



Framing the Entrepreneurial Experience

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Building on affective events theory (AET), an experiential perspective for conceptualizing entrepreneurship is introduced. As a “lived experience,” entrepreneurship represents a cumulative series of interdependent events that takes on properties rooted in affect and emotion. Unique characteristics of entrepreneurial experiences are examined. The entrepreneur is presented as actor in an unscripted temporal performance who continually encounters novelty. A model and set of propositions are presented linking pre-venture experience, key events, experiential processing, learning, affective outcomes, and decision making. It is argued that the entrepreneur and venture emerge as a function of ongoing experience, with the venture creating the entrepreneur as the entrepreneur creates the venture.

Introduction

Entrepreneurship is a temporal experience. Largely unscripted, unpredictable, and uncontrollable, the richness of entrepreneurship lies in how it is personally experienced (Schindehutte, Morris, & Allen, 2006). Borrowing from Dilthey (1976), there is a pulsating, rhythmical aspect to the venture creation experience. Entrepreneurship has a vitality not captured by simply examining aspects of the entrepreneur, opportunity, venture, network, or other traditional foci. In this paper, we propose that the experienced event should be a principal focus in research efforts; that these experiences are richly affective in nature; and that a better understanding of the ways in which events are processed and acted upon holds great promise in addressing a number of critical questions surrounding the entrepreneurial process.

If entrepreneurship is fundamentally experiential, we know surprisingly little about the nature of the experience. What is it like to be “in the moment” as a venture takes form? What are the implications of experiencing repeated rejection by multiple financing sources, an inability to meet payroll for weeks on end, acquisition of a major account that seemed unattainable, the successful launch of a revolutionary product, or alienation of

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one's family as a venture becomes all-consuming? These sorts of events represent the fabric of the entrepreneurial experience and, while it is generally acknowledged that they occur, their significance has not been explored (Gartner, 1993).

Extant work in entrepreneurship emphasizes the impact of previous professional and personal experience on venture management and performance (Cliff, Jennings, & Greenwood, 2006; Corbett, 2007; Krueger, 2007). Experience is an asset one brings to the venture. Just as important, however, is the ongoing, real-time experiencing of events as a venture unfolds. As Bird and West (1997, p. 5) have noted, "temporal dynamics are at the heart of entrepreneurship." The unfolding experience is replete with mundane and momentous events, changes in pace as things slow down or speed up, developments that represent emotional highs and lows, and periodic turning and tipping points that punctuate attempts at establishing repetition and rhythm in the business (Dew & Sarasvathy, 2007; Lichtenstein, Carter, Dooley, & Gartner, 2007).

This paper introduces a framework for capturing the streams and stock of events that comprise the venture creation experience. As they construct their own reality, entrepreneurs are experiencing a temporal series of salient, interacting events that vary in volume, velocity, and volatility. We define volume as the number of events experienced, velocity as the rate at which those experiences are processed, and volatility as the degree or intensity due to peaks and valleys (highs and lows) associated with those events. These events represent potentially high levels of affect as they give rise to a wide range of feelings and emotions. A critical question concerns how such events are processed. We argue that this processing involves the dynamic interplay between cognitive, affective, and physiological elements. Hence, experiential processing transcends rational thought processes to include emotions, impulses, and physiological responses as individuals react to a diverse, multifaceted, and imposing array of activities and developments (Cardon, Wincent, Singh, & Drnovsek, 2009). Further, outcomes of ongoing processing impact the entrepreneur's affective state (e.g., positive/negative, intense/passive), which in turn influences decision making (Baron, 2008). This perspective is consistent with recent interest in a situated view of entrepreneurial action (Berglund, 2007) emphasizing the interface between inner and outer environments "in the mud of common human experience" (Sarasvathy, 2004, p. 289).

An experiential perspective holds valuable potential for entrepreneurship scholars as it provides a useful way to frame the temporal role of affect in venture creation. One of the most basic questions in entrepreneurship concerns how individuals develop entrepreneurial mind-sets (Baron, 2004; McMullen & Shepherd, 2006). We will argue that individuals "experience" venture creation just as they do other dominant aspects of life, and that positive and negative affect are at the core of human experiencing. Cumulative exposure and reaction to a wide array of novel, idiosyncratic events surrounding the entrepreneurial process serve to form the entrepreneur and influence development of an entrepreneurial mind-set. As with a painting that emerges based on the individual interacting with, feeling, and agonizing over his or her creation, the entrepreneur is a work in progress.

The manner in which events are processed also has implications for the type of venture that emerges. The venture an individual sets out to create typically differs meaningfully from what is actually created (Drucker, 1985; Plowman, Baker, Beck, Kulkarni, & Villarreal, 2007). Mistakes are common, changes are emergent, and many actions are unplanned. Ongoing goal setting, risk taking, and decision making are heavily impacted by the occurrence of salient events and the manner in which they are processed. As a by-product of this processing, the entrepreneur's affective state (e.g., exhilarated, exhausted, depressed) at a given moment can result in actions that are more bold or conservative, novel or predictable, aggressive or passive (Grichnik, Smeja, & Welpé,

2010). Hence, what started out as a family-owned, lifestyle venture operating in a niche market might emerge as a privately held, high-growth firm serving global markets. An experiential view also moves us past a static “snapshot” perspective and approaches entrepreneurship as a dynamic, socially situated process driven by unfolding events. Our focus becomes the emergent and temporal nature of a venture. Further, it allows for the fact that the many events occurring as a venture unfolds are experienced and responded to by different actors in different ways (Politis, 2005).

Our purpose, then, is to introduce a new lens through which to view entrepreneurship—the first-person perspective of the individual’s multidimensional experience. We start by examining the elusive nature of experience from a cross-disciplinary perspective and introduce affective events theory (AET) as a foundation for exploring the entrepreneurial experience. We then address the need for an experiential perspective in entrepreneurship and identify distinguishing characteristics of the entrepreneurial experience. Building on this foundation, a model is introduced to capture key variables that interact as events unfold, are experienced, and impact decision making. Attention is devoted to conceptualizing the temporal stream of events that constitute the venture experience, exploring the manner in which events are processed, and capturing the impact of processing on learning and the entrepreneur’s affective state. Implications are drawn for the simultaneous development of the entrepreneur and the venture. We conclude with suggestions for approaching research on entrepreneurial experiencing.

Understanding the Nature of Experience and Experiencing

The universal nature of experiencing has attracted researchers from an array of disciplines. Regardless of their perspective, scholars uniformly agree on the ambiguous yet complex nature of experience as a subject of inquiry (e.g., Throop, 2003). As such, a cross-theoretic perspective is useful for understanding the experiential nature of entrepreneurship. Table 1 provides examples of the range of disciplinary approaches used to approach experience.

Based on this work, we define “*experience*” as a lived-through event where the individual is “in the moment” (Cantor et al., 1991). It is the content of consciousness, synonymous with “what it is like,” in our case when creating a new venture (Bruner, 1986; Throop, 2003). Experiences can include fairly discrete events, sets of events over longer time frames, and events that entail multiple stages over a few years. For an individual, experiences are authentic, transparent, immediate, visible, and subjectively interpreted (Desjarlais, 1997). “*Experiencing*” is the active participation in the events surrounding a particular activity or phenomenon (Csikszentmihalyi & Larson, 1996). Experiencing involves the individual receiving these events into one’s consciousness, and can include sensing, feeling, unconscious reacting, reflecting, interpreting, and linking to other experiences (Bruner; Mano & Oliver, 1993). The act of “*experiencing*” is complex and occurs simultaneously at different levels. Experiences can be perceptual (e.g., touching, seeing), bodily sensational (e.g., pain, nervousness, loss of appetite), imaginative (e.g., regarding one’s own actions and perceptions), and streams of thought, as in the experience of thinking “in words” or “in images” (Csikszentmihalyi, 1990). The individual processes and encodes these layers in sensorial, affective, and motor ways rich in implicit meaning (Tuan, 1977).

How one experiences the world has important implications for learning, behavior, and identity. Philosophers from the “pragmatism” school argue that occasions of experience are the fundamental elements in the universe, with every occasion influenced by prior experiences and influencing subsequent experiences (Dewey, 1925). Engagement with

Table 1

Disciplinary Perspectives on Experiencing

Author(s)	Type of experience	Discipline (<i>Theory</i>)	Characteristics of experience	Dimensions (methodology)
Mano and Oliver (1993)	Postconsumption experience	Marketing (<i>expectancy theory</i>)	Interrelationships between judgement, affective responses evoked and evaluation of high and low involvement products	Product evaluation, elicited affect, satisfaction (survey)
Taylor (1994)	Wait experience of delayed airline passengers	Marketing (<i>attribution theory</i>)	Negative affective reactions (anger, frustration) mediate the relationship between delay and service attribute evaluation	Affective (uncertainty and anger) (surveys with interviews)
Gersick, Bartunek, and Dutton (2000)	Professional relationships experience	Management (<i>network theory</i>)	Roles of workplace relationships in professional career logics of men and women	Helpfulness, harmfulness and emotional support of relationships (depth interviews)
Kotha, Rajgopal, and Venkatachalam (2004)	Online purchasing experience	Marketing (<i>resource-based theory</i>)	Internet experience	Quality ratings, Tobin's Q
Birnbaum and Glaubman (2001)	Sexual experience	Psychology (<i>phenomenology</i>)	Feelings, thoughts, and motives regarding the relationship, self-awareness, and the experience itself	Emotional, cognitive, motivational (in-depth interviews)
Tarrant and Manfredo (1994)	Outdoor recreation experiences	Psychology (<i>arousal theory</i>)	Physiological and psychological responses to recalled experiences (active, passive, and distressing)	Arousal, clarity of thought, and pleasure (repeated measures design)
Csikszentmihalyi and Larson (1996)	Optimal experience in work or leisure	Psychology (<i>flow theory</i>)	Impact of flow on the quality of experience	Affect, potency, concentration, creativity, motivation, relaxation, satisfaction (experience sampling method)
Taylor, Magnussen, and Amundson (2001)	Lived experiences of battered women	Psychology (<i>eidetic phenomenology</i>)	Issues, motivations, fears, and hopes of abused women from different cultures	Colaizzi's themes and subthemes (unstructured interviews)
Russell (1999)	Experience in the intensive care unit	Nursing (<i>bio-psycho-socio perspective</i>)	Causes of psychological problems after discharge	Thematic analysis of patients' memories (survey and interviews)
Moch (1990)	Breast cancer experience	Nursing (<i>Newman's theory</i>)	Newman's theory of illness as expanding consciousness supported by crisis and developmental theory	Emergent themes extracted from person-environment interactions (open-ended interviews)

these events becomes the key to finding meaning and learning. For anthropologists, who try to understand the world as seen by the “experiencing subject,” experiencing is concerned with how reality presents itself to consciousness through thoughts and feelings (Bruner, 1986). Experiences find the individual engaging in as well as shaping actions—in effect constructing reality. Individual performances represent an attempt to give meaning to experience (Bauman & Briggs, 1990). Further, performance of the self in experiential events becomes a means of forming identity (Bruner). Psychologists similarly link human experiencing to the development of the individual (Bandura, 1986). The manner in which complex person–situation interactions are processed represents a personal characteristic that distinguishes types of individuals (Magnusson, 1981). A person’s approach to experiential processing impacts his or her proclivity to succeed at a particular profession (Cantor et al., 1991). Ongoing states of activity (engagement, evaluation) are instrumental in creating knowledge structures and forming self-identity (Barab, Hay, & Yamagata-Lynch, 2001).

To more fully understand the linkage between events, experiencing, and outcomes, we must consider the role of affect. Affect, or the individual’s feelings and emotions, lies at the heart of human experiencing (Throop, 2003). A useful foundation for exploring the role of affect can be found in Affective Events Theory (AET) (Weiss & Beal, 2005; Weiss & Cropanzano, 1996). AET argues that events are the proximal causes of affective states, and these states have important outcomes, particularly in a work context. Life is punctuated by events that interfere with the homeostatic state and act as exogenous influences on affect. Appraisal of these events produces the experience of discrete emotions (e.g., joy, anger). Further, these affective reactions influence attitudes and behavior. Thus, attitudes are influenced by the experience of emotion and also by information such as contextual cues and previous experiences. Both attitudes and affect drive behavioral responses.

Insights on the basic nature of experiencing have implications for our understanding of venture creation. Entrepreneurship is a highly personal experience that can be defined in terms of a temporal stream of unique and novel events that are rich in affect. As we shall see, the processing of these events impacts what the entrepreneur creates and who the entrepreneur becomes.

Why an Experiential Perspective Is Needed in Entrepreneurship

Researchers have only recently begun to recognize how ongoing experiencing is core to our understanding of the nature of venture creation (Saravathy, 2004; Shepherd, 2003). Yet entrepreneurship as an experience has long been implied in the literature. Baumol (2001) talks of a gambling experience, and others allude to a learning experience (Cope & Watts, 2000), adaptive experience (Stoica & Schindehutte, 1999), evolutionary experience (Andren, Magnusson, & Solander, 2003), self-discovery experience (Gibb, 1993), peak experience (Schindehutte et al., 2006), social experience (Aldrich & Zimmer, 1986), grieving experience (Shepherd), and passionate experience (Cardon et al., 2009).

While the experiential nature of entrepreneurship is acknowledged by scholars, its implications are underdeveloped (Cope & Watts, 2000). Entrepreneurship is generally conceptualized as a process involving multiple stages over time (Shane & Khurana, 2003). Others have gone further, noting the dynamic, multilevel, intertwined, nonlinear, and emergent nature of the process (Schindehutte & Morris, 2009). Even so, the research tends to be more static, approaching the venture at a moment in time, or measuring variables between two points in time, ignoring what takes place within the day-to-day or between measuring points (Downing, 2005). Scholars examine the

entrepreneur's strategy, network, perceptions, skills, resource slack, and a host of other variables at a particular moment, often associating such variables with various outcomes. They frequently use cross-sectional surveys with analysis focused on central tendencies. What is ignored are the realities and abnormalities of ongoing experiencing, which can be far removed from the more recognizable patterns, norms, and averages upon which behavioral researchers dwell, or the situational sampling that drives much research. A considerable amount can be missed or filtered out in terms of the hidden richness that lies within the crevices of a temporal experience. That drama involved in the unfolding of a new venture is made evident by Downing while the influence of emotions and feelings is demonstrated by various observers (e.g., Baron, 2008; Brundin, Patzelt, & Shepherd, 2008; Cardon et al., 2009). Yet the ability to deconstruct the drama and understand the emotions requires that we integrate new building blocks for developing entrepreneurship theory: the experienced event and temporal structure of events, the corresponding volume (number of events), velocity (rate at which they are processed) and volatility (degree of intensity) of these events, and the processing of events over time. These event streams produce the ongoing highs and lows, and intensity and passivity that are the essence of venture creation.

As a lived experience, we highlight the critical role played by idiosyncratic events that are frequently uncontrollable and unpredictable. Lichtenstein et al. (2007) make it clear that such events are the essence of entrepreneurship, and give rise to patterns and punctuating moments. The ongoing processing of events, interdependencies among them, and cumulative impact they have on affective and cognitive states at any point in time hold significant implications. An experiential perspective offers promising insights into critical questions about which relatively little is known. For instance, how do ongoing experiences foster a willingness to adapt one's initial concept into something quite different? Does experiencing influence an individual's tendencies to become more tolerant of ambiguity, optimistic, or achievement motivated? Do aspects of experiencing become addictive or result in addictive behaviors? The experiential perspective moves our focus to streams of salient events that not only define what it is like to be an entrepreneur but are triggers for the emergent nature of a venture. The entrepreneur is being constructed while he or she constructs reality. A portfolio of significant events is accumulating, each contributing to the entrepreneur's emotional fabric and ongoing decision making (Haynie, Shepherd, Mosakowski, & Earley, 2010).

Finally, it is worth examining what distinguishes the entrepreneurial experience from many of life's other experiences. While there are idiosyncrasies in how venture creation unfolds, the entrepreneurial experience does have a number of common characteristics. These include:

- Temporal—Venture creation involves a series of events and activities, many of which are unplanned, occurring over a number of months and years (Cope & Watts, 2000).
- Purposive and terminable—The individual chooses to become an entrepreneur and typically has the ability to quit the experience if he or she desires (Saravathy, 2004).
- Performative—The entrepreneur is a performer in an unscripted play; more than simply reacting or being a participant, the individual is expected to produce some sort of outcome based on his or her inputs or contribution (Abrahams, 1986; Baron, 2007).
- Transformative—Entrepreneurship finds the individual interacting with the context and environment to produce something novel or new. Elements are being combined to produce an original outcome (Abrahams, 1986).
- Uncertain—The act of creation takes place in uncertain circumstances where the individual has relatively little control over conditions and outcomes (Bird, 1989). A

number of variables beyond the control of the entrepreneur impact what is created (Baron, 2007).

- Ambiguous—The entrepreneur encounters considerable ambiguity surrounding what is to be done and how it should be accomplished (McClelland, 1986).
- Novel—The entrepreneur periodically, and sometimes frequently, encounters novel circumstances unconnected to his past experiences (Dew & Sarasvathy, 2007).
- Diverse—The entrepreneur must play a multiplicity of roles involving different skills sets (e.g., creating, negotiating, mentoring, allocating, selling) (Morris & Schindehutte, 2005).
- Volatile—The sequence of experienced events includes any number of emotional peaks and valleys, and variance in the frequency and degree of highs and lows (Shane & Khurana, 2003).
- Emergent—More than evolution, emergence finds new patterns and properties arising over time that are traceable not to a system's properties but to the process of interaction among these properties (Gartner, 1993; Lichtenstein et al., 2007).

Although other experiences demonstrate some of these aspects, entrepreneurship is unique in the consistency with which all 10 are present (especially uncertainty and ambiguity), the degree to which each is core to the fabric of the experience, and the extent to which they interact.

Exploring the Entrepreneurial Experience: A Conceptual Model

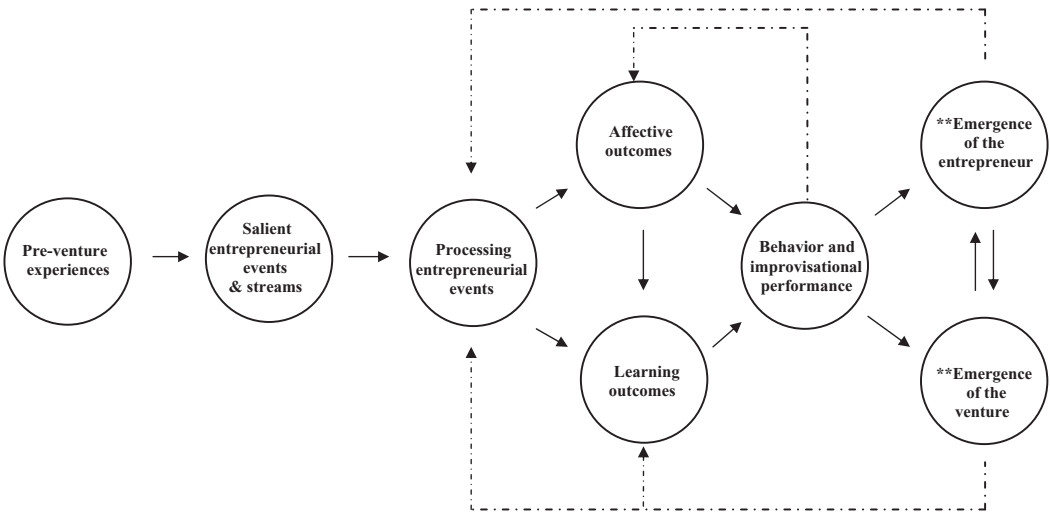
To develop richer insights into the nature of the entrepreneurial experience, we build on affective events theory to propose the conceptual model in Figure 1. In essence, the entrepreneur comes to the venture with a cumulative stock of life experiences. As the venture unfolds, it produces any number of salient events and event streams, and these can vary in terms of volume, velocity, and volatility. The velocity and volatility of the entrepreneurial experience, and the likelihood of strong positive affect, is supported in work by Schindehutte et al. (2006) on peak experience, peak performance, and flow. These events are subject to experiential processing, resulting in affective reactions and social learning, both of which influence the decision-making behaviors of the entrepreneur. Affective outcomes and ongoing behaviors, in turn, impact the development of the entrepreneur and the kind of venture that emerges. Let us further examine each of the elements in the model.

Prior Experience

The term “experience” has been used by entrepreneurship scholars in five ways: the outcome of involvement in previous entrepreneurial activities (Baron & Ensley, 2006); the experientially acquired knowledge and skills that result in entrepreneurial know-how and practical wisdom (Corbett, 2007); the sum total of things that have happened to a founder over his or her career (Shane & Khurana, 2003); the collective set of events that constitute the entrepreneurial process (Bhave, 1994); and the direct observation of or participation in activities associated with an entrepreneurial context (Cope & Watts, 2000). Of these, the most common usage is to describe prior knowledge and skills gained either in business or when creating ventures. As an antecedent condition, researchers have emphasized the role of prior experience as a factor in explaining self-efficacy (Baron & Ensley), entrepreneurial intentions (Krueger, 2007), information processing (Cooper & Folta, 1995), business

Figure 1

Conceptual Model of Entrepreneurial Experiencing



Note: The solid arrows between the emergence of the entrepreneur and the emergence of the venture demonstrate the connection between the two. Please note that emergence does not follow the preceding circles but is continuous and ongoing, happening in tandem with the other circles (variables). Solid lines, direct relationships; dotted lines, feedback loops.

practices (Cliff et al., 2006), learning from failure (Shepherd, 2003), habitual entrepreneurs (Westhead, Ucbasaran, & Wright, 2005), and metacognition in decision making (Haynie et al., 2010).

The greatest amount of attention has been devoted to prior experiences in corporate management and venture creation within particular industries, each of which has been associated with venture performance (Gimeno, Folta, Cooper, & Woo, 1997). Especially noteworthy in this regard is work on serial entrepreneurs. Prior entrepreneurial experience enhances both the ability to recognize viable opportunities and to overcome liability of newness challenges as a venture is created (Politis, 2005). As with the study of metacognition, prior experience can be expected to play a role both in determining which events are processed and the manner in which they are processed.

The significance attached to a given experience, no matter how novel, is influenced by one's stock of previous experiences (Reuber & Fischer, 1999). Based on affective events theory, this significance is tied to the degree to which an event is perceived to be beneficial or harmful to the entrepreneur's well-being (Weiss & Cropanzano, 1996). Thus, the relatively higher success rates that habitual entrepreneurs demonstrate may be tied to their ability to better interpret and place saliency on particular events, suggesting that novice entrepreneurs are less able to put a particular event in proper context (Mitchell et al., 2007). A possible implication is that the "volume" of salient events that constitute the venture creation experience will be lower for those having more prior entrepreneurial experience. The entrepreneur is more likely to properly interpret the typicality, meaning, and impact, and hence the significance of a given event. Further, prior experience can be expected to influence the affective response to an event, where the tendency to get frustrated, feel stress, or otherwise respond will be tempered by one's experiential background (Baron, 2008). The ability to focus on or emotionally respond to fewer salient

events suggests that the entrepreneur is experiencing less velocity in terms of the pace at which novel events must be processed. Also, when interpreting the event, greater expertise can lead to more reliance on exploratory modes of cognitive processing and employment of effectual reasoning (Politis, 2005; Sarasvathy, 2001). The result might be that more prior experiences result in less “volatility” in the entrepreneurial experience, where volatility refers to the relative intensity due to the peaks and valleys in the series of events given salience by the entrepreneur. Based on this discussion, we offer the following proposition:

Proposition 1: The stock of prior experiences an entrepreneur brings to a new venture affects the saliency attached to unfolding events as they occur, serving to define the volume, velocity, and volatility of events that constitute the venture creation experience. All other things being equal, the greater this stock, the less will be the volume, velocity, and volatility of events.

Salient Entrepreneurial Events and Streams

Experiences are temporal, occurring at points in time and over time. They produce “information” in the form of “bundles of explanations,” characterized in neuropsychological terms as categorization, while “processing” is characterized as constructive operations by which multimodal categories are physically and temporally related (Edelman, 1987). Turner (1986) posits that there are moments of experience that represent component parts of an emerging structure. The structure derives from a combination of temporal succession, fragmentary disjunction, and meaningful coherence (Throop, 2003). For our purposes, experience at a particular slice of time can be considered an action-relevant event, episode, or instance (Magnusson, 1981). Based on AET, a salient event is one that implies changes for what one is currently experiencing (Weiss & Cropanzano, 1996). Hence, significance is a function of an event’s novelty, expectedness, and consistency with the individual’s assumptions and knowledge base. One’s life involves thousands of events, many not meaningfully different from the homeostatic state—resulting in little attention paid to them. A fraction of these are considered significant by the individual, as they represent disruptions (Bruner, 1986). Examples might be the moment an entrepreneur discovers an idea for a venture or receives his or her first check from an angel investor.

AET theorists argue for two stages of appraisal, where an event is first assessed for relevance to well-being in simple positive and negative terms (Weiss & Beal, 2005). This initial assessment includes an importance evaluation, which fuels the intensity of emotional reaction. The secondary appraisal focuses on context and associated consequences, attributions, and coping potential, and triggers discrete emotions.

When multiple events over time are related, the accumulated picture can be referred to as a stream of experience (Magnusson, 1981). Throop (2003, p. 228) explains that a stream “comes into being and passes away, moment by moment,” and “ebbs and flows continually forward while retaining residues . . . of past experience(s).” AET researchers refer to a stream as a series of episodes that have a coherent thematic organization (Beal, Weiss, Barros, & MacDermid, 2005). In an entrepreneurial context, streams could include the experience of seeking financing, building a team, or penetrating a market. A stream will vary in duration depending on the bounds arbitrarily assigned to an experience (Reuber & Fischer, 1999). It will vary with regard to volume (number of salient events making up the stream), velocity (rate at which events within a stream must be processed), and volatility (degree or intensity associated with those events).

Given its idiosyncratic nature, the way in which each person delineates the parameters of the same type of experience depends upon his or her conscious analysis and decisions as to what streams and instances should be included. Cope and Watts (2000) suggest that it can prove difficult to define the perpetual boundaries of experiences. Using the receipt of angel funds as an example, the stream of experience in which this instance is embedded might encompass the experience of determining financial needs, searching for venture financing, a number of key rejections, and deferring the payment of bills. In each of these examples, there is a path-dependent quality to the stream, such that every instance interacts with the next in the creation of the stream. Yet, to be meaningful, the events that constitute an experience do not have to be contiguous in time and space. Further, the form of constructed experiences does not depend on then–now causal relations but on a complex interaction of present with past and past with present—and anticipation of the future (Bradley, 2005). In processing events, much may be filtered out and forgotten almost as soon as it has registered, while other aspects are the focus of attention, and still others are peripheral and get processed if not immediately attended to (Bradley; Magnusson, 1981). Entrepreneurs also differ in their “temporal depth,” the time distances they consider when contemplating streams of events that have occurred (Bluedorn & Martin, 2008). What emerges, then, is entrepreneurship as a rich mosaic of interwoven events that are unevenly processed. Turner (1986, p. 35) argues that the structure of experience “does not have an arbitrary beginning and ending, cut out of the stream of chronological temporality, but has what Dewey called ‘an initiation and a consummation.’” Clearly subjective, little guidance exists for defining relevant time parameters. Magnusson proposes the use of generative rules that dominate the context (e.g., venture sustainability not yet established), such that the experience lasts as long as the generative rule prevails.

When referring to one’s cumulative experience of a given type, all events and streams of that type are melded to become what might be termed a stock (Reuber & Fischer, 1999). When people are asked how much entrepreneurial experience they have, they are being asked to add up the various temporal streams of experience of which they have been a part. When asked how they feel about being an entrepreneur, the individual again combines these streams, either conjunctively or disjunctively, to arrive at a stock assessment. Bouts of experiences may not be temporally juxtaposed, yet a person collects and merges them to define their stock. It is the stock quality of experience that is most frequently referred to by entrepreneurship scholars, usually as an antecedent variable (Westhead et al., 2005).

Overall assessments can be made by the entrepreneur (e.g., positive–negative, intense–passive) of the cumulative experience involved when creating the venture. This evaluation is dependent upon the memories (instances and streams) recalled and included in the experience stock. It is idiosyncratic in nature, such that two people are not likely to delineate the parameters of the same type of experience in similar ways. Each memory may be weighted differently depending on the relative importance assigned to it and by factors influencing which memories are recalled (Bandura, 1986). Other relevant issues might include the relative concentration or dispersion of key events across time and the tendency for seminal events to come earlier or later as the venture unfolds (Lichtenstein et al., 2007). At a given moment of recall, then, there is a stock of experience used to define overall feelings about the venture creation experience. Based on this discussion, we offer the following proposition:

Proposition 2: Venture creation represents an uncertain temporal experience, the parameters of which are delineated by the entrepreneur as he or she uniquely constructs and processes a stock of salient events and event streams.

Processing Entrepreneurial Events

To the individual, there is directionality to an experience, with a center and periphery of attention (Bruner, 1986). He or she is in the moment, a participant in a performance, responding to cues as they occur, attempting to impose structure on events as they are received into consciousness, making them intelligible. It is a gestalt structure, more complex than the sum of its component parts. Yet, in spite of its complexity, experiencing includes some key elements (cf. Damasio, 2003; Ortony, Norman, & Revelle, 2005). The most important of these is the notion that experiencing transcends cognition and involves the interaction of emotions, feelings, and bodily reactions. Further, this interaction occurs at multiple levels as the information generated from experiencing is processed (Epstein, Pacini, Denes-Raj, & Heier, 1996). Additionally, processing of experiences results in efforts at meaning making and sense making, which can produce learning and new organizational routines. Let us consider these elements.

The creative demands associated with entrepreneurial action go beyond rational assessment, hypothesis testing, predefined goals, and planning (Hmieleski & Corbett, 2008). Venture experiences are riddled with interrupted plans, unexpected obstacles, conflicting goals, and unattainable aspirations. These realities force ongoing reconstruction and renegotiation of thought–feeling–action repertoires as a venture is developed. Importantly, then, the entrepreneurial experience involves an interplay of cognition, affect, and physiological responses as events are “lived through” (Barrett, 2006). Bidirectional links exist among all three (Forgas, 1999; Stein & Levine, 1999). Thus, Pessoa, McKenna, Gutierrez, and Ungerleider (2002) have found attenuation of an emotional response during increased levels of cognitive load, while Abercrombie (1998) demonstrates that higher levels of dispositional negative affect are associated with a greater metabolic rate. Consider the entrepreneur who realizes a key order is not coming through, only \$3,000 remains in the bank, payroll is due, and a major investor is arguing that the business model is flawed. This temporal event produces physiological reactions such as loss of appetite and nervousness that interact with affective responses such as frustration and panic, which simultaneously result in cognitive reactions such as heightened awareness, information processing biases, and, potentially, a decision to cut prices.

Central to experiencing is affect, or the feelings and emotions of the entrepreneur. Affect plays a dual role in impacting what people think (informational effects) and how they think (processing effects). Forgas (1999, p. 593) explains, “affect is not incidental but an inseparable part of how we see and represent the world around us, the way we select, store and retrieve information, and the way we used stored knowledge structures in performing cognitive tasks.” For their part, emotions occur involuntarily in response to novel aspects of an event. Emotional experiencing is linked to prior knowledge, beliefs, and appraisals about causes and consequences of an event. Causal thinking and goal appraisal occur continuously during the unfolding of an emotion or retrospectively when recalling emotionally meaningful events (Stein & Levine, 1999). Further, emotional and cognitive states are influenced by knowledge of approaching events and corresponding expectations.

Processing of affect associated with individual events occurs at three interconnected levels: reactive, routine, and reflective (Ortony et al., 2005). Each mode requires

increasing levels of consciousness and sophisticated reasoning. At the reactive level, the main purpose is to control the individual's approach and avoidance behavior and to interrupt and signal the higher levels. Affect at this level is simple and unelaborated. The routine level is concerned with the execution of well-learned behaviors, and affect begins to show features of emotions but in a limited manner. The reflective level is the locus of higher-level cognitive functions and consciousness. Emotions are full-fledged and cognitively elaborated. At the reflective level, alternative behaviors and their impact on the environment can be modeled consciously. Affective processing is biologically determined and starts at the reactive level but can be inhibited or enhanced by control signals from the reflexive level (Ortony et al.). The internal processing includes initial recognition of positive or negative affect as an "innately structured, noncognitive evaluative sensation that may or may not register in consciousness" (Zajonc, 1998), which then becomes evaluated in sync with the physical and cognitive elements to identify a "feeling" (Masters, 2000). Affect can prime the kind of associations used in the interpretation and evaluation of stimuli. Appraisals made about the significance and worth of an event, rather than the event itself, determine whether an emotion and which emotion will be experienced (Stein & Levine, 1999). Where events are pivotal, significant emotional responses may be elicited that lead to goal modification.

Based on the interaction between cognitive, affective, and physiological elements as events and streams of experience play out, entrepreneurs give meaning and make sense of their context. The meaning of a particular experience is a cognitive construal of a coordinated set of actions (Barsalou, Simmons, & Barbey, 2003). The recursive process of meaning making involves situated activity that depends on the part/whole relationship between the entrepreneur and the characteristics of the situation. In this sense, entrepreneurship is a sequence of performative and transformative events that are interpreted and cohere through time as the individual attempts to impose meaning. The entrepreneur derives meaning by translating experiences into how he or she feels and thinks, while meaning also acts as a guide and explanation for his or her experience. Knowing and doing are interlocked, inseparable, and embedded in the context. The temporal nature of experiencing has important implications here as the meaning of an action differs based on the point in time from which it is observed (Schutz & Rosenbaum, 1967).

Sense making is the process of creating situational awareness and understanding amid complex, uncertain situations so decisions can be made. It is a "motivated, continuous effort to understand connections (among people, places, events) in order to anticipate their trajectories and act effectively" (Klein, Crandall, & Hoffman, 2006). Sense making relates to deliberate "what-if" reasoning related to action taken to make events happen. As Weick, Sutcliffe, and Obstfeld (2005) note, sense making in organizations often occurs amid intense emotional experience. Unexpected or disruptive events force individuals to make sense of ambiguous stimuli in ways consistent with their own identity needs. The entrepreneur predicts alternative courses of action using objective information obtained by deliberative reasoning or recall of prior knowledge and experiences (Haynie et al., 2010). Based on this discussion, the following proposition is offered:

Proposition 3: Experiential processing involves interactive effects between physiological, affective, and cognitive reactions to salient events. Sense making on the part of the entrepreneur is derived from these interactions as events are processed over time.

Learning Outcomes

Entrepreneurs learn from events as they unfold. A distinction exists, then, between the events experienced by an entrepreneur and the knowledge acquired from those events through learning (Reuber & Fischer, 1999). Learning is more than simply grasping and interpreting objective knowledge. The entrepreneur is immersed in events, generating knowledge as a function of his or her interactions with the venture context and larger environment. Politis (2005) explains entrepreneurial learning as a transformation process applied to experiences, which is continually created and recreated. Minniti and Bygrave (2001, p. 8) refer to “the process of updating the probabilities of choosing any particular action as new information on its consequences is received.”

Learning is also tied to the nature of the events being experienced. There is evidence, for instance, that learning is greater the more diversity there is in the portfolio of events to which the individual is exposed over time (McCall, Lombardo, & Morrison, 1988). Reuber and Fischer (1999) posit that the more novel events are relative to the entrepreneur’s stock of experience at any point in time, the greater the learning. In addition, learning is greater with the first or second encounter with a particular type of event, such that diminishing returns ultimately set in.

Learning is not limited to what works and what does not. The entrepreneur is learning from his or her emotions and about himself or herself. Beyond coming to understand critical skill or capability shortcomings, the entrepreneur encounters and interprets events that challenge his or her identity (Bandura, 1986; Murnieks, 2007). Thus, novel events can force the individual to question aspects of their values, beliefs, and biases. The ambiguous, stressful, or volatile character of ongoing event streams can lead to self-discovery regarding one’s comfort with growth, innovation, or change.

Seminal work on experiential learning has been done by Kolb (1995), who delineates four distinct learning styles based on a four-stage learning cycle. Learning styles represent combinations of active experimentation-reflective observation and abstract conceptualization-concrete experience. Learning can begin with any stage in Kolb’s cycle but tends to be rooted in concrete experiences. In a venture-creation context, Politis (2005) examines the manner in which entrepreneurs transform experiences into knowledge, arguing that they follow either an exploitative or explorative path. Exploitation centers on learning what has worked in the past and finding ways to replicate it. Exploration involves learning by exploring new possibilities. Exploration involves a broader and wider scope, while exploitation entails a narrower, more local scope. Extant research on affect and cognitive processes contends that positive affect increases one’s scope of attention by encouraging people to play and experiment (Carver, 2003). Fredrickson (1998) asserts that positive affect increases a person’s thought-action repertoire by signaling that the environment is a safe place to experiment. In contrast, negative affect signals that something is wrong and encourages an individual to focus more narrowly on one’s current domain (Derryberry & Tucker, 1994). Gasper and Clore (2002) found that individuals who experience positive affect apply a global approach toward their immediate environment, while negative affect results in the use of a more local approach. Basso, Schefft, Ris, and Dember (1996) found that personality traits related to negative affect such as anxiety and depression were associated with a local bias (narrowed attentional focus), while traits linked with positive affect such as optimism related to a global bias (broadened focus).

Based on this discussion of learning outcomes, the following propositions are offered:

Proposition 4: Learning outcomes are the result of experiential processing where the diversity and novelty of the stock of events give rise to enhanced learning.

Proposition 5: Positive and negative affect will influence the global or local direction of the entrepreneur's processing of events. Events strong in positive affect will drive the global or explorative learning direction, while events strong in negative affect will drive the local or more exploitative learning.

Affective Outcomes

While a key outcome of experiencing is learning, it is not the only outcome. For its part, learning is ongoing and subject to change and modification. New experiences produce data that challenge earlier lessons. Cumulative knowledge at any point in time can be markedly inadequate for dealing with emerging developments or encounters with novelty. More fundamentally, any number of reactions and behaviors occur separate from, or in spite of, whatever learning is taking place.

Emotions and feelings are especially important in this regard. Observers in different disciplines have demonstrated that experiential processing results in outcomes that are predominantly affective (e.g., Feldman, 1995; Mano & Oliver, 1993). Experiences are felt and produce emotional responses. Based on affective events theory, affect levels fluctuate over time with patterns of affect traceable to endogenous (e.g., known cycles in mood or affective disposition) and exogenous (e.g., salient events) components. Affective responses are especially strong when events occur that fundamentally undermine or contrast with the individual's beliefs, understandings, and sense of self (Weiss & Cropanzano, 1996).

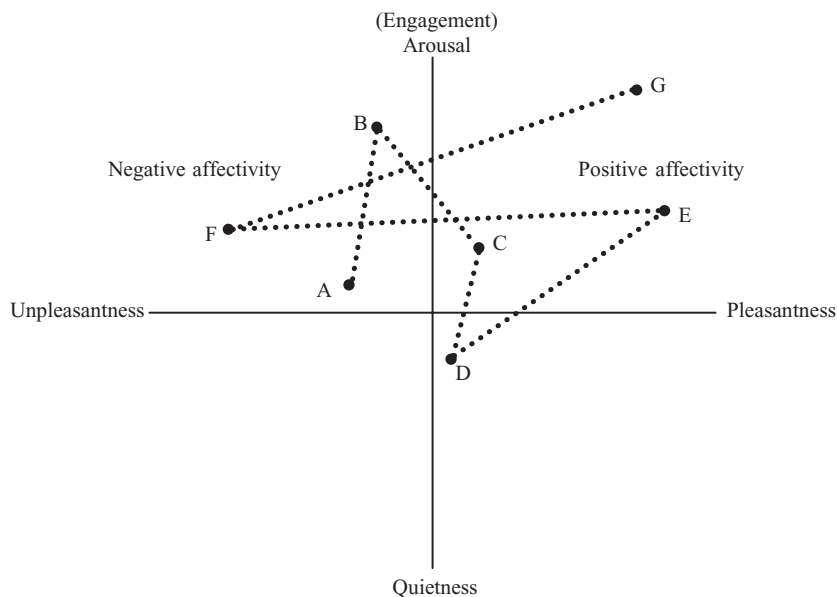
A beginning point for deciphering the affective nature of the entrepreneurial experience is to consider general characteristics of the venture creation context. Various observers have noted ambiguous qualities (McClelland, 1986); a multiplicity of obstacles and demands, unclear job responsibilities, and high levels of uncertainty (Schindehutte et al., 2006); relative autonomy coupled with a sense of loneliness (Boyd & Gumpert, 1983); stress that produces health problems and difficulties in relieving work-related tension (Buttner, 1992); ongoing exposure to novelty (Dew & Sarasvathy, 2007); a rapid and volatile pace (Shane & Khurana, 2003); the passion involved in venture creation (Cardon et al., 2009); and, when facing impending failure, depression and grieving (Shepherd, 2003).

Further insights can be gained by considering the work on affect by Mano and Oliver (1993). These authors build on extensive evidence from psychology that affective experiences can be described in terms of two primary dimensions: pleasantness and arousal. Other dimensions may exist but tend to be unstable across studies. Pleasantness describes a stimulus or context that is agreeable, enjoyable, comfortable, or pleasing. It can be more positive or negative. Arousal is a reflection of a person's relative emotional intensity, fervor, stimulation, or excitement. It regulates consciousness, attention, and information processing. Figure 2 illustrates these two dimensions as an experience space. Further, Watson and Tellegen (1985) approach this configuration as a circumplex. They suggest that a 45-degree rotation of the pleasantness–arousal space produces two primary independent dimensions, labeled positive and negative affectivity, and that engagement is positively correlated with these two axes, positioned at 45 degrees between them. Others (Cantor et al., 1991) have also found affective valence and level of engagement emerge as dominant factors in the structuring of emotional experiences. In addition, particular emotions tend to load on the affective valence (e.g., optimistic–pessimistic, stressful–relaxed) and others on the level of engagement (e.g., active–passive, distant–intimate, exciting–boring).

The plotted points in Figure 2 are suggestive of an entrepreneur effectively moving around in the space as he or she processes events and streams in the venture creation

Figure 2

Temporal Dynamics and the Experience Space. Source: Adapted from Mano and Oliver (1993)



experience. Here, we see an entrepreneur moving from an initial point (A) where he or she is trying to get the business launched, unable to generate enough resources, having difficulty making sales happen, and working out quality problems with products. The experience is highly stressful and somewhat unpleasant, and affect is generally negative. At a subsequent point in time (B), the entrepreneur is still struggling and unable to meet payroll. Stress levels remain high, arousal levels are extremely high, and affect is negative as the entrepreneur works intensely over long hours. Events continue to unfold to a point in time (C) where the entrepreneur is experiencing more consistent sales and a stable cash flow and where a much-needed loan has come through. Overall affect is positive, and arousal remains high but not as intense. And so the experience continues (points D through G), reflecting the highs and lows, stressful and less demanding times, slower and faster periods of activity. If we think of the entrepreneurial experience in terms of peaks and valleys, then the relative volatility would seem especially pertinent in explaining movement around the experience space (Schindehutte et al., 2006). Similarly, movement might be influenced by exposure to demands outside the entrepreneur’s current knowledge, skills, and background, and the variance over time in the size of the knowledge gap as new experiential events are encountered.

Consistent with this conceptualization, Morris, Allen, Kuratko, and Brannon (2010) have systematically assessed the applicability of a comprehensive set of descriptors to the entrepreneurial experience. They demonstrate underlying dimensionality to the experience that reflects high levels of positive and negative affectivity. Factors such as being excited and passionate reflected a strongly positive experience, while being exhausted, threatened, ambiguous, and tedious were indicative of a negative experience.

The strength of one's affective reaction to an event is also influenced by the individual's more permanent or enduring affective traits (e.g., a person who is more neurotic). These predispositions impact both which events generate a reaction and the potential for that reaction to be magnified (Weiss & Beal, 2005). Hence, a person high in neuroticism will react more strongly to negative events when they occur.

An additional caveat is in order. While this discussion has emphasized the occurrence of positive or negative affect in reacting to a stream of events, it is possible that both occur simultaneously. Larsen, McGraw, and Cacioppo (2001) demonstrate this likelihood, noting a general tendency for people to be either happy or sad but observing instances where a given event elicited both happiness and sadness. Larsen, McGraw, Cacioppo, and Mellers (2004) found simultaneous evidence of negative and positive affect when experiencing good outcomes that one anticipated could have been better, or bad ones that could have been worse. This bivariate experience could complicate the entrepreneur's processing of events, resulting in more moderate impacts on decisions entailing risk and change or outcome variables such as satisfaction.

Overall evaluations of the entrepreneurial experience ultimately reflect an integrative assessment of the diversity, vitality, and richness of the events and streams that unfold as a venture emerges. AET theorists and others note strong evidence that positive affect is an antecedent to and necessary for satisfaction (Mano, 1997; Weiss & Cropanzano, 1996). Mano and Oliver (1993) further illustrate that satisfaction with an experience is predicated on assessments of both its instrumental or utilitarian performance (e.g., financial goals) and its aesthetic or hedonic performance (e.g., its intrinsically pleasing properties). The importance of aesthetic performance is especially important in high arousal and high engagement experiences. Applied to venture creation, personal assessments of entrepreneurial events and streams are a function of how those events and streams are aesthetically experienced. Based on this discussion of affective outcomes, the following proposition is offered:

Proposition 6: The ongoing processing of experiential events impacts the entrepreneur's affective state, characterized in terms of positivity/negativity and levels of engagement. Where this processing results in more positive and intense affect, satisfaction with the entrepreneurial experience will be higher.

Behavior and Improvisational Performance

Our model posits that learning and affective outcomes directly influence entrepreneurial behaviors. These behaviors tend to be improvisational in nature (Hmieleski & Corbett, 2008). Politis (2005) concludes that knowledge derived from experiencing first and foremost has an influence on the strategic choices made by entrepreneurs. One possibility is that learning leads to employment of trusted heuristics and routinized behaviors once the entrepreneur figures out what works, and can eventually produce inertia within the venture (Busenitz & Barney, 1997). Salient events serve to disrupt this flow; however this volatility can foster discovery through experimentation and improvisation. Sarasvathy (2001) demonstrates that encountering a stream of unexpected events results in a greater reliance on effectual reasoning, experimentation, creativity in decision making, and value creation.

Intuition plays a role here. Johannisson (1998), in examining entrepreneurship as action learning, argues that the stock of concrete experiences contributes to the formation of an intuitive capacity, which can be used to produce analogies when addressing unexpected developments or events as they arise. This sort of repertoire becomes the basis for

interpreting and making decisions about unexpected situations deemed to be categorically similar to past events, and hence for the formation of schema that serve as maps to guide behaviors (Mitchell et al., 2007).

Again, learning is not limited to the venture. As the entrepreneur learns things about himself or herself, such as his or her comfort level with ambiguity, risk tolerance, ability to handle stress, and need for control, decision making is likely to be impacted (Bandura, 1986). Willingness to innovate, expand operations, invest in new technologies, or move into unfamiliar markets will vary depending on what one has come to understand about their own capabilities, values, and personal needs.

All experiences share the common feature of a central actor who is “in the moment.” But a distinction can be drawn based on whether the individual is an active participant in the event and how their participation affects what is being experienced. The entrepreneurial experience centers on the critical roles of performance and transformation in an environment with relatively little control. The venture context becomes a medium for performance. The individual, as active participant in streams of experience, is performing in fund-raising events, marketing events, human resource management events, and so forth. This performance is more complex than simple acting, as the entrepreneur does not know in advance what he or she is going to do—especially given that what he or she does is influenced by emotional inputs that arise in the midst of the event. Existing within the work, he or she is constructing reality (Baron, 2007). To paraphrase Bruner (1986, p. 25), entrepreneurs not only construct their worlds but watch themselves doing the construction and then enter and believe in their constructed worlds. So, each event is an improvisational performance that is lived through and felt with uncertain outcomes. But the performance of an entrepreneur must ultimately result in new combinations—in the transformation of resources, business models (mental frameworks), and the ongoing transformation of a venture. Emerging in a nondeterministic manner, the venture is continually forming. The same is happening to the entrepreneur.

Affective outcomes also influence the course a venture takes (Lichtenstein et al., 2007). Baron (2008) argues that the impact of affect on behavior is especially likely in uncertain, less predictable environments and when pursuing entrepreneurial tasks. The emergent nature of a new venture is such that formulaic approaches and established scripts are not effective, and hence, owners and managers must “make it up as they go along” (p. 329). He concludes that affective states can influence the individual’s perceptions of the external world, levels of creativity, use of heuristics in decision making, memory, motives, and cognitive strategies (see Grichnik et al., 2010). Further, there is an impact on the speed of decision making and choices regarding resource acquisition, the development of skills and social networks, and how to respond to environmental dynamics.

In assessing the impact on behavior of affective reactions to events, AET draws a distinction between affect-driven and judgment-driven behaviors (Weiss & Beal, 2005). The former includes behaviors, decisions, and judgments that are proximal consequences of being in a particular affective state. The latter introduces evaluative judgments or attitudes (which themselves are influenced by affective reactions) and is the consequence of decision processes where the context is part of the decision matrix. Accordingly, seminal events can occur that generate strong affective responses that influence how subsequent events are interpreted and the ongoing actions of the entrepreneur. Earlier experiences can create biases, preoccupations, and priorities that determine the subsequent willingness to incur debt, work with partners, interact with certain suppliers, or engage in any number of other behaviors.

While both positive and negative affect influence behavior, evidence suggests that negative emotional reactions have disproportionately stronger effects (Taylor, 1994) and

thus may have a greater influence on favorable and unfavorable outcomes of the experience. Negative events produce stronger mobilization responses in terms of physiological, affective, cognitive, and behavioral activity than positive ones, taxing individual resources more than positive and neutral events (Weiss & Beal, 2005).

Returning to the affect space (Figure 2), we can posit behavioral outcomes from quadrants representing combinations of valence and engagement. Consistent with Baron (2008), the entrepreneur experiencing positive affect/high arousal may be more likely to take risks, innovate, and approach the future optimistically. Learning can also be enhanced (Seo, 2003). A positive affect/low arousal state might produce less risk taking, innovation, and experimentation, and a lower willingness to persevere. Negative affect/high arousal should lead to more adaptive experimentation as the entrepreneur attempts to address adversity and a heightened need for control. In a negative affect/low arousal state, there may be a tendency to withdraw effort. Low arousal could increase the probability of creating lifestyle over growth ventures. This discussion can be captured in the following propositions:

Proposition 7a: Event streams that are more disruptive (i.e., higher velocity and volatility) will produce (1) more intense and stronger affective responses and (2) greater reliance on improvisational behavior.

Proposition 7b: Affective reactions to event streams that are more positive and intense will result in a greater tendency to engage in improvisational behaviors that reflect greater innovation and risk taking as the venture unfolds.

Emergence of the Entrepreneur

Valliere and O'Reilly (2007) draw an analogy between entrepreneurs and mountaineers, pointing to commonalities such as goal setting, risk, and resource constraints. Yet what is missed in comparing how entrepreneurship is *like* mountain climbing is that both are individualistic experiences, and the structure of these experiences forms the person, just as the person forms the experience. The entrepreneur is an active player in the experience—not simply a passenger on a journey across time. He or she is a participant in the formation of reality. It is through the lens of his or her experience that the entrepreneur interprets life events and constructs a sense of self.

Those creating their first venture often have little in their backgrounds to prepare them to be an entrepreneur. Moreover, considerable variability exists in individual motives for venture creation (Morris & Schindehutte, 2005). If we consider work on traits and skills of entrepreneurs, we find an emphasis on tolerance of ambiguity, calculated risk taking, independence, ability to learn, social skills, and adaptability, among others (e.g., Bird, 1989). Yet the individual does not necessarily start with such characteristics. As the context itself is filled with events that are ambiguous, uncertain, and require adaptability, it is possible that exposure to such conditions results in self-development as the entrepreneur learns to cope, especially when these events give rise to strong negative and positive affect (Beal et al., 2005; McMullen & Shepherd, 2006). The individual does not start as an entrepreneur but becomes one.

We have argued that the individual is engaged in an ongoing process of assigning meaning to events, streams, and stocks of experiences that occur as a business idea is conceptualized and implemented. This process of enactment leads to the creation of a venture hand-in-hand with the emergence of an entrepreneurial mind-set. According to Deleuze's (1994) philosophy of becoming, the entrepreneur is always in the middle, and there is no beginning or end. The body operates in the present moment—it reacts to what

is. By contrast, the mind processes the responses from the body and tracks understanding of past experiences, goals, and aspirations. The mind also analyzes the gap between what is, what was, and what could be. In this process of becoming, the focus is on “what could be” (Chia, 1995). Instead of reproducing worlds, the entrepreneur is in a continuous process of creating them.

The characteristics of the entrepreneurial context pose unique challenges for finding meaning. As we have seen, meaning making is a sensory process that includes cognitive, emotional, and physiological reactions to experiences as the entrepreneur constructs knowledge. Constructs are formed regarding oneself and the venture that subsequently drive actions. As an individual assigns meaning to experiences, he or she is putting them in context with the rest of his or her life and exemplar experiences (Weick et al., 2005). The entrepreneur is placing them in an existing mental classification schema, relying on experience in securing and shaping a personal identity in the face of disruptive and often highly emotional events that influence knowledge construction (Murnieks, 2007). The entrepreneur is being continually reconstructed in real time through mutual entrepreneur–venture interaction. Thus, Polkinghorne (1991) suggests that identity is constructed by the iterative best-fitting together of remembered events into plots, while Downing (2005) concludes that identity is produced simultaneously with organization.

The nature of the affective experience may require the individual to build a new mental framework, one that enables the development of an entrepreneurial mind-set. Heuristics and cognitive mechanisms previously learned must be abandoned, which does not happen easily. The new framework finds the individual revisiting deceptively simple questions about what he or she believes to be true about himself or herself, the venture, the market, and other aspects of the emerging context. New meanings are arrived at in a manner that finds emotion interacting with cognition and physiology. Hence, Cardon et al. (2009) emphasize the significant role of passion in catalyzing identity. The individual is becoming something; an identity is being created (Tajfel & Turner, 1986). The entrepreneur is constructing new knowledge that produces an enlightened understanding of self and venture by seeing new meaning in terms of value that can be created, what the product can represent, company vision and values, and more.

The entrepreneurial mind-set represents an ongoing way of thinking and acting. Ireland, Hitt, and Sirmon (2003) define this mind-set as the ability to sense, adapt, and react under conditions of uncertainty. McGrath and MacMillan (2000) claim it includes alertness to new opportunities, approaching opportunities with enormous discipline, selection and focus on certain opportunities, adaptive execution, and leveraging capabilities. The individual with this mind-set continues to be motivated to create products, processes, markets, and ventures (Carsrud, Brannback, Elfving, & Brandt, 2009). Work on serial entrepreneurs reinforces this reasoning, as these individuals often bring an entrepreneurial mind-set developed during the process of starting earlier ventures (McGrath & MacMillan). Building on this discussion, we advance the following propositions:

Proposition 8: The development of key personal characteristics associated with entrepreneurs (e.g., tolerance of ambiguity, calculated risk taking, achievement motivation) is facilitated by the ongoing processing of salient events as a venture unfolds.

Proposition 9: The likelihood of the individual developing an entrepreneurial mind-set is greater where experiential processing results in more intense and positive affective states.

Emergence of the Venture

The uncontrollable nature of the venture-creation process suggests that what is successfully created is likely to differ meaningfully from what was initially planned. Changes that occur in organizations are often more emergent than predictable (Gartner, 1993; Plowman et al., 2007). Many actions are unplanned and reflect situational conditions and encounters with novelty. The path to a sustainable venture involves considerable trial and error. The ability to recognize and address errors, when in the midst of experiencing them, is tied to how the individual is processing immediate events, connecting them to past events, and anticipating the future. This processing includes the interplay of rational analysis, positive and negative affect, biases and perceptual distortions, bodily responses, and more. Meaning can be difficult to assign to cues, especially where experienced events are novel. The resultant stream of actions (or inactions) can profoundly impact the venture. A richer understanding of entrepreneurship requires that we focus on the creation of structure out of experiential events, not the creation of events out of structure (Louridas, 1999). Affective events define the structure of entrepreneurship rather than being a by-product of that structure.

The entrepreneur's risk orientation is an example of a factor affecting the sort of venture that emerges. One's risk orientation is not static and can be influenced by ongoing experience. A useful perspective is the "risk as feelings" hypothesis developed by Loewenstein, Weber, Hsee, and Welch (2001), which posits that individuals react at a gut level to risky situations, and the reaction is influenced by anticipated and experienced emotions. Thus, where entrepreneurs find venture creation filled with peak experiences and flow, their actions might be expected to reflect more risk, while an experience characterized by low arousal affect might find the entrepreneur more risk averse (Schindehutte et al., 2006).

Also relevant are the entrepreneur's goals for the type of venture they create. The way in which a person experiences events is influenced by what they are trying to accomplish (Magnusson, 1981). Events that are important for goal accomplishment will be experienced as more emotionally involving. Yet, as experiences are processed, goals are subject to modification (Harlow & Cantor, 1994). The adaptive nature of goals establishes parameters around the kind of venture that satisfies the entrepreneur. This likelihood in an entrepreneurial context is reinforced by Kuratko, Hornsby, and Naffziger (1997). Streams of experiences resulting in higher engagement and more positive affect can lead to more ambitious goals for the activity or behavior in question (Harlow & Cantor). Thus, experience-informed goals have much to do with whether what was intended as a lifestyle venture becomes a high-growth firm or vice versa. Such temporally based changes in growth orientation are common though not well understood (Stoica & Schindehutte, 1999).

In the final analysis, the relationship between the emergent entrepreneur and the emergent venture is interactive and dynamic (Alvarez & Barney, 2007). The entrepreneur is creating while being created. Each significant instance that defines the venture experience is processed at multiple levels involving the interplay of cognition, affect, and physiology. Engagement level and affectivity valence vary with peaks and valleys of ongoing experiencing. Meaning making and sense making result in decisions and behaviors that determine what is being created (Weick et al., 2005). Ongoing actions and outcomes in turn represent new events and experience streams that influence thinking, feeling, and acting. Meanwhile, identity is being formed and modified, and an entrepreneurial mind-set emerges, further affecting behavioral choices. The emergence of the venture is captured in the following proposition:

Proposition 10: Experiential processing influences the type of venture that emerges. Individuals whose experiential processing results in more positive and intense affective states are more likely to create innovative, growth-oriented ventures.

Discussion and Implications

The experiential perspective provides a useful framework for capturing the temporal stream of affective events that define the entrepreneurial process. Building on affective events theory, entrepreneurship represents a cumulative series of salient events, each of which is processed, contributes to sense making, facilitates learning, influences affective states, and can produce behavioral responses. The overall venture-creation experience will vary in the volume (number), velocity (rate at which they are processed), and volatility (degree or intensity) of events processed by the entrepreneur, leading to an array of emotions and feelings characterized in terms of positive and negative affect. By focusing on the experienced event as the basic building block, we move away from an instrumental view (e.g., entrepreneurs create ventures and ventures produce outcomes), and allow for the possibility that the venture emerges, in the process developing the entrepreneur. This is consistent with the structuration view of Sarason, Dean, and Dillard (2006), who portray the entrepreneur and opportunity as a duality where the entrepreneur is enabled/constrained by the opportunity identified and the structured processes of the venturing process, while the opportunity and the structuring processes are constructed and reconstructed in the entrepreneur's actions.

An experiential perspective is consistent with a situated view of entrepreneurial action, which emphasizes the interface between inner and outer environments (Berglund, 2007; Davidsson, 2004). Meaning is derived from the structure of affective experiences, not from measures and numbers (Von Eckartsberg, 1986). Further, meaning is not stable or predetermined by one's background or acquired skills. Instead, everyday actions and feelings are important, especially during early phases of entrepreneurial enactment because "the everyday is the scene where social change and individual creativity take place as a slow result of constant activity" (Steyaert, 2007, p. 10).

This discussion suggests an alternative way for conceptualizing the entrepreneur. Experience is the continuous present. It is pragmatic, and it is personal. As an actor in an unscripted temporal performance and embedded within the venture context, the entrepreneur is continually encountering novelty. He or she constructs units of experience without controlling them. These experiences take on properties rooted in affect and emotion. Relying on experience-based concepts to create meaning, the entrepreneur filters inputs from the world to produce his or her own unique reality. In the constructivist sense, it could be argued that we can only know ourselves in terms of what we have previously created and experienced. The entrepreneur constructs and reconstructs both an identity and a venture by applying motivation, intention, and affective reactions to past and present experiences and the anticipated future.

Approached in this manner, we begin to focus on the entrepreneurial journey itself as an exploratory activity that leads to development of the venture and the entrepreneur. The perceptions, beliefs, time horizons, goals, and actions of entrepreneurs are rooted in the unique way they experience. Many entrepreneurial decisions are outgrowths of the highs and lows, negative and positive affect, and engagement levels that are woven into the fabric of temporal sequences of events. While choices are certainly influenced by analysis and rational thinking, they are also a product of one's sense that the emerging venture context represents an experience of panic, flow, difference making, overwhelming burden, self-actualization, and so forth.

What may be an especially vexing challenge concerns how we conduct research on the entrepreneurial experience. One's affective sense of the experience (e.g., as uncontrollable, exhilarating, lonely) differs when fully engaged in it compared to how it appears when subjected to reflection and retrospective analysis. Pribram (1999) notes two modes of experience: (1) an "objective me" uniquely experiences the contents or objects of an event as they occur, and (2) a "monitoring, narrative I" that subsequently reconstructs the experience in the form of a self-composed narrative, where interpretations of events are moderated by attention, intention, and thinking. Content can change between these modes.

In testing the proposed model, our ability to grasp processes-in-context requires imagination with regard to methods (Steyaert, 2007). Yet methodologies are available that lend themselves to experiencing. The dominant research tradition is rooted in phenomenology, which is concerned with the nature of consciousness, in our case the first-person, subjective character of what it is like to be an entrepreneur. There is a strong ethnographic tradition in anthropology and sociology where the researcher lives with or gets close to a given group (e.g., indigenous tribes, people in homeless shelters) for some period of time, in the process observing and recording events, constructing stories, interpreting rituals and language, and otherwise determining meaning (Turner, 1986).

A number of qualitative methods could be adapted to test components of the model, such as the linkages between events and learning or affective outcomes, or between affect states and behaviors. For instance, the life story approach used by Rae and Carswell (2000) in examining how individuals learn to create high-performing ventures could be adapted. A purposefully selected group of entrepreneurs is asked to tell their stories, eliciting their narrative processes of recollection and sense making, and encouraging them to disclose insights about significant events and periods, which are then recorded and subjected to discourse analysis. The storylines and narrative structuring provide each entrepreneur with a personal theory that can give meaning to actions and events. Another promising method can be found in the critical incidents approach, such as that employed by Cope and Watts (2000) to study entrepreneurial learning. In six case studies, entrepreneurs elaborated on the best and worst times in describing how their businesses developed. Following a narrative, the interviewer plays an active role helping participants reflect upon and make sense of their experiences. To get at behavior, Berglund (2007) describes a similar approach in an examination of how risk is experienced and enacted, where relatively unstructured interviews produced protocols that were systematically analyzed to create categories that captured homogenous qualities of what was said. The recent work of Leitch, Hill, and Harrison (2010) offers insights into how to capture streams of events. Arguing that interpretivist methods are especially useful for portraying meaning rather than frequency and capturing experiences grounded in the lived world, they use the critical incidents technique to examine women's experiences in raising venture finance, showing how validation processes can be built into research designs. Sarasvathy (2001) demonstrates the value of verbal protocols where entrepreneurs think aloud as they make decisions, and the researcher analyzes semantic chunks relevant to the research question. Separately, Johnstone (2007) provides an excellent overview of issues and approaches when using ethnographic methods in entrepreneurship research.

It is also possible to develop insights into the model using quantitative methods. Cantor et al. (1991) examine the experience of being on one's own at college by first collecting baseline data on life tasks and perceived daily life stress through surveys, then employing event sampling and diary techniques to capture the fabric of daily life, and finally conducting a follow-up survey on life satisfaction and a reassessment of stress. Event sampling was accomplished with pagers or programmed watches, such that when signaled, the student would record activities and feelings on an experience sampling record sheet.

Such an approach could be adapted with a sample of entrepreneurs in their first month to determine how prior experience impacts the saliency attached to events as they occur, and the affective reaction to key events, with the follow-up survey assessing satisfaction. A variation can be found in Feldman (1995) who also used pre- and post-surveys, but these bracketed daily mood measures taken at different times of the day over 3 months and submitted weekly. Uy, Foo, and Aguinis (2010) have recently explored the application of experience sampling in entrepreneurship research, demonstrating a six-step, event-contingent protocol that utilizes cell phones. They note its usefulness in studying affective states at multiple points in time, especially when events occur at irregular intervals. Hence, the impact of affect (independent variable) on the entrepreneur's behavior (dependent variable) can be measured. To examine the dimensionality of an entrepreneur's affective experiences, Morris et al. (2010) have adapted a survey approach originally employed by Mano and Oliver (1993) when investigating consumer experiences. A limitation of this type of approach is the reliance on cognitive retrieval and self-reports.

In terms of future research directions, richer insights on the nature of entrepreneurship can be realized by unpacking the direct, first-person experience of the individual during daily activities related to the venture. As a fluid and emergent experiential process, the events and streams of venture creation must be captured longitudinally. While it is posited that pre-venture experience likely determines the saliency an entrepreneur attaches to a given event, and how that event is processed, it is worth examining how different kinds of past experiences affect the importance placed on emotions attached to different events as they emerge. The roles of volume, velocity, volatility, and timing of seminal events on learning, affective states, and venture outcomes are another area warranting additional investigation. Additionally, it is important to determine how the individual's experience continually shapes decision making and how errors are addressed. Can we capture the two-way interaction between firm and entrepreneur? Does a positive experience for the entrepreneur lead to positive firm performance leading to further positive experiences for the entrepreneur, producing a consistently reinforcing "cognitive loop," as proposed by Isen, Shalker, Clark, and Karp (1978)? Is the reverse true for negative experiences? Are there definable stages in terms of experiencing venture creation, such that at certain times the venture is more impacted and at others the entrepreneur is more impacted? Are there points within the experience at which a positive or a negative experience is better for either the development of the entrepreneur or the venture? All of these potential avenues for further investigation move us toward capturing the dynamic relationship between experience, affect and learning, decision making, innovativeness of the individual, and the willingness of the entrepreneur to engage in future entrepreneurial activities.

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