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ONE SIZE FITS ALL? THE ROLE OF COGNITIVE STYLES IN TEACHING ENTREPRENEURIAL DECISION-MAKING TO NOVICES (SUMMARY)

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≈ SUMMARY ≈

ONE SIZE FITS ALL? THE ROLE OF COGNITIVE STYLES IN TEACHING ENTREPRENEURIAL DECISION-MAKING TO NOVICES

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Principal Topic

Scholars have asserted that effectuation theory brings to focus the cognitive implications of uncertainty and consequent effects on entrepreneurial decision-making (Grégoire & Corbett, 2011; Sarasvathy, 2001). Cognitive styles account for the differences in the way individuals gather and evaluate information (Allinson & Hayes, 1996). Researchers have been successful in establishing notable relationships between cognitive styles of individuals and their entrepreneurial decision-making (Krueger and Kickul, 2006; Kickul et al., 2009). Given the cognitive underpinnings of effectuation theory we examine the relationship between cognitive styles of individuals and their preference to make effectual decisions in entrepreneurial situations. Once this relationship has been established, we make our case that entrepreneurship education to business school students that teach effectuation must also pay attention to individual differences in cognitive styles.

Method

The Cognitive Style Index (CSI) by Allinson and Hayes (1996) was used for testing cognitive style of participants. Effectuation was measured by making use of scales of Brettel et al. (2012), combined with questions from the work of Chandler et al. (2011) and Wiltbank (2009). We obtained 400 usable responses of our survey instrument from university students in the Netherlands and Germany. We calculated the CSI score and divided the sample based on their score into 5 groups: 1) Intuitive decision-makers, 2) Quasi-intuitive, 3) Adaptive, 4) Quasi-Analyst and 5) Analyst. We performed ANOVA analysis between these groupings from the CSI score and the outcomes of the Causation and Effectuation. The results from the ANOVA are subsequently tested using post-hoc analysis.

Results and Implications

Entrepreneurship education that yields appreciable results involves designing a curriculum that encourages participants with different backgrounds and cognitive profiles to engage in smart decision-making. Our results show the effect of individual differences in cognitive styles on the preference for causation and affordable loss. This leads us to argue that we might be able to identify individuals to whom teaching effectuation or similar non-prediction based entrepreneurial method might be more suitable. We contribute towards extending theory on entrepreneurial cognition (Mitchell et al, 2007; Krueger, 2003).

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