



**Exploring entrepreneurial decision-making and behaviour:  
contexts, processes and dynamics**

Journal:	<i>Management Decision</i>
Manuscript ID	MD-03-2021-0303
Manuscript Type:	Editorial

SCHOLARONE™  
Manuscripts

1  
2  
3 ABSTRACT:  
4

5 CUST\_PURPOSE\_\_(LIMIT\_100\_WORDS) :No data available.  
6

7 CUST\_DESIGN/METHODOLOGY/APPROACH\_\_(LIMIT\_100\_WORDS) :No data available.  
8

9 CUST\_FINDINGS\_\_(LIMIT\_100\_WORDS) :No data available.  
10

11 CUST\_RESEARCH\_LIMITATIONS/IMPLICATIONS\_\_(LIMIT\_100\_WORDS) :No data available.  
12

13 CUST\_PRACTICAL\_IMPLICATIONS\_\_(LIMIT\_100\_WORDS) :No data available.  
14

15 CUST\_SOCIAL\_IMPLICATIONS\_(LIMIT\_100\_WORDS) :No data available.  
16

17 CUST\_ORIGINALITY/VALUE\_\_(LIMIT\_100\_WORDS) :No data available.  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

Management Decision

## Exploring entrepreneurial decision-making and behaviour: contexts, processes and dynamics

**Keywords:** entrepreneurs, decision-making, behaviour, SMEs, crowdfunding, cognition, passion, contexts.

### 1. Introduction

The aim of the present special issue is to gain a deeper understanding of decision-making processes and the behaviours of individuals involved in the entrepreneurial activities from an holistic and anatomic perspective of the matter (Caputo & Pellegrini, 2019, 2020).

The understanding of the continuum cognition-behaviour that guides the entrepreneurial action is extremely important considering that entrepreneurship as a whole is fundamentally a phenomenological discipline and thus rooted in action (Pellegrini, Ciappei, Marzi, Dabić, & Egri, 2021).

This convoluted nexus, therefore, grants the opportunity for a multidisciplinary effort based on entrepreneurship, strategic management, decision-making, institutional theories, and cognitive and behavioural psychologies. Considering this, the overall decision-making system and the resulting entrepreneurial behaviours, focusing the attention at the decision-maker and the context where the entrepreneurial activities take place (Shepherd, Williams, & Patzelt, 2015).

First the personal element of the decision maker is prominent. Entrepreneurs have a rather unique approach to decision making due to their innate or learned (Alvarez & Barney, 2004) capacity to deal with high uncertainty, ambiguity, time pressure and emotional stress.

Indeed, the decision-making (Shane & Venkataraman, 2000) along with values and beliefs of entrepreneurs (Pellegrini & Ciappei, 2015) are core elements of the nexus individual-opportunity necessary for creation, success, longevity, and survival of entrepreneurial firms (e.g. start-ups, SMEs, family firms, etc.). Similarly, entrepreneurial behaviours, whether leaning toward the causation or the effectuation model, highly effect decisions, processes and outcomes in SMEs (Sarasvathy, 2001). In addition, there is a broad agreement that decision making is affected by cognitive aspects, rationality and intuition (Sadler-Smith, 2004), as well as by emotions and passion (Cardon, Foo, Shepherd, & Wiklund, 2012). Thus this adds a layer of complexity to the continuum cognition-behaviour.

Finally, it is undeniable that the external context, in which the decision maker is embedded, also plays an important role, therefore understanding how such surrounding environments and contexts affect their judgments is vital (Foss, Klein, & Bjørnskov, 2019).

In particular, the external environment may affect both entrepreneurial cognition and behaviours; considering the cognition, this inevitably follows the perceptions of the decision maker according to her/his ability to frame its possibility, e.g. resources, access to them, and capabilities (Kor, Mahoney, & Michael, 2007; Pellegrini & Ciappei, 2015). Similarly, just because an action is cognitively well designed, the resulting behaviour may be affected by further constrains. For a successful answer to today's business environment, it is also important to understand how entrepreneurs deal with and negotiate the relationships with other stakeholders (Caputo, Marzi, Pellegrini, & Rialti, 2018).

Yet, the complexity rises in case of entrepreneurial activities where indeed individual elements and contextual pressures need to be balanced out in a collective decision. The impact of these decisions' characteristics and their relation to those of other actors is a fundamental topic to be investigated by entrepreneurship scholars (Shepherd et al., 2015).

1  
2  
3 It is in this context, we believe that the papers published in this special issue on  
4 “Entrepreneurial decision-making and behaviour” try to fill in the existing gaps in the literature  
5 and also to provide direction for future researches.

6 In this special issue we present a variety of international studies at the forefront of decision-  
7 making processes, emotions and behaviours in entrepreneurial contexts. Overall, twelve papers  
8 have been selected, from an original pool of more than 60 manuscripts submitted to us, to fill  
9 existing gaps in entrepreneurial decision-making and behaviour research and to lay the ground  
10 for an interdisciplinary and multi-level future research agenda.

## 11 12 13 2. The anatomisation of entrepreneurial decision-making and behaviour

14  
15  
16 The first paper titled “The impact of founder’s regulatory focus on the process of firm birth  
17 and firm abandonment” (Koumbarakis, Bergmann, & Volery, 2020) deals with how self-  
18 regulation influences the relationship between nascent entrepreneurial exploitation activities,  
19 firm birth and firm abandonment. Drawing from a longitudinal dataset of Swiss entrepreneurs,  
20 the study suggests how discrepancies in promotion orientation can explain the different ways  
21 exploitation may lead to either an increased likelihood of firm birth, or a decreased likelihood  
22 of firm abandonment, while respectively increasing persistence. The relationships are due to  
23 the regulatory fit between a promotion orientation and exploitation activities.

24  
25 The second paper titled “Entrepreneurial decision-making and family social capital” (Wang,  
26 Flamini, Wang, Pei, & Chen, 2020) is contextualised in the Chinese family firms environment.  
27 Using survey questionnaires, the authors provide evidence that the entrepreneurial decision-  
28 making in family firms relies on an intersection of cognition, emotion and social influence,  
29 contributing to a deeper understanding regarding the impact of the family social capital on  
30 entrepreneurial decision-making (Shepherd et al., 2015).

31  
32 The third paper titled “On the cognitive microfoundations of effectual design: the Situated  
33 Function–Behaviour–Structure framework” (Emami, Packard, & Welsh, 2020) extends  
34 effectuation theory (Sarasvathy, 2001) at the front end by building cognitive foundations for  
35 the effectual design process, by developing an integrative conceptual approach, which draws  
36 on design cognition theory to explain entrepreneurial cognition.

37  
38 The next paper titled “Entrepreneurial passion, orientation and behavior: the moderating role  
39 of linear and nonlinear thinking styles” (Zollo, Rialti, Tron, & Ciappei, 2020) unpacks the  
40 underlying mechanisms of entrepreneurs’ passion, orientation and behaviour by investigating  
41 the role of rational and nonrational cognitive elements. The study was conducted on a sample  
42 of 300 entrepreneurs from European small and medium enterprises (SMEs), and suggests a  
43 dual decision-making process, where entrepreneurs should trust their nonlinear thinking style  
44 (affection, emotion and intuition) to foster effects of entrepreneurial passion on entrepreneurial  
45 orientation, while they should rely on a linear thinking style (rationality and deliberation) to  
46 enhance the impact of their entrepreneurial orientation on strategic entrepreneurship behaviour.  
47 The fifth paper titled “Exploring entrepreneurial characteristics, motivations and behaviours in  
48 equity crowdfunding: some evidence from Italy” (Troise & Tani, 2020) examines the  
49 relationship among entrepreneurial characteristics, entrepreneurial motivations, and  
50 entrepreneurial behaviours. The study analysed data from the overall populations of Italian  
51 Equity Crowdfunding (ECF) platforms, and showed how entrepreneurial characteristics may  
52 be central in ECF because of their impact on motivation and behaviours.

## 53 54 55 3. The contexts of entrepreneurial decision-making and behaviour

56  
57  
58 The sixth paper titled “Entrepreneurial decisions in tourism and hospitality during crisis”  
59 (Pappas & Brown, 2020) is contextualised in the Greek tourism and hospitality industry.

1  
2  
3 Although data were collected during a period of economic crisis, the results are timely and  
4 important given the current worldwide pandemic crisis and could shed light for understanding  
5 the entrepreneurial behaviour and resilience of touristic and hospitality entrepreneurs during  
6 crises. Based on a fuzzy set analysis of more than 500 entrepreneurs, the study found three  
7 different pathways for entrepreneurial decision-making during crisis: crisis conditions,  
8 enterprising operations and focus, and enterprising capabilities.

9  
10 The next paper titled “Imitation in immigrant entrepreneurship: an analytical framework”  
11 (Glinka & Hensel, 2020) tackle another timely and prominent issue in the world, that of  
12 immigration and entrepreneurship. The paper proposes a theoretical framework for studying  
13 immigrant entrepreneurship imitation decisions, which offers 12 propositions and identifies a  
14 research agenda for future studies.

15  
16 The subsequent paper titled “Strategic entrepreneurship. Personal values and characteristics  
17 influencing SMEs’ decision-making and outcomes. The Gemar Balloons case” (Lombardi,  
18 Tiscini, Trequattrini, & Martiniello, 2020) explores the characteristics and personal values of  
19 a successful entrepreneur in order to understand how they impact strategic decision-making  
20 and outcomes driving the success and growth of small and medium-sized enterprises (SMEs).  
21 The study is based on a single case study from a historical Italian medium-sized company.

22  
23 The ninth paper titled “Rethinking risk management in entrepreneurial SMEs: towards the  
24 integration with the decision-making process” (Crovini, Santoro, & Ossola, 2020) is based on  
25 a multiple case study of three Italian SMEs, and shows how risk is considered and managed by  
26 entrepreneurial SMEs and how risk management in such firms is integrated in the decision-  
27 making processes.

28  
29 The subsequent paper titled “Impact of relatedness, uncertainty and slack on corporate  
30 entrepreneurship decisions” (Garrett, Mattingly, Hornsby, & Aghaey, 2020) investigates the  
31 effect of opportunity relatedness and uncertainty on the decision of a corporate entrepreneur to  
32 pursue a venturing opportunity. The study takes place in the United States of America and  
33 analyses 47 interviews with corporate entrepreneurs. Findings from the study provide a better  
34 understanding of decision-making schemas of corporate entrepreneurs and may help improve  
35 the practice of entrepreneurship at the organizational level.

36  
37 The eleventh paper titled “Entrepreneurial decision-making for global strategies: a “heart-  
38 head” approach” (Benevolo, Penco, & Torre, 2020) proposes an integrated analysis / evaluation  
39 / decision / implementation framework to suit entrepreneurial companies intending to redefine  
40 their strategic behaviours and their competitive schemes in the global environment. The paper  
41 addresses the need for better decision-making frameworks where the entrepreneur is at the  
42 centre, balancing the classical internal/external dichotomy in strategic decision-making.

43  
44 The twelfth and last paper titled “The macro-level determinants of user entrepreneurship in  
45 healthcare: an explorative cross-country analysis” (Schiavone, Riviuccio, Paolone, & Rocca,  
46 2020) is contextualised in the health care industry and takes into account patient innovators in  
47 40 countries. The paper contributes to the scholarly debate about macro-level determinants of  
48 entrepreneurship by exploring how much such conditions impact the decision to create new  
49 firm by health user innovators.

#### 50 51 4. Concluding remarks

52  
53 Given the above premises about the continuum cognition-behaviour, we think that future  
54 research avenues should increase attention to the reciprocal influences of the decision maker  
55 and her/his environment. According to the most recent streams of literature we think that more  
56 attention should be paid to:

- 57 - The role and impact of digitalization in the entrepreneurial decision-making processes  
58 and behaviours (Elia, Margherita, & Passiante, 2020). This could include, on the one  
59  
60

1  
2  
3 hand, the consideration of new business model strategies and in general ability to frame  
4 the environment (Kor et al., 2007). On the other hand, researchers could direct their  
5 efforts towards understanding new leadership and entrepreneurial actions able to  
6 dominate these new virtual spaces, e.g. communities of practices, or hybrid places,  
7 smart cities where the whole entrepreneurial ecosystem is fully integrated with and  
8 accessible from digital platforms and devices.

- 9  
10  
11 - More specifically to the previous point, it would be interesting to further understand,  
12 IoT, AI, and other 4.0 automatic technologies and their impact on entrepreneurial  
13 activities by serving as decision support systems (Obschonka & Audretsch, 2019;  
14 Pappas, Caputo, Pellegrini, Marzi, & Michopoulou, 2021). This includes AI biases and  
15 the possible repercussions they may have on disadvantaged categories, as these tools  
16 have a great interpretative power, but algorithms are not always able to capture higher  
17 principles of equity, fairness, and ethics.
- 18 - Due to the pressing issues of inclusivity and sustainable development, the whole  
19 discipline of entrepreneurship is moving into a more considerate approach to  
20 sustainable practices in line with the UN 2030 Agenda and the Sustainable  
21 Development Goals (Pizzi, Corbo, & Caputo, 2021). However, especially for SMEs,  
22 this green and sustainable transition needs to be carefully nourished and promoted by  
23 public Institutions and regulations so to completely change the entrepreneurial mental  
24 schemata that may have resistance to the adoption of such practices.
- 25 - The habitual entrepreneurs decision-making processes and behaviours, how they are  
26 shaped and how they differ, with particular relevance to the role of crises and  
27 uncertainties about the future, how entrepreneurs' mental models and processes,  
28 external circumstances, societal factors affect the response to crises and failures  
29 (Klimas, Czakon, Kraus, Kailer, & Maalaoui, 2020).
- 30 - Post-pandemic and post-crises entrepreneurial decision-making and behaviours. This  
31 also leads to consider interconnections between entrepreneurial decision making and  
32 behaviours and resilience. Possibly this new stream of research should also address the  
33 renovate role of (entrepreneurship) education, and its types (Pellegrini et al., 2021), to  
34 assure the creation of a resilient class of entrepreneurial leaders (Ratten, 2020).

35  
36  
37  
38  
39 We hope that, particularly at times of crises for the world, the special issue on “entrepreneurial  
40 decision-making and behaviour” provides deep and diverse insights that can stimulate  
41 reflection, impact and innovation for a future research agenda, contributing to the scholarly  
42 conversation about the many aspects and natures of entrepreneurial behaviours and decision-  
43 making processes.

## 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60

### References

- Alvarez, S. A., & Barney, J. B. (2004). Organizing rent generation and appropriation: toward  
a theory of the entrepreneurial firm. *Journal of Business Venturing*, 19(5), 621–635.
- Benevolo, C., Penco, L., & Torre, T. (2020). Entrepreneurial decision-making for global  
strategies: a “heart–head” approach. *Management Decision*.
- Caputo, A., Marzi, G., Pellegrini, M. M., & Rialti, R. (2018). Conflict management in family  
businesses: A bibliometric analysis and systematic literature review. *International  
Journal of Conflict Management*, 29(4), 519–542. <https://doi.org/10.1108/IJCM-02-2018-0027>
- Caputo, A., & Pellegrini, M. M. (2019). *The Anatomy of Entrepreneurial Decisions: Past,  
Present and Future Research Directions*. Zurich, Switzerland: Springer.

- 1  
2  
3 Caputo, A., & Pellegrini, M. M. (2020). *The Entrepreneurial Behaviour: Unveiling the*  
4 *cognitive and emotional aspect of entrepreneurship*. Emerald.
- 5 Cardon, M. S., Foo, M., Shepherd, D., & Wiklund, J. (2012). Exploring the heart:  
6 Entrepreneurial emotion is a hot topic. *Entrepreneurship Theory and Practice*, 36(1), 1–  
7 10.
- 8  
9 Crovini, C., Santoro, G., & Ossola, G. (2020). Rethinking risk management in entrepreneurial  
10 SMEs: towards the integration with the decision-making process. *Management*  
11 *Decision*.
- 12 Elia, G., Margherita, A., & Passiante, G. (2020). Digital entrepreneurship ecosystem: How  
13 digital technologies and collective intelligence are reshaping the entrepreneurial process.  
14 *Technological Forecasting and Social Change*, 150, 119791.
- 15 Emami, A., Packard, M. D., & Welsh, D. H. B. (2020). On the cognitive microfoundations of  
16 effectual design: the Situated Function–Behavior–Structure framework. *Management*  
17 *Decision*.
- 18  
19 Foss, N. J., Klein, P. G., & Bjørnskov, C. (2019). The context of entrepreneurial judgment:  
20 organizations, markets, and institutions. *Journal of Management Studies*, 56(6), 1197–  
21 1213.
- 22  
23 Garrett, R., Mattingly, S., Hornsby, J., & Aghaey, A. (2020). Impact of relatedness,  
24 uncertainty and slack on corporate entrepreneurship decisions. *Management Decision*.
- 25 Glinka, B., & Hensel, P. G. (2020). Imitation in immigrant entrepreneurship: an analytical  
26 framework. *Management Decision*.
- 27 Klimas, P., Czakon, W., Kraus, S., Kailer, N., & Maalaoui, A. (2020). Entrepreneurial  
28 Failure: A Synthesis and Conceptual Framework of its Effects. *European Management*  
29 *Review*.
- 30  
31 Kor, Y. Y., Mahoney, J. T., & Michael, S. C. (2007). Resources, capabilities and  
32 entrepreneurial perceptions. *Journal of Management Studies*, 44(7), 1187–1212.
- 33 Koumbarakis, P., Bergmann, H., & Volery, T. (2020). The impact of founder’s regulatory  
34 focus on the process of firm birth and firm abandonment. *Management Decision*.
- 35 Lombardi, R., Tiscini, R., Trequatrini, R., & Martiniello, L. (2020). Strategic  
36 entrepreneurship. *Management Decision*.
- 37  
38 Obschonka, M., & Audretsch, D. B. (2019). Artificial intelligence and big data in  
39 entrepreneurship: a new era has begun. *Small Business Economics*, 1–11.
- 40 Pappas, N., & Brown, A. E. (2020). Entrepreneurial decisions in tourism and hospitality  
41 during crisis. *Management Decision*.
- 42 Pappas, N., Caputo, A., Pellegrini, M. M., Marzi, G., & Michopoulou, E. (2021). The  
43 complexity of decision-making processes and IoT adoption in accommodation SMEs.  
44 *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2021.01.010>
- 45 Pellegrini, M. M., & Ciappei, C. (2015). Ethical judgment and radical business changes: the  
46 role of entrepreneurial perspicacity. *Journal of Business Ethics*, 128(4), 769–788.
- 47 Pellegrini, M. M., Ciappei, C., Marzi, G., Dabić, M., & Egri, C. P. (2021). A philosophical  
48 approach to entrepreneurship education: a model based on Kantian and Aristotelian  
49 thought. *International Journal of Entrepreneurship and Small Business*, 42(1–2), 203–  
50 231.
- 51  
52 Pizzi, S., Corbo, L., & Caputo, A. (2021). Fintech and SMEs sustainable business models :  
53 reflections and considerations for a. *Journal of Cleaner Production*, 281, 125217.  
54 <https://doi.org/10.1016/j.jclepro.2020.125217>
- 55 Ratten, V. (2020). Coronavirus (Covid-19) and the entrepreneurship education community.  
56 *Journal of Enterprising Communities: People and Places in the Global Economy*.
- 57  
58 Sadler-Smith, E. (2004). Cognitive style and the management of small and medium-sized  
59 enterprises. *Organization Studies*, 25(2), 155–181.
- 60

- 1  
2  
3 Sarasvathy, S. D. (2001). Causation and effectuation: toward a theoretical shift from  
4 economic inevitability to entrepreneurial contingency. *Academy of Management Review*,  
5 26(2), 243–263.  
6  
7 Schiavone, F., Riviuccio, G., Paolone, F., & Rocca, A. (2020, January 1). The macro-level  
8 determinants of user entrepreneurship in healthcare: an explorative cross-country  
9 analysis. *Management Decision*. <https://doi.org/10.1108/MD-10-2019-1427>  
10  
11 Shane, S., & Venkataraman, S. (2000). The Promise of Entrepreneurship as a Field of Study.  
12 *Academy of Management Review*. <https://doi.org/10.2307/259271>  
13  
14 Shepherd, D. A., Williams, T. A., & Patzelt, H. (2015). Thinking about entrepreneurial  
15 decision making: Review and research agenda. *Journal of Management*, 41(1), 11–46.  
16  
17 Troise, C., & Tani, M. (2020). Exploring entrepreneurial characteristics, motivations and  
18 behaviours in equity crowdfunding: some evidence from Italy. *Management Decision*.  
19  
20 Wang, C., Flamini, G., Wang, K., Pei, R., & Chen, C. (2020). Entrepreneurial decision-  
21 making and family social capital. *Management Decision*.  
22  
23 Zollo, L., Rialti, R., Tron, A., & Ciappei, C. (2020). Entrepreneurial passion, orientation and  
24 behavior: the moderating role of linear and nonlinear thinking styles. *Management*  
25 *Decision*.  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60