

A Dynamic Model of Entrepreneurial Uncertainty and Business Opportunity Identification: Exploration as a Mediator and Entrepreneurial Self-Efficacy as a Moderator

Schmitt, Antje; Rosing, Kathrin; Zhang, Stephen X.; Leatherbee, Michael

Abstract

This study focuses on the identification of business opportunities when entrepreneurs' perceived level of environmental uncertainty changes. We suggest that within persons, exploration mediates this relationship and entrepreneurial self-efficacy moderates whether entrepreneurs explore more or less with increasing uncertainty. To test our moderated mediation model we conducted a monthly field study with 121 early-stage entrepreneurs. Multilevel regression analyses reveal that an increase in the level of perceived uncertainty within entrepreneurs predicted the identification of opportunities through exploration for entrepreneurs high in self-efficacy, but not for those low in self-efficacy. Entrepreneurial self-efficacy acts as a personal resource that helps entrepreneurs to transform increasing perceptions of uncertainty into exploration and opportunity identification.