

Stereotypes, Myths, Realities

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Thanks To Others

Colleagues and organizations

- ◆ Nancy Carter, Catalyst
 - ◆ William Gartner, Clemson U.
 - ◆ Elizabeth Gatewood, Wake Forest U.
 - ◆ Paul Reynolds, Florida International U.
 - ◆ Leon Schjoedt, Illinois State U.
-
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 - ◆ The Kauffman Foundation

Students

- ◆ Karolina Bakalarova, U. of Southern California
- ◆ Elizabeth Crosby, U. of Southern California
- ◆ Andrea Kimmel, William & Mary
- ◆ Marieke Pieterman, William & Mary
- ◆ Josh Powers, U. of Indiana
- ◆ Linda Scott, William & Mary

Two Small Games



Two small games

- ◆ A prediction game
- ◆ A know-the-truth game
- ◆ Winners determined by
 - Beating the “expert,” and then by
 - Having the most correct in the truth game
- ◆ Prize for the winner(s)

The prediction game

- ◆ As quickly as you can, write down the name of the person you *first* think of when I ask you to...

- ◆ Name one entrepreneur

The US answers

- ◆ Jeff Bezos
- ◆ Richard Branson
- ◆ Sergey Brin
- ◆ Michael Dell
- ◆ Henry Ford
- ◆ Bill Gates
- ◆ David Hewlett
- ◆ Steve Jobs
- ◆ Mary Kay
- ◆ Ray Kroc
- ◆ Estée Lauder
- ◆ Bill Marriott
- ◆ Larry Page
- ◆ Anita Roddick
- ◆ Fred Smith
- ◆ Martha Stewart
- ◆ Donald Trump
- ◆ Ted Turner
- ◆ Sam Walton
- ◆ Some personal acquaintance

The answers (Sweden)

- ◆ Jarl Andersson
- ◆ Yngve Bergqvist
- ◆ Jonas Birgersson
- ◆ Margareta Dellerfors
- ◆ Salvatore Grimaldi
- ◆ Bert-Inge Hogsved
- ◆ Ingvar Kamprad
- ◆ Bert Karlsson
- ◆ Filippa Knutsson
- ◆ Knut Jacobsson
- ◆ Carin Lindahl
- ◆ Monica Lindstedt
- ◆ Leif Lundblad
- ◆ Fredrik Magnusson
- ◆ Gun Novak
- ◆ Kjell Spångberg
- ◆ Johan Stael von Holstein
- ◆ Jane Valerud
- ◆ Some personal acquaintance

And now the other game

- ◆ 1. Entrepreneurs want *cash*
- ◆ 2. They have to have *control*
- ◆ 3. They embrace *risk*
- ◆ 4. They want *recognition*
- ◆ 5. They want to follow family *traditions*
- ◆ 6. They expect *success*

Social Cognition

The image features a serene landscape with a wide, calm body of water in the foreground. In the middle ground, there is a dense, dark green forested shoreline. The background consists of several layers of misty, rolling mountains. The sky is filled with soft, grey clouds, and a bright sun is visible on the right side, partially obscured by the clouds, creating a soft glow. The overall atmosphere is quiet and atmospheric.

The “cognitive miser”

- ◆ Availability heuristic
- ◆ The entrepreneurial stereotype
- ◆ Cognitive models as personal decision rules

Who knows the stereotype?

- ◆ Writers for popular magazines
- ◆ The general public
- ◆ Potential entrepreneurs

- ◆ Founders of existing companies
- ◆ Researchers

The stereotype can produce

- ◆ An evaluative “template” for VCs
- ◆ Public policy choices
- ◆ Decisions about whether to start
- ◆ “Consistent” stories from founders
- ◆ Expectations among researchers

To learn the real truth, we must

- ◆ Obtain nationally representative samples
- ◆ Avoid retrospective biases
- ◆ Provide sufficient numbers of people in under-represented categories
- ◆ Combine closed-ended questions with open-ended ones

National Panel Studies



US Panel Study of Entrepreneurial Dynamics

- ◆ 64,622 RDD screening calls
 - Are you organizing a business?
 - Have you been active last 12 months?
 - Will you own it?
- ◆ 715 NE 102 PNE 399 CG
- ◆ Oversamples of women, minorities
- ◆ Three waves of data on full sample

PSED resources

- ◆ Data files at:

<http://projects.isr.umich.edu/pсед>

- ◆ Critical syntax file at:

www.wm.edu/psyc/kscleans04.sps

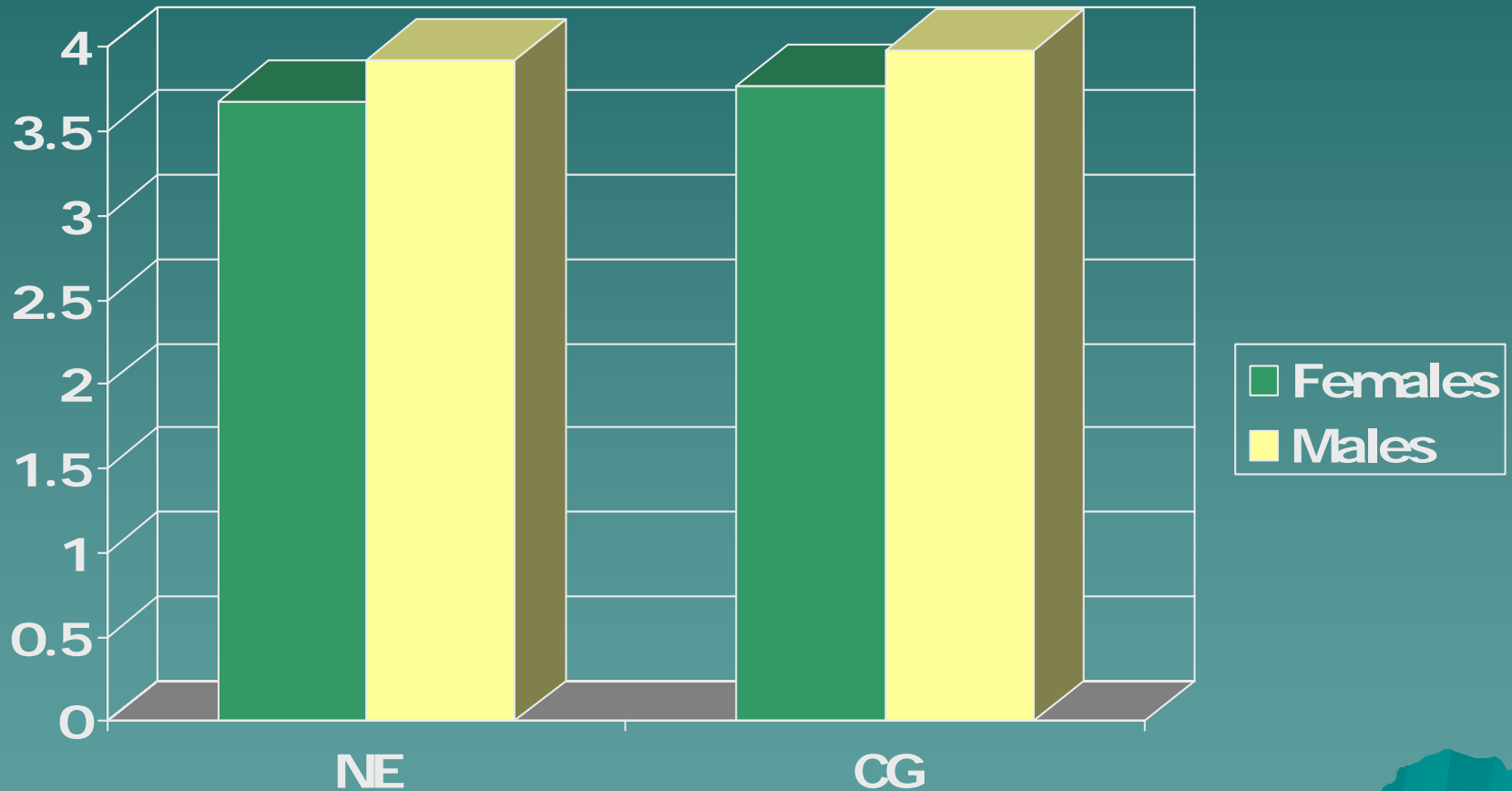
- ◆ Handbook of Entrepreneurial Dynamics at:

<http://www.sagepub.com/book.aspx?pid=10122>

Reality in the US

- ◆ 1. Entrepreneurs want cash

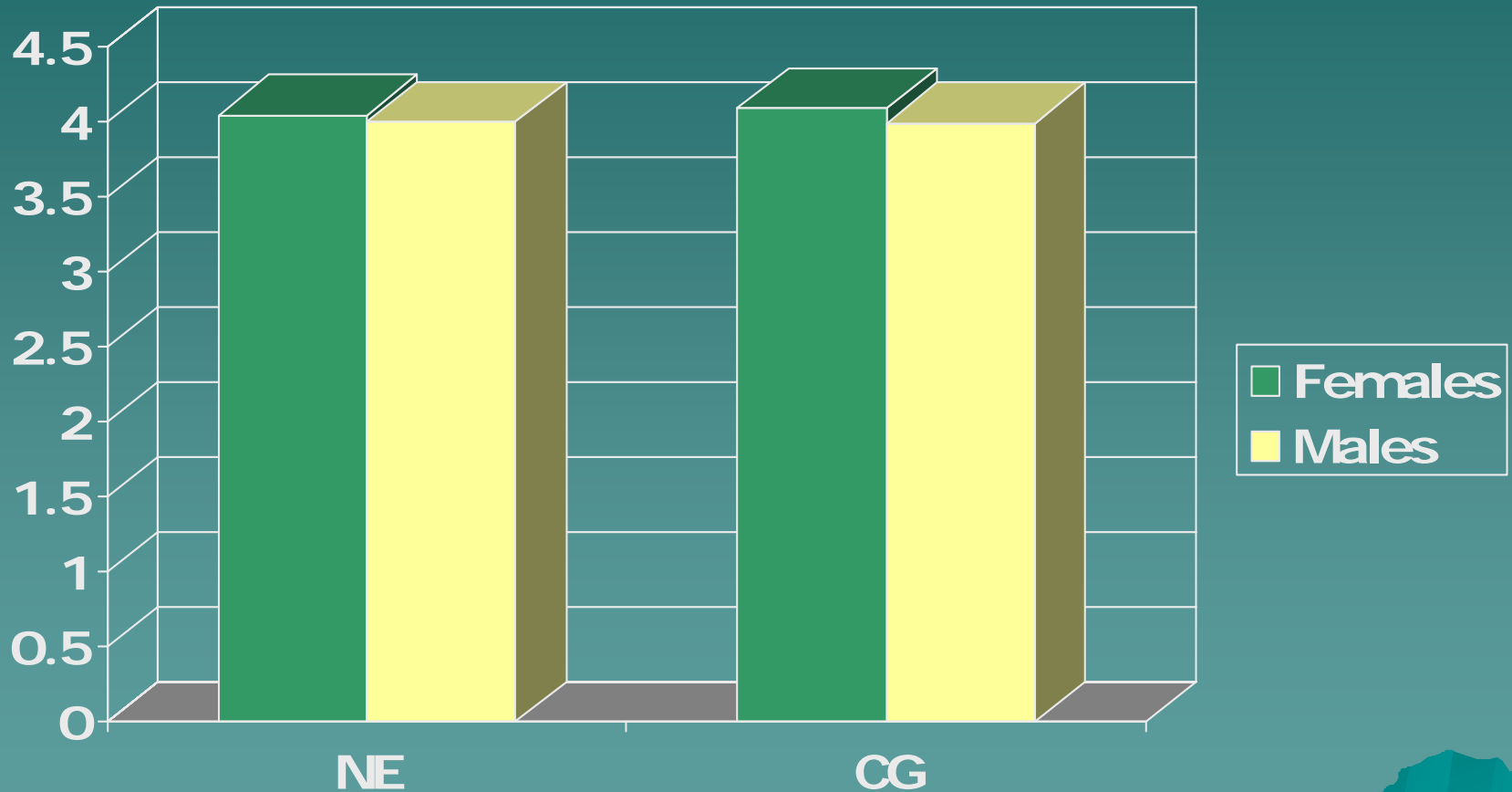
Financial success (Qg1k, g, n, j)



Reality in the US

- ◆ 1. Entrepreneurs want cash
- ◆ 2. They have to have control

Internal locus of control (QL1h, I, j)



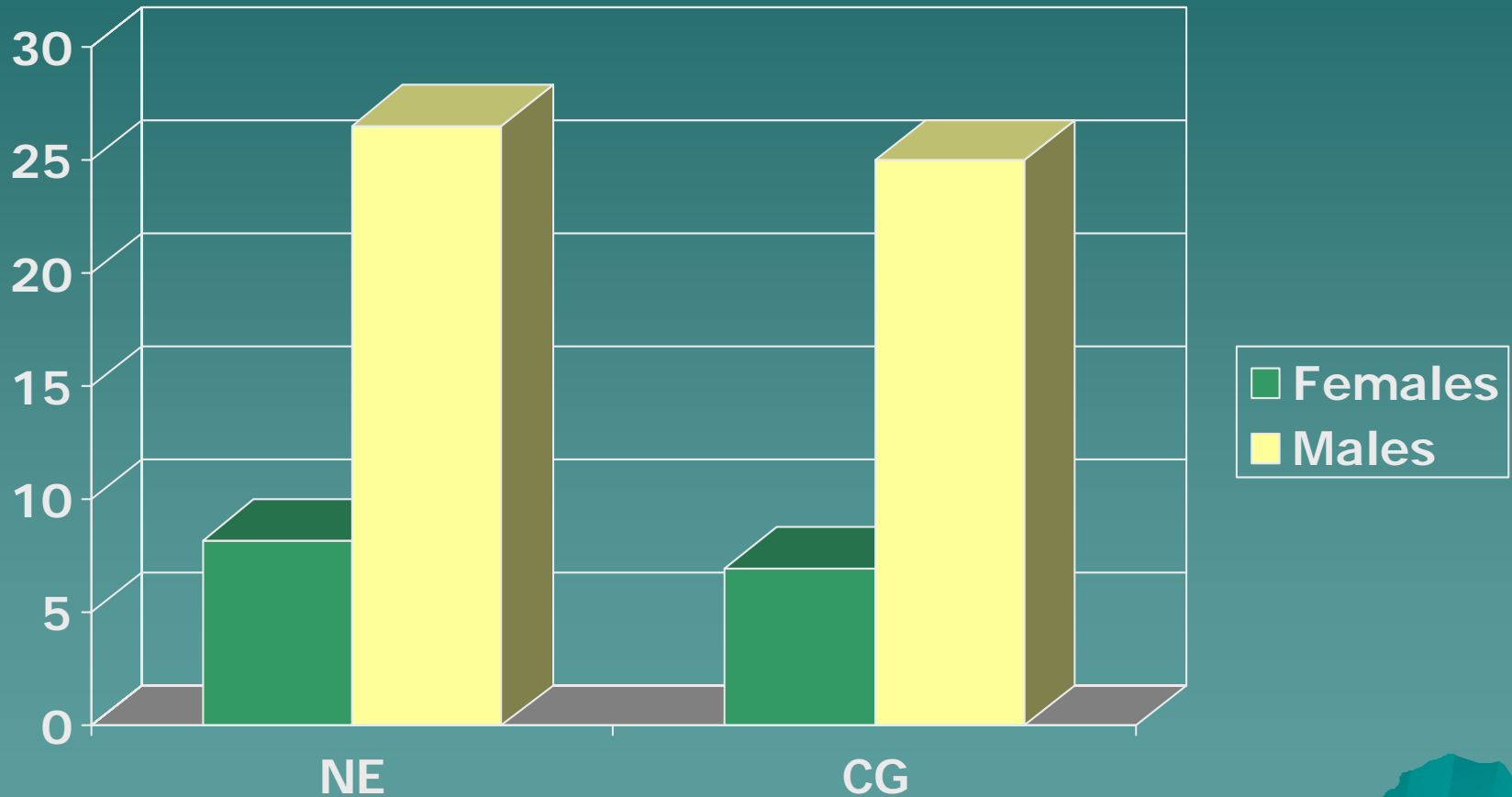
Reality in the US

- ◆ 1. Entrepreneurs want cash
- ◆ 2. They have to have control
- ◆ 3. They embrace risk

Risk taking (Qh9)

- ◆ ALPHA: A business that would provide a good living but with little risk of failure and little likelihood of making you a millionaire
- ◆ BETA: A business that was much more likely to make you a millionaire but had a much higher chance of going bankrupt

Percent preferring BETA



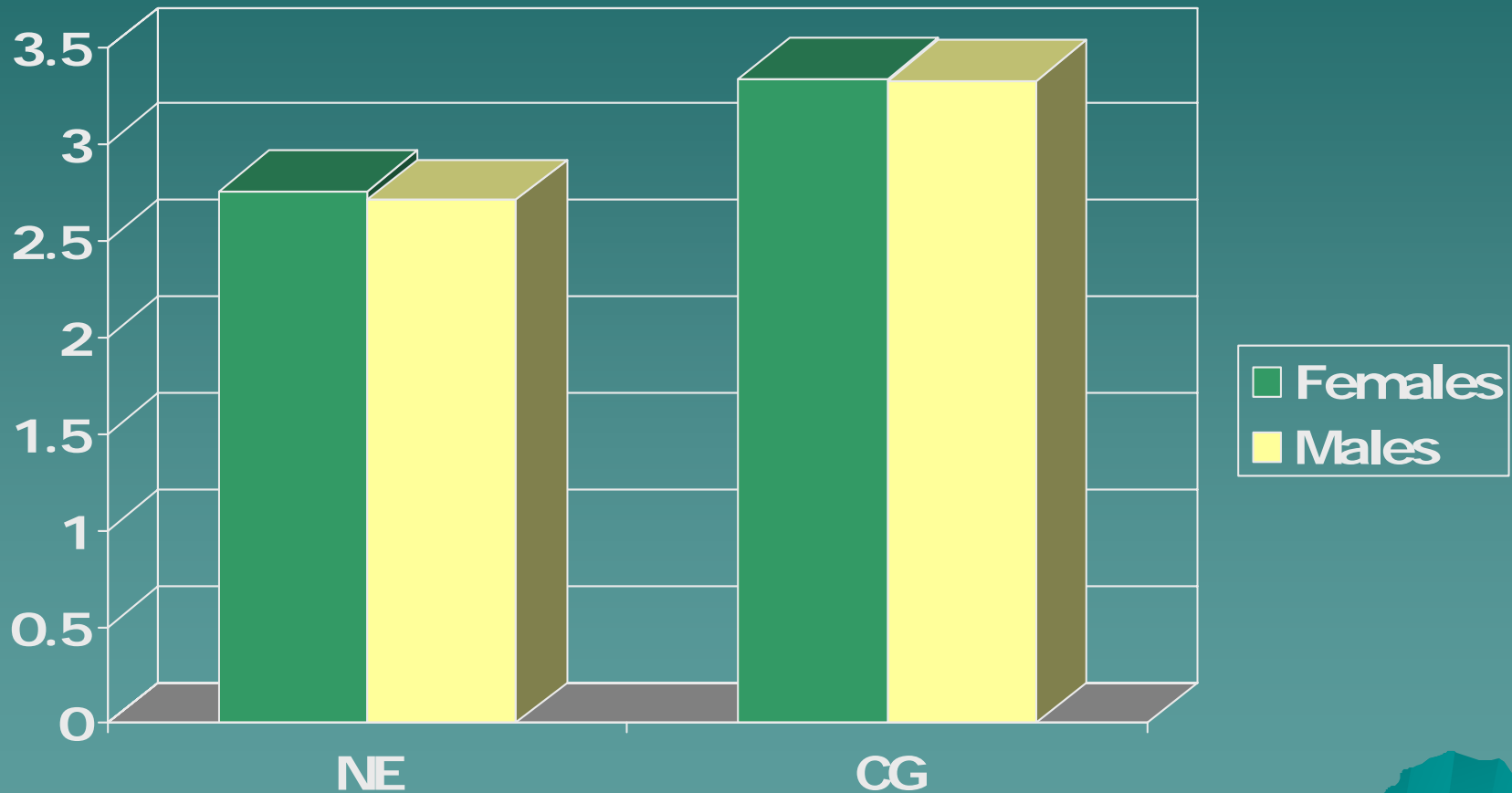
Reality in the US

- ◆ 1. Entrepreneurs want cash
- ◆ 2. They have to have control
- ◆ 3. They embrace risk
- ◆ 4. They want recognition

Recognition

- ◆ Achieve something, get recognition (Qg1I [Qg1eII])
- ◆ Be respected by my friends (Qg1e)
- ◆ Gain a higher position for myself (Qg1a)

Recognition (ell + e + a)



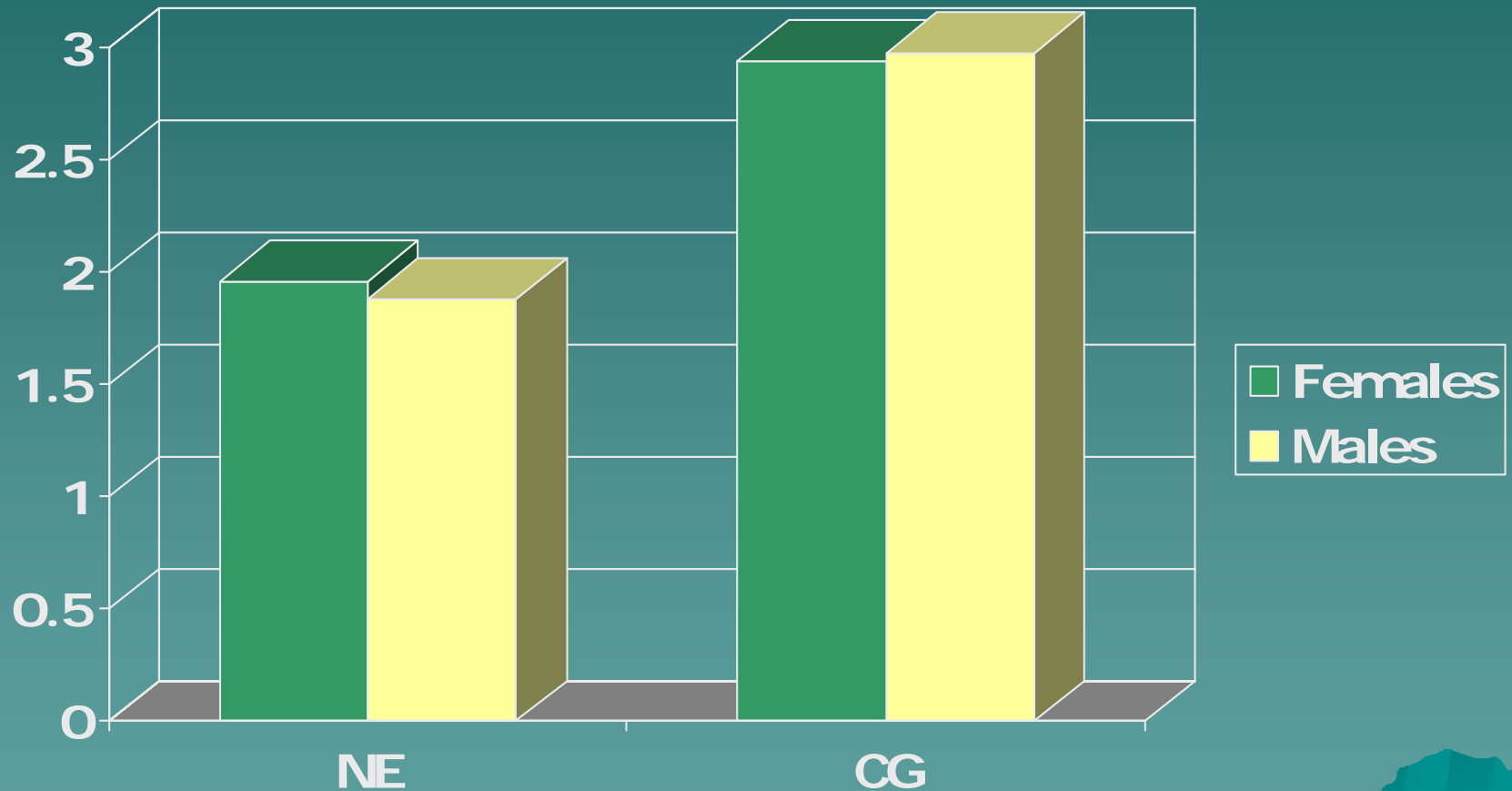
Reality in the US

- ◆ 1. Entrepreneurs want cash
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- ◆ 3. They embrace risk
- ◆ 4. They want recognition
- ◆ 5. They want to follow family traditions

Follow roles

- ◆ Continue a family tradition (Qg1d)
- ◆ Follow the example of a person I admire (Qg1i)

Follow roles (d + i)



Reality in the US

- ◆ 1. Entrepreneurs want cash
- ◆ 2. They have to have control
- ◆ 3. They embrace risk
- ◆ 4. They want recognition
- ◆ 5. They want to follow family traditions
- ◆ 6. They expect success

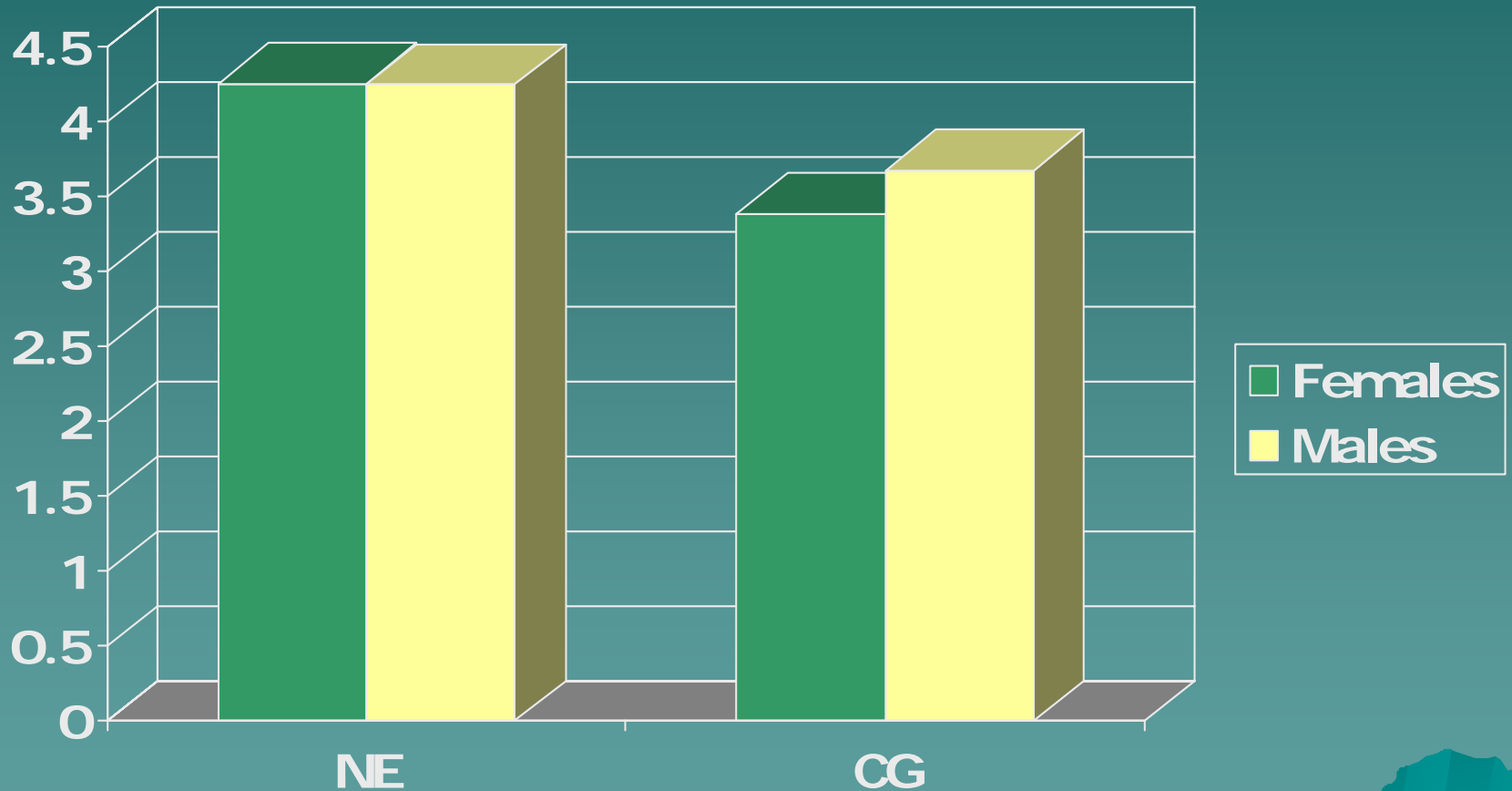
Expectancies – held

- ◆ If I work hard, I can successfully start a business (Qk1a)
- ◆ Starting a business is much more desirable than other career opportunities I have (Qk1b)
- ◆ If I start a business, it will help me achieve other important goals in my life (Qk1c)
- ◆ I am confident I can put in the effort needed to start a business (Qk1f)

Expectancies – learned

- ◆ Overall, my skills and abilities will help me start a business (Qk1d)
- ◆ My past experience will be very valuable in starting a business (Qk1e)

Total expectancies



Where do we go from here?

- ◆ For assistance professionals: look beyond the stereotype
- ◆ For potential entrepreneurs: there's only one Bill Gates. Deal.
- ◆ For researchers: be as careful with *how* you ask as with *what* you ask
- ◆ For educators: teach the skills, help expand the experiences

Questions?

www.wm.edu/psyc/estrad.pdf

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