Between cognition and discourse: phenomenology and the study of entrepreneurship

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Abstract

Purpose – The purpose of this paper is to describe phenomenological approaches to studying entrepreneurs and their behaviors. The goal is to illustrate how phenomenology can provide a complement especially to the cognitive and discursive approaches that are common in the field today.

Design/methodology/approach – Conceptual review.

Findings – Cognitive and discursive approaches typically seek coherent explanations of entrepreneurial behaviors by grounding them in intra-individual cognitions or extra-individual discourses. Phenomenology on the other hand seeks to capture more fully the richness of individuals’ lived experiences. While some degree of scientific reduction is inevitable in all empirical research, such reduction is also accompanied by the risk of ignoring essential insights, something that has potentially damaging implications for theoretical and meta-theoretical development as well as for practice. Phenomenological methods are thus well suited to develop new insights and to challenge and add nuance to existing, often more normative and structurally oriented, theories.

Research limitations/implications – The review of the literature focuses on representative studies and is therefore not comprehensive.

Practical implications – Research based on a richer appreciation of entrepreneurs’ lived experiences can inform both policy and more directly the design of specific support structures.

Social implications – Research based on a richer appreciation of entrepreneurs’ lived experiences can inform both policy and more directly the design of specific support structures.

Originality/value – This paper provides a novel discussion of the limitations of cognitive and discursive approaches by relating them to the phenomenological tradition. More generally, it identifies the potential conflict between coherent theoretical explanations and rich appreciation of the entrepreneurial life-world, as a central methodological concern in the entrepreneurship field.

Keywords Uncertainty, Start-ups, Entrepreneurialism, Methodology

Paper type Conceptual paper

Introduction

This paper describes phenomenological approaches to studying the entrepreneurial life-world, and argues that these provide a useful complement to cognitive and discursive approaches. Individual entrepreneurs – both their identities and their actions – have always been of central interest to entrepreneurship researchers. Given that the majority of entrepreneurial ventures fail (Kirchhoff, 1997), early individual-focussed efforts often targeted general propensities for risk taking and achievement to explain the behaviors of the “optimistic martyrs” (Dosi and Lovallo, 1997) who defy poor odds and sacrifice themselves for the greater good of society. Today, such broad traits based efforts have largely been abandoned. Empirically, Brockhaus (1980) and others (cf. Herron and Robinson, 1993) found that entrepreneurs and managers do not differ much, for instance in terms of risk-taking propensity. Theoretically, the main argument has been that general character traits are causally too distant from actual entrepreneurial behavior (Gartner, 1988). The rejection of the traits tradition has
led some researchers to compare entrepreneurs and others along more limited cognitive dimensions and in relation to more specific activities (Shaver and Scott, 1991; Mitchell et al., 2002). Others argue that the question “who is an entrepreneur” is indeed worth asking but that following recent developments in psychology and social theory, researchers should reconstruct entrepreneurial subjects and explain entrepreneurial action in terms of more or less public discourses (Cohen and Musson, 2000; Hjorth and Steyaert, 2004).

While there is great diversity and even ongoing disputes within both these approaches, much contemporary research can be broadly divided into these two, in many ways orthogonal, ways of conceiving of entrepreneurs and their actions[1]. Stated simply, the first stream, drawing on cognitive psychology, is based on a dualistic ontology where the goal is to uncover intra-individual cognitive schemas and scripts that interact with the environment to critically shape entrepreneurial decisions and behaviors (Mitchell et al., 2002). Studies in this tradition typically have nomothetic ambitions and the majority also use quantitative methods. Representative, albeit quite old, examples are Palich and Bagby (1995) and Busenitz and Barney (1997). The second stream, drawing on discourse analysis, is based on a social-constructionist ontology where the goal of research is to make sense of entrepreneurial talk and action in relation to extra-individual discursive resources. While nomothetic in that sense that they often invoke quite general discourses (e.g. relating to capitalism and individualism) these studies are more idiographic in the sense that they typically use qualitative methods to discuss individual cases. Representative examples are Cohen and Musson (2000), and Fletcher (2006).

While both cognitive and discursive approaches have greatly contributed to our understanding of entrepreneurs and their actions, they also have their limitations. This is true both when regarded as general methodologies (cf. Smith, 1996) as well as in the specific context of entrepreneurship studies, where uncertainty, ambiguity and conflict – commonly seen as defining of the entrepreneurial life-world – tend to be downplayed when the overarching goal is to trace actions to common cognitions or broad discursive influences (cf. Berglund, 2007a). From a phenomenological standpoint, both approaches risk losing sight of the entrepreneur as a complete and complex human being. In the words of Alfred Schütz, they neglect the methodological imperative of phenomenologists to “go back to the ‘forgotten man’ of the social sciences, to the actor in the social world whose doing and feeling lies at the bottom of the whole system” (Schütz, 1964, p. 7)[2]. In what follows the implications of this imperative for entrepreneurship research will be elaborated in some detail.

To accomplish this, the paper is organized as follows. First, the cognitive and discursive traditions are briefly reviewed with emphasis on their historical developments, meta-theoretical assumptions, methods and exemplars. Again, it should be noted that neither cognitive nor discursive approaches to the study of the entrepreneur are completely homogeneous. However, each approach tends to rest on a set of core assumptions. In order to highlight these assumptions what follows is not a comprehensive review. Instead, focus will be on a number of illustrative and paradigmatic studies that clearly illustrate these assumptions. After a reflection on the pros and cons of cognitive and discursive approaches, phenomenology is introduced and discussed as an alternative methodological approach that can be said to reside in between the cognitive and discursive approaches. Specifically, focus is on the contributions that a phenomenological approach can make to both cognitively and discursively oriented entrepreneurship research. This means that more technical...
aspects of phenomenological methods – such as procedures for collecting and analyzing empirical material, dealing with ambiguities, ensuring validity, etc. – will not be in focus. Instead the reader is referred to Smith and Osborn (2003) for a general methods guide and to Berglund (2007a) for an example and discussion in the context of entrepreneurship.

Cognitive approaches

Development and focus

Cognitive approaches to entrepreneurship focus primarily on the mental processes within individuals as they interact with other individuals and their surrounding environment. Findings from the study of human cognition in general have shown that people have limited information-processing capacities and therefore do not always think in accord with postulates of rational choice. One consequence of this is that people rely on simplifying cognitive schemas and heuristics to make sense of the world and guide actions. In recent decades, both psychology proper and entrepreneurship scholars have begun to emphasize the social and situated nature of cognition (Fiske and Taylor, 1991; Haynie et al., 2010). But regardless of how much emphasis is placed on environmental contingencies, entrepreneurial cognition researchers tend to focus their efforts the ways in which entrepreneurs process information and store knowledge as means to understand entrepreneurs and their behaviors (Mitchell et al., 2002).

Besides formulating a powerful critique of homo economicus, cognitive approaches in organization studies emerged mostly as a response to theories emphasizing situations and institutions such as population ecology, transaction cost economics and resource dependency theories (cf. Walsh, 1995). While partly true for entrepreneurship studies as well, researchers in this tradition more often position themselves against the study of general personality traits (Baron, 1998; Mitchell et al., 2002). Still, most cognition researchers do not discard the intuition that entrepreneurs are somehow a unique group with distinct qualities. Instead, the ambition is to propose more detailed and specific conceptions of "the entrepreneur" and her actions. In a programmatic paper, Mitchell et al. (2002) thus assert that: “the fundamental idea that entrepreneurs are members of a homogeneous group that is somehow unique, has not gone away” (p. 95).

Meta-theoretical assumptions

Cognitive approaches to entrepreneurship tend to be ontologically dualist and epistemologically committed to mentalism (Grégoire et al., 2011). Entrepreneurs are seen to possess certain cognitive properties that exist independently of the situations in which they act, and these cognitions can be captured and described in a fairly straightforward fashion. While it is generally acknowledged that accounts of human behavior must always consider both the interplay between individual and situation, cognitions are seen to have independent existence (Grégoire et al., 2011). Indeed, the fact that people often act within exceedingly complex environments is often seen an argument in favor of a focussing on a relatively “thin” view of human cognition. Stated simply, this argument for a cognitive approach, which is most clearly spelled out by Herbert Simon (1996, p. 51), sees complex behavior as the result of relatively simple cognitions that interact with complex environments. So instead of trying to theoretically describe highly complex and often irregular entrepreneurial behavior patterns in a coherent fashion, it makes sense to study the relatively more stable and simple cognitions that, in interaction with the complex environment, cause them.
This leads to an epistemological focus on entrepreneurs’ cognitions in relative isolation and a reification of entrepreneurial cognitions as “mental constructs” postulated to exist ‘in the mind’ (Grégoire et al., 2011, p. 1446). This focus also leads researchers to summarize the essence of what entrepreneurs say and do in terms of more or less context independent cognitive schemas or scripts[3].

Methods and exemplars
Studies of entrepreneurial cognitions employ a wide variety of methods including deductive experiments and questionnaires that test whether entrepreneurs exhibit greater than normal reliance on specific cognitive schemas and scripts (e.g. Baron, 1998; Mitchell et al., 2002; Hayward and Shepherd, 2006) and more inductive methods that identify common entrepreneurial cognitions based on detailed analyses of specific cases (e.g. Sarasvathy, 2007; Bingham et al., 2007).

An early and influential example of a questionnaire-based study was conducted by Palich and Bagby (1995) who compared entrepreneurs and non-entrepreneurs in terms of both general risk taking risk-taking propensity and the extent to which business scenarios were cognitively framed as more or less risky. As predicted by Brockhaus (1980), they found that entrepreneurs were no more risk prone than non-entrepreneurs. However, the entrepreneurs were found to systematically categorize identical business scenarios as less risky compared to non-entrepreneurs. This led the authors to conclude that: “entrepreneurs do indeed operate by a unique set of cognitive processes” (Palich and Bagby, 1995, p. 435).

In a similar scenario-based questionnaire study, Busenitz and Barney (1997) found that entrepreneurs, when compared to managers, were generally more confident in their own knowledge and also more likely to employ simplifying heuristics when arriving at strategic decisions. Based on this, the authors concluded that: “By applying the theory of biases and heuristics, this study has shown that entrepreneurs and managers in large organizations think differently” (Busenitz and Barney 1997, p. 23).

Sarasvathy (2007) instead used inductive methods to uncover entrepreneurial expert cognitions. She analyzed think-aloud protocols from 27 highly successful entrepreneurs who were asked to solve a comprehensive series of problems related to the founding and development of a new venture. Using think-aloud protocols avoids many problems common to methods that rely on retrospective analyses, in which entrepreneurs are forced to reconstruct their thinking and may produce good, but not necessarily true, stories of how they thought when problems were solved and decisions made (Ericsson and Simon, 1985). By forcing subjects to continuously verbalize their thinking as problems are solved, the researcher is given more direct access to the cognitive processes at work. Sarasvathy’s analyses showed that the diverse entrepreneurial responses could largely be explained in terms of a small set of expert heuristics, including: an emphasis on what can be done rather than on what ought to be done, a focus on affordable losses rather than on expected returns, an ambition to enlist interested partners rather than conducting rigorous competitor analyses, and a view of contingencies as opportunities to shape a better future rather than as problems and obstructions to a given path (Sarasvathy, 2001, 2007).

Discursive approaches
Development and focus
Discursive approaches are concerned with entrepreneurs as embedded in socially constructed meaning systems that largely determine both their identities as
entrepreneurs, as well as what are seen as legitimate and appropriate courses of action (Cohen and Musson, 2000). As such, discursive approaches to entrepreneurship emerged as part of a growing appreciation for the role of langue in social science and organization studies. Just as researchers began to acknowledge that stories are important conveyors of knowledge (Orr, 1996) and that language is often used to accomplish rather than represent things (Potter and Wetherell, 1987), the idea also began to gain currency that identities and attitudes may be relational and discursive rather than resting firmly within individual minds (Gergen, 1991). In the entrepreneurship field, the discursive turn has mainly been framed in opposition to an overly individualistic view of the entrepreneur (Hjorth and Steyaert, 2004). Discursively oriented researchers are not particularly interested in salvaging the notion that entrepreneurs are members of a homogeneous and extraordinary group. To the contrary, “rather than to see entrepreneurs as masters of their own creation, entrepreneurial identities are formed in the webs of actualized discourses” (Steyaert, 2004, p. 8).

Meta-theoretical assumptions
Discursive approaches to entrepreneurship tend to be ontologically and epistemologically social-constructionist (Hjorth and Steyaert, 2004). Entrepreneurs are typically not seen as extraordinary individuals who drive markets and influence their immediate environment by dint of some unique psychological make-up. Quite to the contrary, entrepreneurial identities are primarily seen as the result of individuals being embedded in more or less general discourses (Hjorth and Steyaert, 2004). These influential discourses can range from general enterprise discourses – relating to dynamic capitalism, notions of individual autonomy, ideas of self-actualization, etc. – to more local and specific narratives. Taken together, these discourses critically shape entrepreneurs’ identities and also help define the relevant contexts in which their identities and entrepreneurial actions make sense. By emplotting themselves within such discursively defined contexts – e.g. in the form of a plausible and socially sanctioned view of the venture’s future development – entrepreneurs are able to make sense of what is happening around them and to determine what are appropriate courses of action. Researchers in this tradition are thus interested in how entrepreneurial identities and actions are shaped by their discursive embeddings (Fletcher, 2006; Gartner, 2007).

Consequently, focus is not on individuals and their stable traits or cognitions, but on the processes through which individuals engage discursive resources to construct narratives and storylines that make sense of both their identities and their activities. Indeed, it is through such narratives that individuals secure a sense of coherence of the world as well as a feeling of direction in their lives (Gergen, 1991). While discursive approaches are seen as offering an alternative to personality studies, individuals are still regarded as being reflexive and, at least in part, capable of strategically selecting which discourses to invoke in order to achieve specific goals (cf. Lounsbury and Glynn, 2001; Fletcher, 2006; Anderson and Warren, 2011).

Methods and exemplars
When a discursively oriented researcher interprets an entrepreneur’s statements or actions – whether the data comes from secondary sources (Fletcher, 2006), interviews (Cohen and Musson, 2000) or as part of longer ethnographies (Down, 2006) – these are
primarily seen as determined by the situation in which the subject finds herself. The ambition is often to examine how certain discourses come together to construct individual identities and influence what they say and do. Discursively oriented entrepreneurship researchers thus question the direct link between entrepreneurs’ statements and underlying cognitions. Instead of seeking to trace them to the entrepreneurs’ inner thoughts and attitudes, the goal is to map talk and action onto available discursive resources.

Set in post-Thatcher Britain, Cohen and Musson (2000) trace the effects of a very general enterprise discourse with its emphasis on “individualism, wealth creation and freedom” (Cohen and Musson, 2000, p. 31) in “the material practices of small business owners, and especially in their talk. We take as our point of departure [...] the talk of individuals in small businesses as a means of accessing how the enterprise discourse is mobilized and internalized by individuals in these particular circumstances” (Cohen and Musson, 2000, pp. 32-33). Specifically, the authors studied how enterprise discourse, mediated by a government health service reform, gradually but radically reconstructed the professional identities of 19 self-employed general medical practitioners (GPs)[5]. This change had wide ranging practical effects as the GPs reconceptualized their professional identities to include more and more business considerations. This included a growing tendency to frame medical decisions in terms of profitability. For instance, after the reform almost all GPs began to see it as natural to give out tetanus injections every five years, which was the more profitable interval, rather than every ten years, which was universally judged to be clinically appropriate.

Ellen O’Connor (2004) followed a Silicon Valley Internet startup, partly as an employee, over the course of its lifetime. Her story focusses on more local discourses and details how actions and decisions were in fundamental ways shaped by the evolving identity and “venture storyline” through which the people in the startup understood themselves, and consequently sought to legitimize themselves and their product to external stakeholders. Originally the venture idea was described in terms of radicalizing democracy and perhaps even overthrowing capitalism by using IT to harness individual opinions about firm misbehavior and social problems, thereby affording common but dispersed complaints a loud and focussed voice. With time, the organization redefined itself and its goals in order to gain legitimacy and access to resources and customers. As a first step, the founders sought to complement the original vision with a traditional profit-seeking product line. However, the entry of new team members with more business experience, made the commercial storyline more and more dominant as the firm saw itself forced to comply with traditional product definitions and business mores. In the end, the firm found itself developing a sub-system for a customer relations management tool. Over the course of the firm’s development, the same kind of high-level activity, such as developing a feature or approaching a partner, meant radically different things depending on which “venture storyline” it was part of. In short, the entrepreneurs were forced to comply with dominant business discourses and gained necessary access and legitimacy through a step by step “grafting of the storyline of the new company onto existing relevant, generally accepted, and taken for granted storylines” (Ellen O’Connor, 2004, p. 106).

**Reflection on the cognitive and discursive approaches to entrepreneurship**

Since entrepreneurship has proven difficult both to define theoretically and delimit empirically (Shane and Venkataraman, 2000), contributions that draw on alternative meta-theoretical perspectives and that use a variety of methods should be welcomed.
As always, it is also a good idea to let phenomena and knowledge interests guide methods and not the other way around. In the case of understanding entrepreneurs and entrepreneurial action – here defined as taking action under conditions of uncertainty – one can argue that appreciating the rich and potentially paradoxical entrepreneurial life-world is of critical importance, and that the complexities of the phenomenological “insider perspective” should therefore not be prematurely simplified in the name of theoretical or methodological coherence.

As shown in the examples above, cognitive and discursive approaches both contribute to our understanding of entrepreneurship and entrepreneurial action, but both also have their limitations. Cognitive approaches, while internally diverse, tend to share a view of action as critically caused by situation independent schemas and scripts. As such, they are seen to operate on a sub-conscious level where they, in a sense, maneuver the entrepreneur about (cf. Tsoukas, 2005). Discursive approaches instead focus on how ventures and entrepreneurial identities are constituted within a framework of publicly available and more local discourses. Considering these discourses is seen as necessary to understand the nature of an entrepreneur’s identity and actions. However, by focussing on the influence of stable discourses and the development, by entrepreneurs, of coherent venture storylines or narratives, this tradition tends to downplay the richness and ambiguity of the entrepreneurial life-world. This danger was explicitly acknowledged in an appendix to Down’s (2006) excellent ethnography:

The story I tell has progressively become a more coherently organized and conceptually coherent one. It seems to have much more of a point to it than it once did, which is clearly a good thing. All forms of narratives need to have the random events of experience filtered and selectively appropriated, and then retold in interesting and useful ways. There is something real lost though in this process of ordering and conceptual articulation (p. 119, emphasis added).

The risk then is that by focussing from the outset on cognitions or discursive influences, researchers may be too quick to abandon the richness of the entrepreneurial life-world. While it is often argued that science should not deal with the idiosyncrasies of individual cases, it is also wise to recall that general understanding is always grounded in familiarity with specific cases. In the specific context of entrepreneurship, premature empirical abstraction in combination with ambitions toward generality may downplay the ambiguity and uncertainty that is so often said to characterize the situations faced by entrepreneurs. This is in stark contrast to the phenomenological tradition, which we turn to next.

Phenomenological approaches

Phenomenology as general philosophy and method

Both as philosophical movement and methodology, phenomenology privileges people’s life-worlds or lived experiences – i.e. the immediate experiences of phenomena or situations as they are lived through and coped with in everyday life – over abstract knowledge or reflection. This means that phenomenology does not invoke either nature or culture as the ultimate source of experiences; focus is on understanding the life-world as such (Merleau-Ponty, 2002; Berglund, 2005).

The focus on the life-world can be traced to the phenomenological tradition’s emphasis on what Heidegger called Being-in-the-World as the ontological primitive. Contrary to traditional ontological divisions into consciousness and matter, agent and structure or subject and object – which phenomenologists say obscure the fundamental
mode of human being – people are not seen as separate from the environment. Instead the totality of human Being-in-the-World is taken as the point of departure (Dreyfus, 1991). As human beings we are thus not defined either by our capacity for abstract thought nor by our material existence. Instead, we are defined by our very existence as embodied and embedded individuals who naturally experience specific situations and objects as meaningful, by dint of the way they relate to the totality of our experiences. This idea – that meaning is grounded in the relation between parts and the whole – is often called the hermeneutic circle. This means that the meanings phenomena have for us as individuals can never be fully captured by abstract concepts, nor do they rest in general discourses or belong with the things themselves. Rather, the meanings of particular things (such as a hammer) reside in the way we relate them to other meaningful things (such as nails and wood), including the diverse practices in which they make sense for us (such as constructing or demolishing). Each person’s life-world is then the result of a historically spun web, or “referential whole,” of interrelated things, background understandings and practices (Dreyfus, 1991, pp. 97-99).

Phenomenological methods are common in applied fields such as nursing (Benner, 1994) and pedagogy (van Manen, 1990) where both researcher and practitioner interests are permeated by a deep interest in the subjective experiences of their subjects. To be a competent nurse takes more than correct reading of vital signs, making of diagnoses, etc. Similarly, good teachers do much more than deliver lectures and set grades. Excellence in professions such as these also require empathy and compassion for the complex experiences of patients and students, and researchers have therefore studied subjects’ experiences of living with chronic pain (Hellström, 2001) and school children’s feelings of loneliness (Kirova-Petrova, 2000) in ways that allow for more sympathetic care and attentive pedagogy. Such studies have no immediate ambition to dig beneath subjects’ often incoherent and paradoxical everyday understandings. This ambition sets phenomenology apart from both the cognitive and discursive approaches where the goal is typically to explain, in a coherent fashion, experiences and actions by recourse to either shared underlying cognitions or more or less general discourses.

Phenomenology and entrepreneurship studies
A fuller appreciation of the richness of lived experiences may be especially relevant to studying entrepreneurship, which is often defined by its demand for creativity and judgement in the face of unclear goals and radical uncertainty. Especially during early formative phases, entrepreneurship can be an intensely emotional activity (Cardon et al., 2005) where any and all social relationships are of potential importance for the development of the venture (cf. Jack and Anderson, 2002). More generally, it has been argued that the entrepreneurial life-world is essentially characterized by its uncertainty and open-endedness, which implies that “there is no a priori limit to what information is relevant to [the entrepreneur]; in principle, anything could be relevant” (Dew and Sarasvathy, 2007, p. 270). This implies that all situational contingencies – as well as the entrepreneur’s entire life-history of experiences and relationships – is of potential relevance. Indeed, it can be argued that the essential nature of the entrepreneurial role turns on the enactment of such open-ended situations (Gartner et al., 1992). Again, this is especially true in the very early stages of the entrepreneurial process and it suggests that general theories of entrepreneurial identities and behaviors are inherently problematic.
Phenomenology can be used to highlight the tension between the life-world and theoretical accounts of it in a way that reflects a fundamental chasm between the richness and ambiguity of life as we must “live it forward” and our attempts to coherently “understand it backwards” (Dreyfus, 1991; Flyvbjerg, 2001; Weick, 1999). While this rift between complex and idiosyncratic life-worlds and more general theories may be of minor importance when describing many aspects of human activity, it is potentially fatal to neglect when theorizing entrepreneurship qua enactment of uncertain and open-ended situations. The added value of using phenomenological approaches to study entrepreneurship is consequently to capture entrepreneurs’ lived experiences in ways that are sympathetic to its richness and seek to elucidate and appreciate, rather than downplay and treat as anomalies, its paradoxes and conflicts (Berglund, 2005).

Examples of phenomenologically oriented entrepreneurship studies
Phenomenological approaches to entrepreneurship seek, as far as possible, an “insider’s perspective” of the phenomenon or episode under investigation. An important part of this ambition is to remain sensitive to ambiguity, complexity and indeterminacy as entrepreneurs conceive of and work through particular phenomena or situations (cf. Berglund, 2005, p. 32). This means that traditional validity criteria in qualitative research, which focus on communicative and pragmatic validity, need to be complemented with transgressive validity criteria – i.e. the idea that paradoxes and incoherences should not be seen as inconsistencies to be removed but as essential aspects to be retained for accounts to be valid (Sandberg, 2005).

In practice, phenomenological research aims to describe in some depth how one or a limited number of individuals experience and enact certain phenomena or situations. Using rich qualitative data, e.g. from interviews, action-research, ethnographies or analyses of personal texts such as diaries, researchers seek to develop structured accounts of individuals’ lived experiences and modes of coping. While the richness of individuals’ lived experiences always provides the starting point, this emphasis does not prohibit efforts to develop more general theory. It does, however, demand that such efforts proceed very cautiously, building from rich appreciation of individual cases and working gradually up toward generalization, so that essential aspects of the experience studied are not overlooked (Smith et al., 1995). To ensure valid generalizations from phenomenological data, it is important that the process is transparent so that the reader can see how the researcher has arrived at his or her conclusions. Two examples of phenomenological analyses that attempt varying degrees of generalization follow.

Cope and Watts (2000) used unstructured interviews with six British entrepreneurs to explore how entrepreneurs learn from critical events or periods. Through the interviews, the authors came to appreciate the “immense diversity of accumulated learning brought to the start-up, the individuality of both the context and the development of every small start-up and the super-complex interactivity between the ‘personal’ and the ‘business’” (Cope and Watts, 2000, p. 118). While always framed in a general business context, the critical events were always described and resolved in very personal ways that drew on complex relations with partners and employers, heavy responsibilities toward friends and family and related moral tradeoffs. As an example, one of the entrepreneurs described how a serious marketing error that he himself committed had doomed the company. This situation made it apparent that “everything is heightened in times of crisis and [that] the emotional side of small
business comes to the fore” (Cope and Watts, 2000, p. 122). Thinking back, the entrepreneur says that he does not know how he would handle a similar situation, should it ever occur again. However, at the time when “everything was on the line” (Cope and Watts, 2000, p. 123) he describes how he choose to prioritize himself and the wellbeing of his wife and family at the expense of his partner, who was left with a company heading for bankruptcy. In reflecting on this moral dilemma, he still sees no clear right or wrong resolution. However, the frightening realization of what he was capable of did have a profound effect that “radically changed both his whole attitude to business and his perception if himself” (Cope and Watts, 2000, p. 123). This rich description of how one entrepreneur agonized over a self-inflicted company crisis – trading off conflicting loyalties to himself and his family and changing his self-perception in the process – provides a valuable alternative to the more dispassionate descriptions of rational or irrational entrepreneurial decision-making typically found in the literature (e.g. Busenitz and Barney, 1997).

Whereas Cope and Watts remained relatively close to their data, Berglund (2005) sought a slightly higher degree of generalization by combining the results of three phenomenological studies that examined how technology entrepreneurs experience and enact risk (Berglund and Hellström, 2002), opportunity (Berglund, 2007b) and self-identity (Hellström et al., 2002) as part of the venture creation process. While each study contains rich empirical descriptions of these three themes, the findings were brought together in tentative model that highlights the complex and ambiguous nature of entrepreneurial action more generally. In the model, the detailed results of the individual studies are brought together in a discussion of entrepreneurial action that centers around three generic tensions that most entrepreneurs appear to grapple with: ego-involvement vs detached rationality, autonomy vs openness and long-term vs short-term focus. The first of these, ego-involvement vs detached rationality, describes the tension between a very personal involvement and more detached modes of engagement. While passion and personal interests are important aspects of entrepreneurial action, entrepreneurs sometimes need to detach themselves from their ventures. This may be very difficult and to attain the necessary detachment entrepreneurs were found to recall or construct temporary identities that allowed them to suspend their own feelings, for instance when making important decisions. The second tension found that autonomy – as both an existential need and a set of practical strategies for shielding the innovative integrity of the venture – is moderated by a balanced and necessary infusion of external influences. The third tension describes how short-term incrementalism and adaptation – which are often necessary for practical reasons such as lack of resources but also stem from the inherent uncertainty of the future – need to be balanced against some form of stable core or vision that guides the venture.

In one of these studies, Berglund (2007b) used the phenomenological data to criticize and add nuance to notion of entrepreneurial opportunities – in particular the theoretical opposition between discovery and creation opportunities. This study found the way entrepreneurs experience and enact opportunities to be more complex and more contingent on specific situations and purposes than existing theories suggested:

A suitable way of conceiving opportunities is therefore not as either existing or created per se, but as a bundle of more or less clear opportunity perceptions and opportunity projections that become relevant in a variety of situations and for a number of different reasons. It is in this multifaceted role that opportunities are truly relevant, since acting as if opportunities are both existing and created provides the cognitive and practical drivers that guide entrepreneurial actions (Berglund, 2007b, pp. 269-270).
This line of thought adds nuance to the more general suggestion to regard opportunities as subjectively imagined rather than either discovered or created (cf. Klein, 2008). Similarly, it provides empirical support for more recent calls to abandon the opportunity construct in favor of New Venture Ideas, which have been suggested “as a label for the subjective perceptions that guide entrepreneurial action” (Davidsson and Tonelli, 2013, p. 7).

As the above examples show, phenomenological methods are well suited to develop new insights and to challenge and add nuance to existing, often more normative and structurally oriented, theories. These and other implications are discussed in some detail next.

Discussion
The value of phenomenology as method
Phenomenological studies can provide detailed accounts of the entrepreneurial life-world that are valuable as a complement to cognitive and discursive approaches. More generally, such studies can be used to criticize and add nuance to existing theories and as a way to inform policy and practice.

Phenomenology has been proposed as a way of mediating between cognitive and discursive approaches in psychology in general (Smith, 1996) and in the field of entrepreneurship in particular (Berglund, 2007a). The shared commitment to mind and cognition allows interpretive phenomenological studies to engage findings from areas dominated by quantitative cognition studies. One way to do this is by providing “thicker” elaborations of more thinly described cognitive biases and heuristics. For instance, the “principle of affordable loss,” which constitutes an important part of effectuation theory (Sarasvathy, 2007), could be examined in terms of what it means to entrepreneurs. One way to elaborate and add to this construct could be to investigate how entrepreneurs experience risk and what affordable loss means beyond money and other resources. Already, phenomenological investigations of entrepreneurial risk taking (e.g. Berglund and Hellström, 2002) and failure (e.g. Cope, 2011) suggest that understanding how entrepreneurs take risk and learn from failure must include issues of a highly personal, emotional and social character. In relation to discursive approaches, the phenomenological recognition of intentionality and rich contextual embeddedness opens up for fruitful dialogue also with this tradition. Many discursively oriented researchers emphasize human reflexivity and reject a view of discourses as completely dominating individuals (Lounsbury and Glynn, 2001; Anderson and Warren, 2011). In their discussion of enterprise discourse, Cohen and Musson (2000) therefore urge researchers to examine “the ways in which the enterprise discourse is seen as meaningful to ordinary people who, on a day-to-day basis, ‘do enterprise’” (p. 46). This type of question is very well suited to phenomenological inquiry. And in taking the individual’s rich and idiosyncratic life-world as point of departure – rather than focussing on how particular discourses shape or manifest themselves in identities and actions – lies a chance for new and unexpected insights into the workings of culture and discourse.

Besides seeing phenomenological approaches as a complement to cognitive and discursive approaches, studies of the entrepreneurial life-world can more generally be used to criticize and add nuance to existing theories, as seen for instance in the example of opportunities (Berglund, 2007b).

A richer appreciation of lived experiences also has potential to inform policy and support structures. To illustrate this hypothetically, consider a phenomenological
study of students who harbor entrepreneurial ambitions but hesitate to act on them. Describing and analysing the lived experiences of students in this group can potentially provide a valuable complement to more traditional measures of entrepreneurial self-efficacy and intentions (cf. Zhao et al., 2005; McGee et al., 2009), one that may provide additional or alternative implications for how to develop functional support structures. Just as was discussed in relation to nursing and pedagogy, one can imagine a number of similar situations where phenomenological investigations can support policy and support structures.

The value of phenomenology as meta-theoretical position

By regarding humans as Being-in-the-World, phenomenology has long offered ways out of a number of theoretical problems and paradoxes. Taking seriously the notion that entrepreneurship concerns action in the face of Knightian uncertainty implies that it is impossible for entrepreneurs to know a priori what is information is important to consider (Sarasvathy and Dew, 2005; Dew and Sarasvathy, 2007). This is clearly stated in the institutional entrepreneurship literature, where the “paradox of embedded agency” is a central concern (Garud et al., 2007). This paradox is grounded in the structure-agency problem and is presented as follows: “if actors are embedded in an institutional field and subject to regulative, normative and cognitive processes that structure their cognitions, define their interests and produce their identities, how are they able to envision new practices and then subsequently get others to adopt them?” (Garud et al., 2007, p. 961). By taking Being-in-the-World as point of departure, phenomenologists manage to completely avoid this paradox. In a carefully developed argument, Hans Joas draws on American pragmatism and the phenomenological tradition to argue that human action is inherently creative because we are embodied and social beings who have no choice but to resolve the different “problematic situations” in which we find ourselves (Joas, 1996, p. 145; cf. Sarasvathy and Berglund, 2010). The way to explain entrepreneurial action under uncertainty, or resolve the paradox of embedded agency, is therefore to acknowledge that these are not theoretical problems, but problems with theory. Phenomenologists thus cut the Gordian knot by showing that issues like these are made out to be problematic when addressed in certain theoretical ways; these issues become paradoxical or problematic only through the lenses of theories that abstract away from individuals’ lived experiences.

Summary

This paper sought to describe phenomenological approaches to entrepreneurship, to compare it with cognitive and discursive approaches, and to argue that phenomenology can provide a valuable complement to both. Some of the main points made are summarized in Table I.

Generally speaking – and in contrast to the more nomothetic ambitions of both cognitive and discursive approaches – phenomenologically inspired researchers tend focus deeply on thick descriptions of individual cases and often call for investigations that “stick to the details” of particular cases (Flyvbjerg, 2001) and that theorize human experience in ways that retain its complexity, ambiguity and emotionality (Weick, 1999; Sandberg, 2005). While such an approach has limitations, much may still be gained from grounding our empirical claims and our theories of entrepreneurship in a deep appreciation of the complexities, uncertainties and ambiguities of the
entrepreneurial life-world. By doing so, we may find ourselves in a rather good position from which to comprehend the “optimistic martyrs” who, arguably, still populate our field.

Notes
1. Even more common are “behavioral” approaches that use data from the PSED and similar surveys to run statistical analyses on quantitative measures of activities, behaviors and various contextual factors. Since this type of research does not consider the individual entrepreneur in any detail (cf. Berglund, 2005), they are not considered here.

2. Speaking more generally, Schütz argues that “the safeguarding of the subjective point of view is the only sufficient guarantee that the world of social reality will not be replaced by a fictional non-existing world constructed by the scientific observer” (Schütz, 1964, p. 8). Much the same can be said about how we understand entrepreneurs and their actions.

3. Context independence should not be confused with domain independence. Context independence here means that the actions of different entrepreneurs in different contexts can be explained in terms of the same underlying cognitions. However, cognitions (especially expert cognitions) may well be domain specific. In the words of Sarasvathy (2007): “What makes the study of any particular domain of expertise interesting is that the elements of expertise may be organized into a set of domain-specific heuristic principles, which can thereafter be either embodied in expert systems or used as testable and teachable decision-making and problem-solving techniques” (p. 13).

4. It is worth noting that linguistic approaches tend to blur the line between ontology and epistemology (Guba and Lincoln, 1994).

5. It is highly debatable whether self-employment should be equated with entrepreneurship. For the present purpose, this debate is of minor importance since focus is on how discourses influence identities and actions.
References


Further reading

Allport, G. (1947), The Use of Personal Documents in Psychological Science, Social Science Research Council, New York, NY.


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