and a felt cognition. She argues that key psychological and motivational aspects of emotion stem from emotion feelings. The function of the feelings makes possible to simplify and organise an overwhelming number of impulses into focused cognitive processes and certain adaptive actions (LeDoux, 1996, Izard, 2009). Neural systems which sub-serve emotions have evolved for survival purposes (Shiv et al., 2005). Emotions triggered by a given situation aid the normal decision-making process, by narrowing down the options for taking action (Shiv et al., 2005), even before other parts of the brain consciously register these emotions (Turner & Stets, 2005).

Emotions are divided into two broad kinds: basic emotion episodes and emotion schemas, or dynamic emotion-cognition interactions (Izard, 2009). The basic emotions are processes instigated by evolutionary brain systems when sensing a naturally-occurring, valid stimulus (Izard, 2007). In other words, they are evolutionary pre-programmed into our mental system (Parkinson et al., 1993). Emotion schema, on the other hand, is a dynamic interaction of emotion with cognitive and perceptual processes to influence cognition and behaviour (Izard, 2009). This dichotomy is similar to social constructionists’ views who usually distinguish between two types of emotions, those that have natural analogues (like fear, joy and sadness, which occur in both animals and humans), and those that do not, which are purely a result of social constructions (like guilt, shame and pride)(Strongman, 2003). What is understood by the term emotion used in everyday life is actually emotion schema (Izard, 2009). Furthermore, emotions may be divided into positive and negative, as they are experienced (Lang et al., 1990). Happiness and affection are, for example, commonly agreed basic positive emotions (Strongman, 2003), while basic negative emotions are sadness, anger, disgust, and fear (Parkinson et al., 2005).

Emotion, Cognition, and Behaviour

Emotions play a paramount role in the development of consciousness and operations of all mental processes, as well as significantly determining the contents and focus of consciousness throughout life (Izard, 2009). In terms of functions, emotion and cognition posses separate features and are processed separately (Bechara et al., 1995). However, it is acknowledged that they are also interactive and integrated within the brain (Pessoa, 2008). Damasio (2000) wrote that non-conscious biases guide behaviour preceding the conscious knowledge. Without the aid of these biases, conscious knowledge may not be sufficient to ensure favourable behaviour. Furthermore, these biases aid cognitive
reasoning by facilitating efficient processing of knowledge and logic necessary for conclusion. Individuals poses non-conscious signalling which seeks access to records of previous experiences (in particular those experiences shaped by reward or punishment) and emotional states attached to them (Damasio, 2000).

Emotional appraisal asserts emotion is a response to meaning. The interpretation of the events, rather than the event itself, largely influences the type of emotion felt or experienced (Smith et al., 1993). This process is almost instantaneous (Smith & Lazarus, 1993), thus the emotion appears as if it was a spontaneous reaction to an event (Goss, 2007). Traditionally, emotions are seen to be positioned on the opposite side of reason, at least in the Western thought. The term *rational* is commonly associated with reason, whereas the term *irrational* is commonly associated with emotion (Turner & Stets, 2005). This view implies that emotions are “symptoms of the animal in the human”, or the “impotence of the mind”, which is a commonly held paradigm in rationalism (Lutz & White, 1986). For a long time, the focus in psychology on cognition and rationality has been to identify ways to isolate the impacts of emotions on behaviour and decision-making (Cacioppo et al., 1999). More recent research concluded that emotions are much more than primitive reflexes and in fact significantly contribute to quality of human experience (Cacioppo & Gardner, 1999, Damasio, 2000). Without the emotional experience individuals lose the ability to attach valances to alternatives in decision-making, yet rationality depends on capacity to assess alternative lines of conduct (Damasio, 2000). From a physiological perspective, in contrast to cognitive brain functions, the affective functions operate without objectivity. For example, a cool stimulus to the skin can be pleasant if the individual is overheated or unpleasant if the individual is hypothermic. Thus the affective value is dependant on physiological conditions. This research implies that brain is in part an affective system which is not controlled by objective aspect of stimuli (Cacioppo & Gardner, 1999). This brings up the notion of relativity of emotion, Lutz and White (1986) noted that most would agree that all humans are presented with a potential to live emotionally similar lives. It is the perception of the events in individual’s lives that appears to have a significant impact on the experience of it. There is further evidence that experienced emotions are also relative to individual’s goals (Shah et al., 1998).

**Effects of Emotions**

Negative emotions have been shown to play an important role in determining psychological systems, influencing mental or behavioural adjustments. Positive emotions, on the other hand, encourage individuals to continue with the current course of action or engage into an exploratory action (Cacioppo & Gardner, 1999). Presence of positive emotion during periods of adversity may prove necessary to psychological rest and provide buffer against stress, and restore further coping efforts (Tuagade et al., 2004). Positive moods and emotions instigate thoughts, feelings and actions that promote resource building and involvement with achievement of goals (Lyubomirsky, 2001). Only those changes in life which involve intentional activity, as opposed to circumstantial change, are expected to lead to sustainable changes in subjective well-being (also a broader term for happiness)(Lyubomirsky et al., 2001). Emotions have also been shown to impact perceptions. It has been demonstrated that individuals experiencing positive emotions tend to perceive other persons, situations and environment more favourably than those experiencing neutral or negative emotions (Parkinson et al., 2005). Furthermore, emotions influence memory and information retention and retrieval processes. Acting as a “filter”, emotional states have a significant impact on focus and attention, and thus what information gets stored into the memory. In addition, current emotional states affect the type of information retrieved from memory, which is most commonly the type of information that matches the current emotional state (Dolan, 2002). Positive emotions appear to instigate higher levels of creativity than negative emotions. Although, in some instances negative emotions also may enhance creativity by prompting for increased level of effort or task duration (Estes et al., 2002, Parkinson et al., 2005, Isen, 2001).

Apart from the psychological benefits of positive emotions, numerous physiological benefits are reported in a number of empirical studies (Tuagade et al., 2004). These include a better and speedier recovery from illness or surgery (Carver et al., 2004); improvement in cardiovascular health; improvement in immune system functioning; better subjective health, more sleep and better sleep quality (Diener et al., 2003); and longevity or prolonging life (Tuagade et al., 2004).

**Emotions and Dynamic Entrepreneurial Environments**

Managing emotions effectively may increase individuals’ capacity to respond to highly dynamic environments of entrepreneurship. Positive emotions may encourage individuals to actively expand their social networks and further develop their skills (Tuagade et al., 2004), which in turn may increase capacity to respond to dynamic situations. Social environment has a particular influence on
entrepreneurs, because humans are social beings and are guided by emotions such as anxiety, hope, fear, excitement, etc. (Cardon et al., 2005). Goss (2007) explained that symbols and discourses act as cognitive stores for emotional energy. Emotionally charged discourses shape interactions and contribute to development of social capital (resources individuals obtain from relationships with others) and social competence (overall effectiveness of social interactions)(Goss, 2007), both of which are linked to entrepreneurial success (Baron, 2008).

Emotions may impact opportunity recognition process through influence on creativity (Baron, 2008). Positive emotion is found to encourage creative cognition, a process whereby existing concepts and ideas are approached from alternative perspectives to combine a third concept and idea that did not exist before (Estes & Ward, 2002). Emotion may also influence alertness to opportunities through perception. Positive emotions widen perceptual fields, while negative emotions narrow them (Cacioppo & Gardner, 1999), thus impacting the capacity to perceive the opportunities (Baron, 2008). Emotions may also influence capacity to acquire financial and human resources, through enthusiasm and persuasiveness (Baron, 2008) which are said to have “contagious” effects on people (Smilor, 1997). Entrepreneurs particularly enthusiastic about their ideas may find it easier to obtain such resources (Baron, 2008). Furthermore, positive emotions through enthusiasm tend to attract people and thus expand social networks (Izard, 2009), which were previously found to be linked to success of new ventures (Goss, 2007). Negative emotions may have the opposite effect (Baron, 2008). The influence of emotions on decision making (Shiv et al., 2005; Isen, 2001) are highly relevant in the conditions of uncertainty and ambiguity, which may be typical of entrepreneurial environments. Baron (2008) suggested that positive emotions encourage a quick and efficient decision-making strategy, otherwise known as satisficing where a first acceptable alternative is chosen. This strategy is common for entrepreneurial environments as previously explored in studies of entrepreneurial biases (Busenitz & Barney, 1997). Conversely, negative emotions appear to promote a maximizing decision making strategy which seeks to narrow down the choice by exhausting all alternatives (Baron, 2008).

Emotions may play a key role in entrepreneurs’ ability to tolerate intense levels of stress, typical in entrepreneurial environments (Baron, 2008). Anecdotal and empirical evidence shows that emotions have a significant impact on experience of business failure, coping with it, and learning from it. Singh, Corner, and Pavlovich (2007) found that entrepreneurs who experience failure are affected across a range of areas in their lives: social, psychological, physiological, and economic. The individuals the authors studied described the experience of failure through emotion feelings of guilt, depression or despair, and anger (Singh et al., 2007). The negative emotions experienced over business failure impair recovery, learning and possible start-up of another business. Adoption of effective coping strategies enhances the capacity to tolerate even very high levels of stress (Baron, 2008). Negative emotions may not necessarily have negative effect. In their study, Cross and Travaglione (2003) found that entrepreneurs utilised their emotional states in problem solving and day-to-day functioning. In some instances their emotional reactions to criticism, rejection and stress were used to fuel their perseverance and motivation to improve Goss (2005). In a very recent study, one of the first reported to empirically test emotions within the entrepreneurial context, emotions are found to have a significant impact on the level of effort in the process of new venture creation (Foo et al., 2009). Negative emotion signals that unfolding of current events is not favourable (Dolan, 2002) and thus calls for increased level of effort on tasks that are immediately required, in order to achieve desired outcomes. Positive emotion, on the other hand, signals that things are going well (Baron & Ward, 2004), but does not necessarily decrease the level of effort. Instead, it was found that positive emotions also increase the level of effort beyond what was immediately required, and what is currently required (Foo et al., 2009).

Theories from psychology and social sciences are used to explain emotions within the context of entrepreneurship. Since traditional approaches also draw on these theories, there is some debate whether certain characteristics fall within emotions or trait, cognition and behaviour domain (Jayasignhe et al., 2007). These theories however have enriched the entrepreneurship literature and at least encouraged discussions around the underlying individual differences that set entrepreneurs apart from non-entrepreneurs (Cross & Travaglione, 2003). However, empirical evidence on emotions in the entrepreneurial process remains very scarce and the following section describes the approach taken in the current study to help accumulate empirical evidence on this topic.

**METHODOLOGY**

An epistemological position of constructionism was adopted for this study for two reasons. First, constructionism holds that individuals develop subjective meanings of their lived experiences (Creswell, 2007) and that reality is determined by the subjective interpretation of it (Schwandt, 1994). This research is concerned with the lived experiences of entrepreneurs, which means investigation and
interpretation of social reality. Bryman and Bell (2003) assert that social reality can only be understood by taking into the account the members of the society and their construction of the social reality. Second, personality is socially constructed; the studies of human nature involve multiplicity and fragmentation of selfhood, its changeability, and cultural and historical dependence (Burr, 1995). Constructionism is often referred to as social constructionism due to the belief that the meanings are constructed through social discourse (Crotty, 1998). The research paradigm adopted is the interpretivist as its fundamentals align closely with constructionism (Creswell, 2007). The intent of the research is to interpret or make sense of the meanings that entrepreneurs have about the world and their own experiences, hence the “interpretive” approach.

Qualitative research was best suited for this study because the research question asked “how” and rich, qualitative evidence is the best way to address such a question (Creswell, 2007). Qualitative research is recommended by Creswell (2007) to study or research problems inquiring into the meanings that individuals associate with a social or human phenomenon. He also recommends conducting qualitative research when the researcher needs a complex or detailed understanding of the issue, and when the problem needs to be explored empirically rather than by using predetermined information from the literature (Creswell, 2007). This argument is particularly applicable in this study since lack of empirical research on entrepreneurship/emotion relationship has been identified. The particular method chosen for this study is narrative inquiry in an abbreviated form. Booth (1996) described narrative methods as ways of depicting people’s subjective experiences remaining faithful to the meaning they assigned to their own lives. Such a method is well suited to the current study because the research investigates the subjective emotional experiences of entrepreneurs. Connelly and Clandinin (1990) suggest that study of narratives is a study of the ways in which humans experience the world. This study explores the ways in which entrepreneurs experience the start-up phase of their new ventures. Charmaz (2000) said, “data are narrative constructions. They are reconstructions of experience; they are not the original experience”. The focus of the narrative inquiry in this research was very much on the meaning of those experiences during the new venture start-up phase, from the emotions’ perspective as told by the participants. The researcher constructed the narratives based on the reconstructed stories told by the participating entrepreneurs.

**Sampling, Data Collection, Analysis and Interpretation**

Purposeful sampling was used to select entrepreneurs for participation in the research. To gain deeper insight, a sample needs to be selected so that the researcher can learn the most from it (Bryman & Bell, 2003). The basis for selection was that the participants were (or at some stage had been) involved in an entrepreneurial start-up. Four respondents provided qualitative evidence from which narratives of venture start-ups were constructed. The researcher focused on gathering data through semi-structured interviews and allowing for improvisation of further questions based on participants’ responses. Information was collected by noting down key insights during the interviews, and audio-recording of the interview/conversation process (Connelly & Clandinin, 1990). Interviews were transcribed and data analyzed for narrative themes relevant to the research question.

Guidelines for narrative methods were used to construct narratives (Creswell, 2007). These guidelines include: re-telling the stories based on narrative elements, rewriting the stories into a chronological sequence, and incorporating the setting or place of the participants’ experiences. Constructed narratives were then grouped into three broadly defined and overlapping stages of entrepreneurship process: idea conception and venture initiation, start-up and growth, and exit. Contextual material was extracted from the qualitative data and this typically described an aspect of the story important for consideration but one that did not fit into chronological sequence. For a cross comparison of stories, key descriptive lines of emotional experiences represented by each participant were collated into a table divided into the three stages of entrepreneurship processes.

**Trustworthiness and Ethical Considerations**

In narrative study, Riessman (1993) asserts that the process through which a researcher makes claims for the trustworthiness is a more important issue than reliability. Similarly Creswell (2007) emphasises process to insure data quality rather than data verification. The researchers thus followed accepted process for data gathering and analysis including verification of proposed methods by the exam board of the university and the university’s ethics committee. In writing the findings of this research, participants’ identities were protected with the use of pseudonyms and by removing identifying information from the interview transcripts.
ANALYSIS OF FINDINGS AND DISCUSSION

Findings flow from the lived experiences of four entrepreneurs, whose fictitious names are: Alison, Brad, Paul and Stan. Three of these entrepreneurs started more than one venture, thus providing anecdotes from more than one venture start-up that best illustrated the experience they wanted to portray. The question used to start the semi-structured interview was: “Tell me the story of starting your company.” All entrepreneurs started their stories from the beginning of their entrepreneurial careers. They found that, in order to portray the meanings of their experiences more accurately, they needed to step back and explain a little bit about themselves, or their backgrounds, or some other characteristics, so that they could be able to place their stories into context. For example, one of the entrepreneurs started his story with the following: “So in order to put it into context, the point at which I felt I took on the entrepreneurial spirit would have been when I was about 13 or 14…” For entrepreneurs that started multiple ventures, this context meant describing their experiences from previous ventures, including the successes and failures. This highlights the importance of the context which carries considerable importance for interpretation of the meanings of the narrated experiences.

Furthermore, all of the entrepreneurs in the study were influenced in some way by their backgrounds and formed their conceptualizations of entrepreneurship accordingly. Prior experience and upbringing were noted as important elements, however desire for creativity and autonomy were also found to have a profound emotional influence for venturing into entrepreneurship. All of the entrepreneurs in this study felt the desire to behave entrepreneurially which, according to Drucker (1985), is characterized by innovation and change. The innovation is therefore linked to creativity, while autonomy calls for independence and self-reliance, and freedom to search, respond, and exploit change as an opportunity.

Stages of Entrepreneurship Process
When the interviews were reduced to narrative plots and organised in a chronological order, the structure of the narratives appeared to follow there general and overlapping stages of venture creation: idea conception and venture initiation, start-up and growth, and exit. The emotions experienced were interwoven with each of these stages. Both positive and negative emotions experienced were evident in each of the three stages; however they varied in intensity and prominence. To exemplify the emotional experience, a broad encompassing emotion was ascribed to the emotional experiences at each stage, one for positive and one for negative emotions. The choice of these encompassing emotions was based on the authors’ interpretation of the overall emotional experiences of a particular stage, as narrated by the entrepreneurs. In the order of the above mentioned stages, these emotions are: feelings of inspiration and dissatisfaction; excitement and stress; and pride and disappointment. A summary of the emotional experiences during each of the stages of entrepreneurship process is presented in Table 1, and their discussion follows.

-----------------------------

Insert Table 1 About Here

-----------------------------

Idea Conception and Venture Initiation: This stage encompasses activities that generally took place which led to the start-up of entrepreneurial ventures, for example, opportunity recognition, business planning, acquisition of capital resources, and the like. This stage may be characterised by the feelings of inspiration and dissatisfaction. The overall impression is that the feelings of inspiration were more prominent than dissatisfaction for taking initiative and engaging with the entrepreneurial processes. Inspiration appears to stem from a disposition for creativity best explained by Paul’s narrative: “Once I got into business I discovered a whole new motivation. That was just the thrill of coming up with an idea and putting that idea into practice and just seeing the results that come out of it. The thrill of it, it’s a creative process. I think that if you try to relate to anything my experience of entrepreneurship, is I imagine like an artist experiences a painting, or a musician experiencing a musical piece. It’s a thought, it’s an idea, it’s an imagine if, or what if, and that sense of, ‘yeah I could do that.’” While describing this analogy, he spoke in a passionate tone of voice that was in line with the context of the narrative, clearly demonstrating his passion for the creative process.

Dissatisfaction was also found to play an inciting role in entrepreneurs’ decisions to start a business. Experiencing negative emotions did not necessarily have negative effects, which was postulated in the entrepreneurship literature (Goss, 2005, e.g. Cross & Travaglione, 2003). Brad illustrates this message in the following narrative about a failed venture: ‘‘I vowed that I’d be in business again within a year or so. I was probably feeling a bit revengeful. The moment I signed the liquidation papers I was more ambitious than ever, it’s almost like you lose a bike race and you vow next time you’re going to win the bike race, not just by winning at a sprint, but you’re gonna ride around people and you’re gonna win it by 20 minutes and that sort of thing. And that was the best
thing I could do, I just needed to focus on something or I recon I would have lost it completely, as it was pretty gut wrenching.” He was feeling frustrated and angry for the fact that he could not compete with a wealthy competitor who could outlast him with his money. His reaction echoes Goss’ (2005) observation of entrepreneurs whose drive for extraordinarily high levels of achievement “appears to be rooted in their attempts to redeem what they regarded as unjustly attributed inferior social status” (p. 626).

Start-up and Growth: This stage encompasses those processes that were aimed at growing the business. In this stage the entrepreneurs have already committed to the venture and are focusing their efforts on growing it or aligning it with the original goal that they had in mind. The emotional experiences in this stage were found to be intense and varied, illustrating the association with the anecdotal term of an “emotional rollercoaster”. Emotions of excitement were evident in the start-up and growth stage. Alison explained how she felt excited during the initial periods when her café started trading: “Then there was the feeling of “WOW I can’t believe how far we’ve come”. For those first six months, I loved going to work. I had so much fun. I’ve been working at a computer nearly all my life, and now working full time as a barista, feeling young. Chatting to customers, they love chatting with you, and you’re feeling enthused, and you go “wow, this is really cool”, and you’re running a business. There’s no reason why it should fail.”

The feelings of stress however were more prominent. In the following example Brad explains emotional struggle when a business deal he was counting on did not eventuate: “I still remember the time when they called me up. “Sorry Brad, we can’t get it through”. It was almost like, back to where I was three years ago and business going under…I just went for a drive for two hours, and just didn’t know what to do. I really got quite desperate because I spent all this money doing it, I was like, hell I’ll take anything. I don’t want to go back to…I don’t want to be broke. I said to my self you just gotta figure out how to get through, like everything else, things always work out, things always happen for a reason. By the end of that night I was like, I want to do this, this, this and this. I’m a big fan of ‘every day is a new day’. So when you get up in the morning, forget about what happened the previous day and go again. Otherwise, it would have killed me. So it made me feel pretty s*** when he first called me, and my stomach dropped and that sort of thing, but by next morning, I was like, right I’m gonna do this...” A considerable amount of time was allocated by entrepreneurs in their stories to those events that evoked the emotions of stress. Winsborough and Allen (1997, p.10) defined stress as “Our generalised reaction to any event, person, place or thought, memory or belief which requires us to cope or adapt.” It is also interesting to note that feelings of stress may encompass both positive and negative emotional experiences, because the bodily reactions are the same regardless of the stimulus (Winsborough & Allen, 1997). Some of the causes of the emotions of stress were the overwhelming demands and workloads that characterise entrepreneurship. The entrepreneurs reported feeling burned out, tired and exhausted, following a prolonged period of intense emotional experiences.

Exit: The achievements at “end of the road” were often associated with the feelings of pride. These feelings came from the fact that the success achieved was a direct result of the entrepreneurs’ effort and not an incidental circumstantial change or luck. This is most evident in the following narrative where Paul verbalised his sense of achievement through the feeling of pride: “It’s like at that point my head popped out of the water, ah, I could breathe. I could start to hold off on things, I could sit there and I didn’t have to be constantly moving toward the surface. …primarily at the deepest, deepest level, it made me feel proud and worthy of sitting down with my dad and looking at him eye to eye and saying right, I’m through. I got through that one. I paid it off, that 15 year orientation course whatever, and I’m out. So that was probably the greatest feeling of accomplishment.” Furthermore, the findings from the studies of happiness inform that only those changes in life which involve intentional activity, as opposed to circumstantial change, are expected to lead to sustainable changes in subjective well-being (Lyubomirsky et al., 2005). Thus the feelings of pride were instigated from the entrepreneurs’ ownership of the actions that led to success.

Venture failure was associated with the feelings of disappointment. The experience of business failure was studied previously by Singh et al. (2007). Singh et al. (2007) found that entrepreneurs’ who experienced failure in their study described it through emotions of guilt, depression and despair, and anger. These emotions were shared by the entrepreneurs in this study, although not all were articulated in the same way. In the following narrative, Stan explains the frustrations of not being able to deal with problems from a failed venture: “...but the plasticisers on the straps got brittle, so when the kids put them on at Christmas, they broke. And that was absolute disaster. All the watches came back…I had gone from the height, from a company that everything had turned to gold, you know very, very successful, and then suddenly that was like a...I’ve been hit with a hammer...from the emotional point of view I just went down because I couldn’t...I didn’t have a way of getting rid of it...Other times things have gone wrong and, you know close them down or just dump them; and
they’re gone, they’re finished. But here I couldn’t because I had this two year guarantee on it, so that was gonna be phone calls, and people writing and doing all sorts of things for two years; so I had a two year period of this; I didn’t have a solution, ...there were other times there’s been much bigger disasters, but I just got on.” Stan considered reputation very important and did not want to put the failed company into receivership. Despite the emotional stress, he ensured that he honoured the two year guarantee and let the company wind down.

Dealing With Emotions That Did Arise

A summary of actions for dealing with emotional experiences that each entrepreneur employed is presented in Table 2. Previous studies of emotions have found that emotions signal individuals whether or not the unfolding of events was favourable (Dolan, 2002). The entrepreneurs in this study were alert to their emotions as feedback mechanisms to assess whether things were on track or not. Where things were not unfolding as desired, the emotions prompted for corrective action. The entrepreneurs who started multiple ventures have made the observation that they were able to manage their emotional responses to events better with experience, developing a degree of emotional or cognitive resilience. The literature defines psychological resilience as a degree of flexibility in response to changing demands in a given situation, and the ability to rebound from negative emotional experiences (Lazarus, 1993). The findings indicate that there is a tendency to seek reassurance or affirmation in past experiences to provide confidence or support emotional stability, and counter the feelings of self-doubt. Not only is this expected to help manage progress toward a desired goal, but it also help maintain mental and emotional health during the times of stress. This view was supported in the literature on emotions with assertion that positive emotion during periods of adversity could prove necessary to psychological rest, provide buffer against stress, and further encourage individuals to cope with the situations (Tuagade et al., 2004). For example, Paul reflected on an emotional experience while explaining the context around a difficult time in one of the ventures, “...plus in the past I had already had some intense emotional downs in business that It was kind of like you build up a little bit of a resistance so you can just, like, carry it a little bit better.”

One of the common themes was the strategies entrepreneurs used to help cope with difficult situations. They shifted their attention toward a positive tone. All of the entrepreneurs have told of the ways they were searching for a different meaning to their emotional struggles in difficult situations in order to maintain their emotional and mental stability. For example Stan told of his tendency to look at situation from a different perspective compared to his brother in the following example of a situation where he and his brother were betrayed by a third business partner, “...now my reaction to that was, gee we were lucky this didn’t happen last year. If this had happened last year we would have been, we would have gone under. My brother’s reaction was, if I ever see that guy, I’d kill him. He was that wound up about it.” In addition, not only does dwelling on negative experiences adversely impact motivation, it also has a potential for more serious consequences (Nolen-Hoeksema et al., 1997). Brad identified this in his reflection of the turning point experience, “...You just gotta keep going. If you think about it too much, you just want to internally combust. If you’re so wound up in it, you just....boom! That’s what it feels like to most people you know. Just gotta sit down, deal with it...” He also made the comment following the failure of the first venture, “...I can now see why people kill themselves after having something like that happen.”

Some of the ways that helped the entrepreneurs better manage their emotional experiences during the difficult times, as identified in the narratives, rely on social contacts (for example: seeking positive reinforcement from friends and family; seeking help from social networks; and keeping in touch with friends and family). The literature informs us that levels of social contact have a positive impact on mental and physical wellbeing (e.g. Gable et al., 2004). Other ways to manage emotional experiences during the difficult times included some sorts of “to do lists” either written or not; referring back to the goals and desired outcomes; referring back to previous achievements for reference; and analysing specific issues and searching for solutions. One of the more interesting strategies was deliberately setting smaller goals that are not so difficult to accomplish, so as to instigate that sense of achievement and help provide “proof” that one is capable of achievement. Self-doubt often blurred the self-confidence during the difficult times.

Analysis of Narrative Forms

It is interesting to point out that all entrepreneurs used some form of a metaphor to portray a particular aspect of their experience. This carries significance because a metaphor is conceptualised by some
CONCLUSIONS
The purpose of this study was to obtain insights into entrepreneurs’ emotional experiences during the creation of new ventures. The study was therefore designed to empirically address the following research question, “how do entrepreneurs experience emotions during the creation of their ventures?”. The importance of investigating the emotion-entrepreneurship relationship was confirmed by analysis of the findings of this study which showed the broad range and intensity of emotions experienced by the entrepreneurs. Chronologically ordered narratives that formed entrepreneurs’ stories revealed three broad and overlapping stages of entrepreneurship process within which the events that evoked emotional experiences occurred. These are idea conception and venture initiation, start-up and growth, and exit. The researcher detected both positive and negative emotional experiences present in each of these stages. The idea conception and venture initiation stage was characterised by the emotions of inspiration and dissatisfaction. Inspiration was found to be more prominent motivator for entrepreneurship, than dissatisfaction. However, dissatisfaction was also found to play an inciting role in the entrepreneurs’ decisions to start a venture. Furthermore, findings in the study indicated that emotions of stress played a significant role in the lives of entrepreneurs’ during the start-up stages of their ventures. It may even be argued that the whole start-up and growth stage is characterised by the emotions of stress, because stress may encompass both positive and negative emotional experiences. However, it was shown that negative emotional experiences were more prominent causes of stress for the entrepreneurs in the study.

There are several implications for practitioners as a result of this study. Potential entrepreneurs should be aware of the impacts of emotions in the start-up stage, particularly the emotions of stress. They should be physically and mentally prepared to absorb the effects of stress. Massey (2005) pointed out the paradox of perception of entrepreneurship as a vehicle for freedom, rising a question whether entrepreneurs are “free people”. She explained that entrepreneur is “bound to everything and everyone” and “takes on a number of uncertainties” (Massey, 2005, p.214). Furthermore, entrepreneurs should be aware of the various coping strategies used to help cope with the feelings of stress. Entrepreneurs in this study adopted the several strategies to deal with their emotional experiences which varied from shifting perspectives on challenges faced and drawing on social networks for support, to specific action points like looking for reinforcement from past achievements to counter self doubt, and setting small achievable goals to generate feelings of achievement. In addition, practitioners should be aware of the potential development of self awareness capacities, through narrative experiences. Sharing one’s experiences sheds a new light and a new insight. Reconstructing the meanings of past experiences may help for example, provide a reference point for future achievements by evaluating those experiences from new perspectives. This may accelerate the learning process. The three entrepreneurs that were involved in multiple ventures have all experienced some form of failure in their entrepreneurial careers before their most recent successful ventures. Despite the difficult emotional times they went through, experiencing failure did not deter these entrepreneurs from pursuing entrepreneurial careers. Instead, the feelings of pride generated by the sense of achievement and success, in their eyes appeared to be a worthy prize at the end of the road they were in, or a prize worth pursuing during the journey.

The research reflects several limitations. First, the outcomes of this study may not be generalizable to a wider population due to its qualitative nature. Second, participants were aware of the researcher’s focus on their emotional experiences and thus may have avoided inclusion of extrinsic scholars as a tool for communicating emotions and symbolizes the intangibles of emotions (Lyddon et al., 2001). The participants in this study symbolized the meanings of their emotional experiences, because the words ascribed to these experiences may not carry the same meaning to those interpreting these experiences. In effect, the entrepreneurs in this study were constructing new meanings to their experiences. Exploration of emotional experiences often plays an important role in the change process (Lyddon et al., 2001). Metaphors act as vehicles through which one is able to construct new personal meanings of their experiences. Verbalising these emotional experiences establishes a link between the self and the environment, and thus organises them in the individuals’ minds (Lyddon et al., 2001). Furthermore, understanding what kind of metaphors entrepreneurs use and in what ways they use the metaphors, may be useful contribution to the entrepreneurship theory. Symbols and discourses act as cognitive stores for emotional energy (Goss, 2005), thus accumulating “feeling memories”. These in turn may have an impact on cognitive biases, because we have learned that biases access records of previous experiences, particularly those that are shaped by emotional states attached to them (Damasio, 2000). Entrepreneurial environments are often associated with a considerable amount of uncertainty, and previous studies have demonstrated that entrepreneurs make considerable use of cognitive biases (e.g. Busenitz & Barney, 1997).
rewards in their narratives, or they may have placed only secondary importance to them at that time. The study did not find that extrinsic rewards dominated entrepreneurs’ motivations to venture into entrepreneurship. In addition, the sample of entrepreneurs chosen for the study was based on the purposeful sampling method. Thus, it is acknowledged that the entrepreneurs’ representations may not have been “typical” of other entrepreneurs. On the other hand, the study design did not impose other restriction on the selection criteria, apart from the requirement of having been involved in a start-up experience. Finally, the researcher’s bias should always be acknowledged as it may influence interpretation of the data.

In conclusion of this paper, implications for researchers and future directions should be pointed out. Analysis of findings illustrated the potential of narrative methods in the field of entrepreneurship. Narrative method implies depicting subjective experiences while remaining faithful to the meanings that individuals assign to their experiences (Booth, 1996). Emotional experiences are subjective and not all entrepreneurs are affected in same ways. In order to understand the meanings of their experiences, this study suggests that narrative studies be included in the research of emotions-entrepreneurship relationship. Second, the authors recommend future research that explores the use of metaphors within narrative research in entrepreneurship, as this study identified metaphors as important ways of expressing emotions when sharing entrepreneurs’ views about their experiences. Metaphor has also been recognised in the literature as a tool for communicating emotions and symbolises the intangibles of emotions (Lyddon et al., 2001). Third, we recommend including the context of entrepreneurs’ backgrounds and experience when studying the relationship between entrepreneurship and emotions. The influence of entrepreneurs’ backgrounds on entrepreneurial dispositions has been demonstrated in the study. Furthermore the entrepreneurs in the study have indicated that they were able to better manage their reactions to emotional events with entrepreneurial experience. Fourth, we suggest future research that examines the role of stress in entrepreneurs’ experience of creating new ventures. Findings in this study indicate that emotions of stress played a significant role in the lives of entrepreneurs during the start-up stages of their ventures. Fifth, we recommend additional research on how entrepreneurs deal with these emotional experiences. The entrepreneurs in this study described the strategies they used for dealing with emotional events which suggests that such strategies could be important in the creation of new ventures.

These findings confirm the need for further study of the emotion-entrepreneurship relationship. They also highlight the importance of a more detailed examination of influences of particular emotion feelings on entrepreneurial processes. Overall, this study has further illuminated our understanding of emotion and the role it plays for the individual entrepreneur when creating new ventures.

REFERENCES


<table>
<thead>
<tr>
<th>Stage of Entrepreneurship Process</th>
<th>Emotion type</th>
<th>Key emotional experiences</th>
<th>Encompassing emotions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idea Conception &amp; Venture Initiation</td>
<td>Positive</td>
<td>Inspiration for the creative process and ideas; passion for generating and marketing ideas or for product or service; excitement for an opportunity for personal achievement, and for the process of creation; sense of risk, thrill; freedom for taking control and autonomy;</td>
<td>Inspiration</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
<td>Frustrations over imposed authority or control; intimidated by rich competitors and determined to make a change; worried over insecure employment;</td>
<td>Dissatisfaction</td>
</tr>
<tr>
<td>Start Up &amp; Growth</td>
<td>Positive</td>
<td>Confident about capabilities, marketing potential, and ideas; optimistic, positive, excited over implementation; motivated; content, happy or relieved when plan starts going as planned or better; encouraged;</td>
<td>Excitement</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
<td>Burdened by responsibility to stakeholders; anxious over implementation; frustrated, upset over non pleasant tasks, and perceived irresponsibility of other people; angry over others failure to meet expected deadlines for implementation of plans; self doubt in personal capabilities if plans don't go as planned; delusional about possibility of venture success; felt pressed or cornered don't see many options; desperate; lonely and isolated by working by oneself; unmotivated; burned out, tired, exhausted; insecure, envious of others with secure jobs and finances; disappointed, overwhelmed with workload and personal demands;</td>
<td>Emotions of Stress</td>
</tr>
<tr>
<td>Exit</td>
<td>Positive</td>
<td>Sense of achievement; proud to have made it, have succeeded, achieved; felt fortunate for having gone through the bad experience; content, happy;</td>
<td>Pride</td>
</tr>
<tr>
<td></td>
<td>(Success)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Negative</td>
<td>Gut wrenching; lonely; disappointed; feeling sorry for one self; feeling like a failure; angry; upset or revengeful driving more determination; driving more ambition;</td>
<td>Disappointment</td>
</tr>
<tr>
<td></td>
<td>(Failure)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 2. Dealing with emotional experiences

<table>
<thead>
<tr>
<th>Participant</th>
<th>Emotional experience</th>
<th>Action for dealing with the experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alison</td>
<td>Started feeling lonely, working by her self; Angry and frustrated when other people didn't meet deadlines; Feelings of self doubt; feeling burned out, tired</td>
<td>Set up meetings to deal with people and not be home all the time; Sought positive reinforcement if she felt it was needed; Set goals to achieve in a relatively short timeframe to get a sense of achievement; Kept referring back to her plans for inspiration and reassurance; Starting making plans to pull out</td>
</tr>
<tr>
<td>Brad</td>
<td>Anxious, desperate after pouring money into the business and wanted a way out; Disappointed, 'gut-wrenching' feeling when a sale deal didn't go through</td>
<td>Went out for a drive to clear mind; Made a list of things he felt he needed to do; Started looking at things from a different perspective, adopted the &quot;every day is a new day attitude&quot;, &quot;things always work out&quot;, each day past is another day out of this problem, asking &quot;what's the worst thing that can happen?&quot;</td>
</tr>
<tr>
<td>Paul</td>
<td>Feelings of self doubt and thinking he was a failure when things didn't go as planned; stressed and burned out with mounting debts; feeling like being in a middle of an ocean and can't get out</td>
<td>Actively sought solutions, analysed the situation and sought help from social networks; sought reference in past achievements to counter self doubt; Started looking at problems from different perspectives &quot;generations upon generations we made it to here, things are going to be okay&quot;</td>
</tr>
<tr>
<td>Stan</td>
<td>Disappointed when product sold didn't meet expectations; Burdened with the product guarantee period; Frustrated for having to deal with things he didn't feel he was good at like administrative jobs</td>
<td>He likes to forget about what happened yesterday and move on; Adopted a different perspective on problems; Focused on the next thing; Was not inclined to let negatives 'stick'</td>
</tr>
</tbody>
</table>