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To be or not to be: Latent entrepreneurship, the networked agent and the fear factor

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Abstract

This conceptual paper explores a potential entrepreneur's intention to start a new venture, but not necessarily realising it. From the perspectives of actor-network theory and affective events theory, we argue that latent entrepreneurship is underpinned by micro- and macro-level factors. First, the would-be entrepreneur is inescapably connected to a heterogeneous network of relations in an entrepreneurial context that may enable or constrain entrepreneurship. Second, contextual risks and uncertainties impact the would-be entrepreneur's cognitive appraisals of and behavioural responses to fear, to either lead to latent entrepreneurship or emergent entrepreneurship. We propose a framework to depict the interplay between the individual and context in the dynamics of latent and emergent entrepreneurship. Our contribution is twofold: First, we contribute to actor-network theory, by suggesting that fear is one of the tokens in a would-be entrepreneur's heterogeneous network of relations that must be negotiated either for latent or emergent entrepreneurship. Second, we advance the understanding of the role of fear in the entrepreneurial process, by conceptualising fear as a context-specific phenomenon, and highlighting its dualistic nature by showing how it could be both negative and positive in the shift from latent to emergent entrepreneurship.

Keywords: Latent entrepreneurship; Emergent entrepreneurship; Actor-network theory; Affective events theory; Fear

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1.0 Introduction

Individuals with entrepreneurial intentions may go through a series of decisions and actions in order to achieve their aspirations of starting new ventures. However, this journey may either result in latent entrepreneurship where the intention is not realised, or in emergent entrepreneurship where the intention is delivered for market success (Caiazza et al, 2019). Responses to market changes as a result of entrepreneurial activity may sometimes have Darwinian survival of the fittest effects (Caiazza et al., 2019; Fritsch & Mueller, 2008, 2010). This assertion places enormous responsibility on the entrepreneur, who may be faced with the idea of "fight or flight". From the very start of the journey, entrepreneurial activity is often not straightforward. It is clad in uncertainties (Alvarez & Barney, 2016) and depends on a range of individual and contextual factors. These include the entrepreneurs' creative instinct and environment (Audretsch & Belitski, 2013) and the strategic network of alliances that determine the extent of knowledge spillover (Acs, Braunerhjelm, Audretsch, & Carlsson, 2009; Audretsch & Keilbach, 2008). It is also influenced by the entrepreneurs's skills and abilities (Caiazza et al., 2019), the fear of failure (Hayton & Cacciotti, 2018), among others.

Building on Caiazza et al's (2019) model of intended action to realising market success, we explore the role fear plays in the entrepreneurial journey. In their model, a would-be entrepreneur may intend to launch a new business. However, in order to realise market commercialisation, the individual potentially goes through a step of unrealised entrepreneurship that can result in latent entrepreneurship. This is where the opportunity may be identified, but not yet marketed until knowledge is translated into products or services in emergent entrepreneurship. The model presents a deliberate process of entrepreneurship from intended action to realised market commercialisation. We explore the fear factor in this process, as the individual potentially shifts from latent to emergent entrepreneurship. From

the initial conceptualisation of a business, the fear of failure has been shown to affect starting new ventures (Cacciotti, Hayton, Mitchell, & Giazitzoglu, 2016). However, fear as a construct still lacks clarity in conceptualisation and operationalisation (Cacciotti & Hayton, 2015). A clearer understanding is thus needed on the role of fear in entrepreneurship, including its sources and behavioural outcomes (Cacciotti & Hayton, 2015).

We draw on Affective Events Theory (Weiss & Cropanzano, 1996) as a lens to propose how fear may be triggered, and how it can potentially impact the behaviour of the potential entrepreneur, to advance our understanding of latent entrepreneurship. Additionally, we offer suggestions around overcoming fear to progress towards realising market success. While a fearful individual typically separates oneself from aversive events (Frijda, 1986), we also highlight the dualistic nature of fear (Cacciotti & Hayton, 2015; Cacciotti et al., 2016) to suggest how fear itself may be a force towards emergent entrepreneurship.

In doing so, we recognise that the would-be entrepreneur does not operate in isolation, but within a network of relations in the entrepreneurial journey. We thus draw on Actor-Network Theory (Latour, 2005; Law, 1992) that recognises the heterogeneity of actors that the individual is networked with. We conceptualise the individual as the individual-in-context whose relational associations also count towards either latent or emergent entrepreneurship. Barriers to entrepreneurship interacting at micro (individual) and macro (systems) levels can encompass factors that are both “internal” and “external” to the individual entrepreneur. The individual’s internal barriers, for instance their cognitive capital (self-efficacy, motivation, and interests) and human capital (skills, experience, and education) interact with external barriers, such as social capital (stereotypes, biases, and available networks) and financial capital (accessible funds, sector costs, and lending practices) within the broader context of the individual’s practice of entrepreneurship (Wheadon & Duval-Couetil, 2019, p.315).

Thus, we develop propositions relating to the internal and external dimensions of an individual's pathway to entrepreneurship. These are integrated into a framework that captures the cognition, emotion and behaviour of the potential entrepreneur, who is situated within an entrepreneurial context (Sarason, Dean, & Dillard, 2006; Welpe, Spörrle, Grichnik, Michl, & Audretsch, 2012). We argue that the individual agent is part of a heterogeneous network of relations within which they operate either towards emergent or latent entrepreneurship. We offer a more advanced understanding of fear in the entrepreneurial journey by suggesting that fear plays a role in what we call the entrepreneurship knowing-doing gap. In other words, what the individual *knows* as part of their entrepreneurial journey may not necessarily be what they actually *do* in order to emerge as entrepreneurs. Our framework presents the interplay between the individual and situational context in influencing the dynamics of latent and emergent entrepreneurship.

The paper is structured as follows: First, we explore the extant literature on latent entrepreneurship in order to focus our analysis within this domain of interest. We then deploy Actor-Network Theory to examine the would-be entrepreneur as a networked agent whose network of relations impacts the individual in ways that either constrain or enable entrepreneurship. Next, we draw on Affective Events Theory to explore the potential entrepreneur's cognitive appraisals of and behavioural responses to fear, to shed light on how fear shapes the process of transferring the potential entrepreneur's *knowing* to *doing*. Finally, we discuss our proposed theoretical framework and raise opportunities for future research in order to gain a deeper understanding of latent and emergent entrepreneurship at micro and macro levels.

2.0 From Latent to Emergent Entrepreneurship

The concept of entrepreneurship remains elusive in its definitional claims with attention paid to the individual entrepreneur in most cases (Shane & Venkataraman, 2000; Javadian, Gupta, & Knights, 2016). Although this approach is often critiqued as not offering a full view of what entrepreneurship entails, it nonetheless allows a microscopic view into singular efforts for entrepreneurship activity (Baron, 2008; Wood, Bakker, & Fisher, 2019). To further understand individuals in entrepreneurship, research has looked at the "pre-entrepreneur" stage, that is, one in which the individual is either only wishing to be an entrepreneur or preparing to be one (Masuda, 2006), or intending to be an entrepreneur but not quite successful at it (Caiazza et al., 2019). For instance, an individual may prefer to be self-employed, but not take steps towards it (Bönte & Piegeler, 2013). They may possess the drive to be an entrepreneur, but not translate that drive into entrepreneurial activity (Grilo & Irigoyen, 2006). What is consistent in the arguments raised in the literature is one of an individual with entrepreneurial intentions, but also one who may fail to transmit that intention into reality, a case of latent entrepreneurship (Caiazza et al., 2019; Atef & Al-Balushi, 2015).

Latent entrepreneurship thus assumes that the would-be entrepreneur has a desire or a wish (Grilo & Irigoyen, 2006), but is constrained by factors either within or beyond their control. Here, the would-be entrepreneur has the conviction to start a business, but defers taking actionable steps into a future date due to the current state of affairs. In other words, the intention may not be realised because "many personal circumstances and environmental factors may act against and obstruct fulfilment of the intention" (Atef & Al-Balushi, 2015, p. 74). Inhibiting factors can range from external forces like regulatory policies influencing entrepreneurial activity (van Stel, Storey, & Thurik, 2007; Patti, Mudambi, Navarra, & Baglieri, 2016) or peer pressure (Nanda & Sørensen, 2010), to individual factors around personal responsibility (Wood et al., 2019), cognitive and genetic factors (Nicolaou, Shane,

Cherkas, Hunkin, & Spector, 2008), and psychological determinants (Baron, 2008) among others.

The factors that seem to impede the individual from a wishful state to a place of action thus vary in theory. For the individual to move beyond latent entrepreneurship to emergent entrepreneurship, the context within which this entrepreneurial agent operates seems to be of importance (Autio, Kenney, Mustar, Siegel, & Wright, 2014). For instance, from intended action to emergent entrepreneurship, Caiazza et al. (2019) show in their knowledge spillover creative construction circle how through a deliberate process, the entrepreneurial agent navigates the contexts of knowledge created. From a context of undeveloped knowledge, the individual must move to a context of knowledge spillover for emergent entrepreneurship to be reified (Caiazza et al, 2019). Elsewhere, the entrepreneurial agent involved in emergent entrepreneurship simply takes action within his or her context without necessarily basing such action on a pre-determined intention (Waddock & Steckler, 2016). In the former, the would-be entrepreneur begins with an intended action which is sustained and also enhanced through the contexts of knowledge spillover to achieve emergent entrepreneurship. In the latter, the existing context of the entrepreneurial agent enables the actionable steps taken. The individual is thus situated in a network of relations, that is the various contexts which either enable or constrain entrepreneurship.

3.0 The Entrepreneur as a Networked Agent: The Actor-Network Perspective

The actor-network theory (ANT) is a social theory that challenges the way individuals and the societies they live in are conceptualised. For actor-network theorists, the individual is a generated effect of a network of heterogeneous materials within which they act and are acted upon (Garrety, 2014; Latour, 2005; Law, 1992). In other words, an individual agent is not one without the network of interconnected elements that make such an individual who or

what they are. The implication is that an individual agent who desires to be an entrepreneur would not become one if the network of heterogeneous materials they are an integral part of does not enable entrepreneurship.

The process of entrepreneurship is consistent with actor-network's principle of translation - that is, an entrepreneurial agent deploying a set of processes (often involving difficult negotiations with other actors who exercise agency) within a network of relations in order to achieve intended objectives (Korsgaard, 2011). The ANT literature also posits a would-be entrepreneur as having emergent agency, which is an outcome of the sets of interactions the individual has made with the network of heterogeneous materials within which they operate (Garud & Guiliani, 2013). In other words, entrepreneurial intentions may not be enacted when the set of interconnecting factors (both human and non-human) are configured in ways that inhibit exercising entrepreneurial agency.

Thus, exploring latent entrepreneurship from an ANT perspective enhances our understanding of the shift from latent to emergent entrepreneurship. The implicit view is that, there are potentially a variety of constraining factors that are intricately networked with an individual to deny them the opportunity of being an entrepreneur (Wennberg, Pathak, & Autio, 2013). For example, countries with the least enterprise conditions include those in war-torn contexts (Legatum Prosperity Index, 2019). Consequently, an individual in such contexts may not pursue their entrepreneurial intentions due to instabilities and the fear of future upheavals. In this case, latent entrepreneurship may occur not necessarily as a result of the individual's limitations, but by the contextual factors in the network of relations within which the individual is situated. ANT theorists refer to the idea of "tokens" within a network of relations (Latour, 1986). Tokens are transmissions that actors are constantly subjected to, so that they initiate transformations from actor to actor within the network (Latour, 1986). The implication is that a network of relations in which fear is transmitted would create

entrepreneurial agents that are only would-be entrepreneurs with intended action but never realising market success.

The network of relations within which would-be entrepreneurs operate is traditionally assumed to be made of mainly human actors who possess intentionality (Latour, 1992). As a result, a large number of non-human actors, which Latour (1992) argues from an actor-network perspective are “actants” or “missing masses”, is taken for granted. However, these actants also partake in the entrepreneurial agent’s context and therefore should not be overlooked. These include for instance technologies, artefacts, physical infrastructure, local and global policies, among others. For example, if local infrastructure, government policies, or tax regulations are perceived to be unfavourable for starting new ventures, tokens that are transmitted within the network by these policies may be those that inhibit entrepreneurship. These non-human actants would have acted on the potential entrepreneur to prevent new venture startups.

The entrepreneurship literature is replete with studies that take into consideration these non-human actors in relation to ANT (e.g. Garud & Guiliani, 2013; Lamine, Fayolle, Jack, & Byrne, 2019; Murdock & Varnes, 2018). These studies offer an understanding into the *agency* that non-human *things* possess (see Latour, 2005). The idea of *agency* from an ANT perspective is “the ability to act and elicit a response either with inherent intentionality in the case of a human agent, or (un)programmed intentionality in the case of a designed artefact” (Soga, Vogel, Graça, Osei-Frimpong, 2020, p.8). As a result, non-human “actants” in the network equally carry the ability to transmit tokens of fear which can stifle entrepreneurship within the network irrespective of the would-be entrepreneur’s skillset.

Latent entrepreneurship may occur as a result of the would-be entrepreneur's lack of skills and abilities (Caiazza et al, 2019). However, the actor-network perspective would not describe a skill (or its absence) without the context within which the skill is operationalized

(Callon, 1991). In other words, “to describe a skill is thus, at the same time, to describe its context” (Callon, 1991, p.138). The skill of entrepreneurship is therefore instantiated within a network of relations that enable entrepreneurship. For instance, a football player is not one without the leather ball, the football pitch, the stadium, the spectators, the coach and the rest of the football team. That football player, an ANT theorist would argue, is not one if you find them in a swimming pool. This actor-network perspective suggests that the success of the entrepreneurial agent in achieving market success is a result of the deployment of entrepreneurial skills and abilities within a network of well-established and functioning critical success factors. However, if this network involves transmissions of fear or other factors that prevent the translation of entrepreneurial skills and abilities into action, the individual may not emerge as an entrepreneur. We thus propose the following:

Proposition 1: Latent entrepreneurship is enabled when the heterogeneous network of relations within which would-be entrepreneurs operate transmits fear among actors in the network.

In ANT’s view, a network is not a set of socially relevant nodes that are tied to other nodes as in the case of social network analysis (see Marin & Wellman, 2011). Instead, the concept of a network of relations refers to an assemblage of heterogeneous actors that are relationally connected through a process of translation (Callon, 1987). The focus shifts from who is connected to whom, to how actors in the network come to obtain and sustain their ontological positions in the network. In some cases it shows how actors in the network take advantage of other “actants” in the network to maintain their positions or in some cases obtain new ones (Latour, 2005).

The heterogeneity of the network of relations means that both non-humans and the human entrepreneurial agent are assembled together in ways that enable or constrain the successful delivery of entrepreneurship. For example, policy documents that influence tax

breaks to investors, purchase orders, investment agreements, term sheets, etc. may all contribute to the success or failure of the entrepreneurial agent, depending on the nature of these non-human actants. ANT theorists argue that these materials tend to be assembled in ways that allow individuals to express themselves or convince others about what they wish to achieve, like in the case of scientists who depend on scientific objects in the laboratory (Latour, 1987). Therefore, the entrepreneurial agent who wishes to achieve market success must assemble a number of non-human actants to convince others about the desirability, viability and feasibility of their entrepreneurial ideas.

The inclusion of non-human elements is what ANT posits as the principle of generalised symmetry, which argues that one must not be agnostic towards only some elements in human sociality because what constitutes the "social" is heterogeneous (Callon, 1986). For example, a would-be entrepreneur who visualises natural objects like stones as having some kind of relationship with humans might decide to engage a collection of stones for an art project, which may in turn have market value. This is in contrast to an individual who only considers stones as part of nature. This paradigm shift in the worldview of the individual, if at all, potentially carries similarities with the idea that the opportunity for market success already exists but the introduction of new information or differential access to existing information is what determines opportunity awareness (Kirzner, 1973).

Consequently, knowledge acquired along the way for a would-be entrepreneur becomes critical to their ability to start a new venture. This knowledge consists of a full understanding of the broader contexts of the heterogeneous network of relations as well as the individual's own conceptualisation of the network they are part of (Smith, Kempster, & Barnes, 2016). For example, the South African context of affirmative action in the post-apartheid era means that an understanding of the wider contextual elements of racial discrimination, structural and infrastructual arrangements, and the intents of new government

policy documents for starting a business becomes key to South African entrepreneurial success (see Visagie, 1997). Affirmative action in this context is defined as “a pro-active, conscious effort to redress disadvantages of the past and to increase the representation of marginalized groups of the population in leadership positions in organizations” (Visagie, 1997, p.659). One implication is that an entrepreneur who wishes to access government resources can do so more favourably when they demonstrate affirmative action.

However, a would-be entrepreneur with this knowledge of affirmative action, but one who also continues to hold apartheid era views risks a brush with the law or a detestation of the newly instituted entrepreneurial context, and potentially remaining in latent entrepreneurship. Yet, this does not preclude the individual from deploying strategies to circumvent policies or contexts that they perceive as inhibitory to their entrepreneurial goals. For instance, Neumeyer, Santos, Caetano, & Kalbfleisch (2019, p.486) argue from a social network perspective that female entrepreneurs can access “resources that are outside of their strong-tie networks” through developing bridging social capital as a compensatory strategy in male-dominated entrepreneurial contexts. We thus propose the following:

Proposition 2: Latent entrepreneurship is less likely to be observed among individuals with strong awareness of the heterogeneity of their entrepreneurial contexts than among individuals with weak or no awareness of the heterogeneous entrepreneurial context within which they operate.

In our view, a gap remains in understanding how would-be entrepreneurs make the jump from what they know, to what they actually do in practice. Neumeyer et al. (2019, p.486) highlight cognitive models as one way of exploring “how entrepreneurial ecosystems form distinguishable identities” that ultimately affect the concept of entrepreneurship. From that perspective, we explore the knowing-doing gap for the would-be entrepreneur by

examining the entrepreneurial agent in their actor-network through cognitive processes and their behavioural responses to transmissions of fear within their network.

4.0 The Knowing-Doing Gap for the Entrepreneurial Agent

Starting new ventures not only involves discovering entrepreneurial opportunities, but also acting on such opportunities (Audretsch & Keilback, 2007). The entrepreneurial agent may identify an entrepreneurial opportunity and intend to commercialise it. Yet this intention can be viewed as an intermediate construct between the entrepreneurial idea and entrepreneurial action (Hayton & Cholakova, 2012). Unless action is taken to exploit the entrepreneurial opportunity and launch a new venture (Agarwal, Audretsch, & Sarkar, 2007; Audretsch & Keilback, 2007), the entrepreneurial idea may remain an unexploited opportunity, whereby knowledge is underutilised or uncommercialised. We suggest that latent entrepreneurship resembles this gap between knowing and doing in the entrepreneurial journey.

The knowing-doing gap concept (Pfeffer & Sutton, 2000) originally addressed a challenge in transferring knowledge into practice in organisations. We explore this concept specifically in relation to latent and emergent entrepreneurship, thereby introducing what we refer to as the *entrepreneurship knowing-doing gap*. The entrepreneurship knowing-doing gap may be influenced by a range of micro level factors such as the individual's motivation to act (Ajzen, 1991; Deci & Ryan, 2002; Shane, Locke, & Collins, 2003), self-efficacy or confidence in their entrepreneurial capabilities (Bandura, 1978; Chaiburu & Lindsay, 2008; Wennberg et al., 2013; Wood & Pearson, 2009), as well as macro level factors such as regulatory policies (Polemis & Stengos, 2020), entrepreneurial orientation (Godley, Morawetz, & Soga, 2019; Brown & Mason, 2017), and uncertainty (Alvarez & Barney, 2005).

Building on previous work that investigates fear in the entrepreneurial journey (e.g. Koelinger et al. 2007; Mitchell & Shepherd, 2010; Cacciotti & Hayton, 2015), we argue that the entrepreneurship knowing-doing gap is also influenced by fear either towards latent or emergent entrepreneurship. Fear can prevent individuals from acting on their knowledge (Pfeffer & Sutton, 2000) and has been found to influence the knowing-doing gap of leaders in organisations (Ahmadi, Vogel, & Collins, 2016). We thus explore how it may shape latent entrepreneurship, from the perspective of Affective Events Theory.

4.1 Fear and the Entrepreneurship Knowing-Doing Gap: Affective Events Perspective

Fear, and particularly the fear of failure, has been found to influence both Schumpetarian (innovation based) and Kirznerian (opportunity based) views of entrepreneurship, for instance by influencing opportunity evaluation decisions (Mitchell & Shepherd, 2010), reducing the propensity to start a business (Koelinger et al., 2007) and moderating growth expectations (Atilla Oner & Kunday, 2016). Yet, studies largely rely on a unidimensional measure using a single item to ask participants whether fear of failure would prevent them from starting a business (Cacciotti & Hayton, 2015). In so doing, the complexities involved around how fear arises and how it contributes to latent entrepreneurship are often left unexplored.

We draw on Affective Events Theory (AET) to understand the role of fear in the entrepreneurship knowing-doing gap and subsequently in latent and emergent entrepreneurship. The entrepreneurial journey can be viewed as an emotional rollercoaster that encompasses a range of entrepreneurial emotions (Baron, 2009; Cardon, Foo, Shepherd, & Wiklund, 2012) and emotional events (Morris, Kuratko, Schindehutte, & Spivack, 2012). AET suggests that situational conditions and every day events (hassles and uplifts) are affective events that can trigger or influence an individual's emotions, which in turn impact

on their behaviours, attitudes and performance (Weiss & Cropanzano, 1996). Despite the rising interest in investigating the role of affect (emotions and moods) at various stages of the entrepreneurial process (Baron, 2008; Hayton & Cholakova, 2012), little is known about the cognitive and emotional interplay in individuals' decisions to exploit entrepreneurial opportunities (Welpe et al., 2012). Additionally, how affect potentially influences intentions to pursue entrepreneurial ideas is not clear in the literature (Hayton & Cholakova, 2012). In the following sections, we explore how fear as an affect may originate and how it potentially influences latent entrepreneurship.

4.1.1 Cognitive Appraisals of Fear

Scholars have long recognised the importance of cognitive factors in decisions and actions for new firm creation (Fauchart & Gruber, 2011). Cognitive Appraisal Theory offers insights on how fear is triggered, suggesting that emotions arise from individuals' appraisals, interpretations and evaluations of their situations (Frijda, Kuipers, & ter Schure, 1989; Lerner & Keltner, 2001; Roseman & Smith, 2001). Cognitive appraisals of emotions are based on a two-stage process: primary and secondary appraisals (Frijda et al., 1989; Lazarus, 1991a; Scherer, 1988), and different appraisal patterns result in different discrete emotions (Lerner & Keltner, 2000; Roseman, Spindel, & Jose, 1990; Smith & Ellsworth, 1985).

Research shows that fear appraisals are generally associated with unpleasantness, uncertainty, and low control over situations (Izard, 1977; Lerner & Keltner, 2000; Smith & Ellsworth, 1985). In terms of primary and secondary appraisals, fear can arise when individuals appraise situations (a) as threatening to their goals or well-being (primary appraisals), and (b) as likely to have uncertain outcomes that they are unable to control or cope with (secondary appraisals) (Kish-Gephart, Detert, Treviño, & Edmondson, 2009). A threatening situation that is controllable reduces the probability of fear due to people's

preference for predictability and controllability (Grandey, 2008; Rachman, 1990). On the other hand, people make pessimistic judgments and risk-averse choices in the absence of certainty and control (Lerner & Keltner, 2000, 2001; Maner & Gerend, 2007).

Risks and uncertainties in entrepreneurial decision making can bring about fear in potential entrepreneurs (Langowitz & Minniti, 2007; Minniti & Nardone, 2007). The threat sources that may be appraised by the entrepreneurial agent as fearful for latent entrepreneurship may be related to opportunity costs of shifting from potential to actual entrepreneurship, for instance giving up job security and loss of money (Caliendo et al. 2009; Ray, 1994). While some risks may be calculable, threats may also involve incalculable uncertainties (Alverez, 2003; Alvarez & Barney, 2005), such as the possibility of having an uncertain future, losing social influence, experiencing shame and embarrassment, devaluing one's self-estimate, and upsetting important others (see Conroy, 2001, p.431).

In a perceived highly risky, uncertain and uncontrollable situation, such as making a choice for entrepreneurship over salaried employment (Caliendo, Fossen, & Kritikos, 2009), or taking an unpredictable leap of faith to turn an entrepreneurial idea into reality (Cacciotti & Hayton, 2015), fear may arise and stand in the way of the entrepreneurial agent. This is in line with the argument put forward by Caiazza et al. (2019) that entrepreneurial knowledge and intended action may remain unutilised in high risk or uncertain contexts. We thus propose the following:

Proposition 3: Latent entrepreneurship is more likely to manifest in situations appraised by the entrepreneurial agent as fearful than in those appraised as having no fear.

The extent to which risks and uncertainties can threaten potential entrepreneurs and trigger fear can vary across individual and situational factors. For instance, how the individual defines their entrepreneurial identity and role in society as a potential entrepreneur can shape their sensitivity to some threats. They are likely to see situations relevant to their

salient identity (Fauchart & Gruber, 2011), which can affect their cognitive processing and affective states (Morris, Neumeyer, Jang, & Kuratko, 2018). For example, a Darwinian-identity founder (Fauchart & Gruber, 2011) who pursues self-interest and wealth creation may be more threatened by a potential loss of money or competition than a Missionary-identity founder (Fauchart & Gruber, 2011) who is driven by a social or environmental cause and the well-being of others. On the other hand, the Missionary-identity founder sees themselves as a role model in society and therefore shame and embarrassment or upsetting others, while relevant to other types of founder identities, may be more of a pressure triggering fear. Such differences may depend on identity centrality (i.e. how important their entrepreneurial identity may be relative to other identities within their self-concept) (Morris et al., 2018).

The wider context in which the potential entrepreneur operates can also influence their appraisals and experiences of fear. For instance, potential entrepreneurs in adverse poverty circumstances are less able to face challenges associated with smallness and newness because of the liability of poorness (Morris, Kuratko, Audretsch, & Santos, 2020). Thus, they may be more prone to appraise the prospect of entrepreneurship as fearful for concerns of greater vulnerability due to the lack of money as a safety net.

Cognitive appraisals of fear thus point to the interplay between the entrepreneurial agent and their entrepreneurial context in triggering fear. This complements research exploring how the cognitive process driving the entrepreneurial decision can be influenced by the wider context (e.g. Audretsch & Keilback, 2007; Dimov, 2007; Sarason et al. 2006). As argued earlier from the ANT perspective, this could also mean the individual's own conceptualisation of the wider network of heterogeneous relations within which they operate (Latour, 2005; Law, 1992; Smith et al, 2016).

4.1.2 Behavioural Responses to Fear

What matters in an individual's decision on whether to start a business is perhaps not the fear itself, but the degree to which it impacts the behaviour of the individual (Minniti & Nardone, 2007). In terms of thought-action tendencies in the face of emotions, research finds that individuals typically respond to fear by attempting to avoid or escape fearful situations (Grandey, 2008; Rachman, 1990). Frijda (1986, p.72) refers to fear as the "urge to separate oneself from aversive events" and suggests "flight" and "freeze" as withdrawal or protection behaviours that arise in response to fear. A key difference between the two avoidance behaviours is that flight represents an active defence by escaping or separating oneself from the threat, whereas freeze reflects a passive immobility in the face of fear, such as being paralysed and doing nothing about it (Frijda, 1986; Grandey, 2008; Ohman & Wiens, 2003).

However, the links between fear and avoidance behaviour may not be straightforward. Research has shown that avoidance can persist after fear disappears (Rachman, 1990), which indicates that it may be triggered by factors other than fear. For instance, avoidance and inertial behaviour can be linked with lack of core capabilities (Leonard-Barton, 1992), cognitive limits (Tripsas & Gavetti, 1992; Barr, Stimpert, & Huff, 1992), and procrastination (Steel, 2007). Nevertheless, fear appears to be a dominant factor driving avoidance (Rachman, 1990).

Essentially, if the move from latent to emergent entrepreneurship brings about a fear of uncertainty, a fear of change, a fear of failure, or other forms of fear, it could be perceived as taking the entrepreneurial agent from their comfort zone to a danger zone (Laundre & Richmond, 2001; Maitlis & Ozcelik, 2004). This in turn could result in the action being avoided. For example, if a Darwinian-identity founder (Fauchart & Bruber, 2011) is more threatened by possible financial loss than a Missionary-identity founder (Fauchart & Bruber, 2011), as previously illustrated, they may more likely resort to avoidance behaviour than the Missionary-identity founder who may be driven by mission over money.

Studies have shown that the fear of failure can negatively influence the decision to start-up (Wennberg et al., 2013) and hinder entrepreneurial action to exploit opportunities (Wood & Pearson, 2009). Fear as a predominantly avoidance-oriented emotion can have a direct negative impact on opportunity exploitation, and can also reduce the positive effect of opportunity evaluation on opportunity exploitation (Welpe et al., 2012). Building on fear appraisals and action tendencies, we suggest that when the entrepreneurial agent appraises their entrepreneurial context as fearful, they may less likely turn their entrepreneurial knowing into doing through flight or freeze avoidance responses. We therefore propose: *Proposition 4: Latent entrepreneurship occurs when the entrepreneurial agent resorts to avoidance behaviour, allowing fear to stand in the way of translating their knowing into doing.*

Not all entrepreneurial contexts that are initially perceived by the entrepreneurial agent as fearful are necessarily avoided. Fear may also be faced with a "fight" response, which is another active defence mechanism, but one that promotes approach behaviour as opposed to avoidance behaviour (Ohman & Wiens, 2003). If fear is viewed as a trait or disposition (Cacciotti & Hayton, 2012), then individual differences related to perceptions of and attitudes toward risk (Weber & Milliman, 1997; Foo, 2011) may both impact cognitive appraisals of situations as well as behavioural responses to fear. For example, choosing self-employment over employment may depend on how an individual perceives and responds to the fear of failure, as those willing to take risks are found to be generally more likely to start a business (Caliendo et al., 2009). On the other hand, those who are risk averse may be more affected by fear, both in terms of alertness to new business ideas and also the exploitation of opportunities (Urbano et al., 2017).

Additionally, an individual experiencing fear alongside other cognitive and motivational factors (Shane et al., 2003) may respond to fear differently. For example,

behavioural responses to fear may be influenced by entrepreneurial identities. The salience of the potential entrepreneur's identity can predict the behaviours that they adopt, as founders strive for behaviours that are consistent with their identity in creating their new ventures (Fauchart & Gruber, 2011; Morris et al., 2018). For example, for the Missionary founder, responsible behaviour is a key part of what it means to be an entrepreneur (Fauchart & Gruber, 2011). Responsible behaviour thus forms the basis for self-evaluation, as they believe that "truly responsible people do act" (Fauchart & Gruber, 2011 p.942), and therefore acting in the face of fear becomes a key driver in new venture start up.

Gender differences may also influence behavioural responses to fear. The fear of failure has been found to be more of a hindrance for women's entrepreneurial propensity than for men's (Langowitz & Minniti, 2007; Minniti & Nardone, 2007). Nevertheless, situational circumstances can influence its impact (Ray, 1994). For example, risk attitudes are found to be only relevant in the decision process to start a business for those who are coming out of a salaried job to enter self-employment, but irrelevant for those already unemployed (Caliendo et al., 2009).

Moreover, Wennberg et al. (2013) find that while an individual's fear of failure may be a barrier to their entrepreneurial entry, its negative effect on entry may be moderated by cultural conditions. They find that fear of failure can be a more potent inhibitor in cultures with low institutional collectivism, high uncertainty avoidance and a high degree of performance/results orientation. Similarly, Villant & Lafuente (2007) take a socio-cultural approach to investigate the social stigma to entrepreneurial failure, suggesting that distinct institutional frameworks may condition the influence of the fear of failure on entrepreneurial activity. This supports the notion that the decision to become an entrepreneur can be affected by the would-be-entrepreneur's social image and fear of failure (Urbano, Aparicio, Guerrero, Noguera, & Torrent-Sellens, 2017). For example, the 2019 Global Entrepreneurship Monitor

reports high entrepreneurial activity in Iran despite political and economic turmoil. The report suggests this is driven by the high perception of entrepreneurs in Iranian society (Kelley & Bosma, 2019).

On the other hand, fear may be viewed as a friend as much as a foe as it can also in itself lead to approach behaviour. For instance, overconfidence (Koellinger et al., 2007) may enable the potential entrepreneur to view fear as an ally toward bold action. Moreover, disadvantages such as unemployment or low pay can enhance the attractiveness of entrepreneurship (Morris et al., 2020) and further incentivise potential entrepreneurs. Fear in particular has been shown to drive greater striving toward goals in the face of adversity (Martin & Marsh, 2003). For example, while potential entrepreneurs operating in conditions of poverty may be prone to great risks, they may also be accustomed to the liabilities of poorness if they had been in such conditions for a while, that they become more resilient in using fear as a motivation for action in the face of adversities (Morris et al., 2020).

Furthermore, the fear of failure has been found to motivate performance-approach (Elliot & Church, 1997) and it appears to be a driving force to succeed for Chinese entrepreneurs in Singapore (Ray, 1994). Moreover, previous experiences of failure can be positive for entrepreneurs when making high-risk decisions (Cacciotti & Hayton, 2015; Urbano et al., 2017). Thus, the impact of fear on the probability of becoming an entrepreneur may be individual- and context-specific (Urbano et al., 2017; Cacciotti & Hayton, 2015).

Research that investigates fear and approach behaviour is relatively scarce, and studies predominantly examine fear as a barrier to entrepreneurship (e.g. Welpe et al., 2012; Wennberg et al., 2013; Wood & Pearson, 2009). To better understand the shift from latent to emergent entrepreneurship, we suggest that fear can be overcome and also used as a driver toward action, through emotion regulation (Bargh & Williams, 2007; Gross, 1998), cognitive coping (Lazarus, 1991b) and courage (Rachman 1990). Therefore, we propose:

Proposition 5: Latent entrepreneurship may turn into emergent entrepreneurship when the entrepreneurial agent deploys approach behaviour in the face of fear to translate their knowing into doing.

Whilst the emotions literature often distinguishes between emotion traits and emotion states, our exploration of fear takes into account fear as a trait - an individual's tendency to experience fear frequently, and fear as a state - an individual's temporary experience of fear over a limited duration (Izard, 1977). From this perspective, we highlight the dualistic nature of fear (Cacciotti & Hayton, 2015) to explain avoidance and approach behaviours. How fear originates, and how it influences the transition from intention to behaviour, and therefore from latent to emergent entrepreneurship, varies within and across individuals and contexts.

5.0 Proposed Framework and Discussion

Turning potential entrepreneurship into actual entrepreneurship involves strategic and entrepreneurial capabilities to commercialise knowledge into realised market action, often in the face of uncertainty (Caiazza et al., 2019). Such implementation may call for the typical psychological profile of the entrepreneurial agent, for instance relying on qualities such as creative imagination and courageous action (Kirzner, 1999). It also involves the willingness and ability to take risks to develop and commercialise innovation (Agarwal et al., 2007; Audretsch & Keilback, 2007). Thus, entrepreneurship can be viewed as a courageous act, much like base-jumping (Cacciotti & Hayton, 2015), not in the absence of fear, but rather despite the presence of fear (Kilmann, O'Hara, & Strauss, 2010; Koerner, 2014).

Using Affective Events Theory (AET), we capture the links between the cognition, affect and behaviour of the entrepreneurial agent, situated within an entrepreneurial context. This context, from an Actor-Network Theory (ANT) perspective, is a heterogeneous network of relations. In line with cognitive appraisal theory, AET suggests that the type of discrete

emotion resulting from an event depends on how the event is appraised (Weiss & Cropanzano, 1996). By building on AET and ANT, we suggest that aspects of the entrepreneurial context may initiate or influence the emotion of fear in the entrepreneurial agent, which may in turn promote avoidance or approach behaviours that ultimately affect the dynamics of latent and emergent entrepreneurship. This is presented in our proposed framework in Figure 1.

Insert Figure 1 about here

The proposed framework presents the interplay between the individual and context in the entrepreneurial process. The potential entrepreneur is situated within a context whose network of relations enable or constrain entrepreneurial activity. Latent entrepreneurship is enabled when the heterogeneous network of relations within which would-be entrepreneur operates transmits fear (Proposition 1). However, latent entrepreneurship is less likely to be observed among individuals with strong awareness of the heterogeneity of their entrepreneurial contexts than among individuals with weak or no awareness of the heterogeneous entrepreneurial context within which they operate (Proposition 2).

Furthermore, latent entrepreneurship manifests when the individual's cognitively appraises their context as fearful (Proposition 3). Yet, fear can become an instrument for either action or inaction in an entrepreneurial context, as our propositions have indicated. Latent entrepreneurship occurs when the individual resorts to avoidance behaviour, allowing fear to stand in the way of translating their knowing into doing (Proposition 4). On the other hand, when the would-be entrepreneur deploys approach behaviour in the face of fear to translate their knowing into doing, latent entrepreneurship may turn into emergent

entrepreneurship (Proposition 5). In other words, fear that is induced by the network of relations might either stifle entrepreneurial action, or is overcome or used by the would-be entrepreneur to stimulate entrepreneurial activity.

Thus, AET is used as a foundation for exploring the entrepreneurial experience (Morris et al., 2012) of the would-be entrepreneur. From an ANT perspective, the heterogeneous network of relations is subject to constant negotiations from individuals in order to achieve their aims (Callon, 1993; Law 1992). In our view, fear becomes a key factor that individuals must negotiate their way around (or through) in the entrepreneurial context, which is the heterogeneous network of relations in which they operate. From that perspective, we argue that the latent entrepreneur who is confronted with fear must negotiate such fear either through avoidance behaviour, or as a stimulus for action, in order to lead to emergent entrepreneurship.

The shift from latent to emergent entrepreneurship therefore mirrors the translation of entrepreneurial knowledge into entrepreneurial action, i.e. bridging or closing the entrepreneurship knowing-doing gap. At the micro level, approach behaviour represents the transfer from knowing into doing, and avoidance behaviour in response to fear reflects uncommercialised knowledge. The same could be argued at the macro level, whereby approach behaviour may result in emergent entrepreneurship, whereas inertial behaviour of organisations (Leonard-Barton, 1992; Tripsas & Gavetti, 1992; Barr et al. 1992) may lead to underutilised knowledge and resources (Agarwal et al. 2007), thus hindering knowledge spillover (Audretsch & Kelback, 2007) and the emergence of new ventures. Figure 1 offers a starting point to understanding the phenomena under study. To fully operationalise our propositions, future research can also empirically investigate the links argued across entrepreneurs and various entrepreneurial contexts.

5.1 Theoretical Contributions

From actor-network theory's conceptualisation of the entrepreneurial context as a network of relations, we have demonstrated how the entrepreneur as a networked agent is inextricably connected to a context that can either enable or constrain entrepreneurship. This entrepreneurial context, we have argued, is heterogeneous in that it is made up of human and non-human actors possessing the ability to act on the individual. Consequently, we argue that knowledge about the entrepreneurial context that is needed for entrepreneurial action must take into consideration non-human actants in the network of relations. This is because the interplay between the individual and context ultimately impacts the would-be entrepreneur's cognitive appraisals for any future attempts at entrepreneurship. Here, we argue that transmissions of knowledge for entrepreneurial activity in the network of relations are confronted by "tokens" of fear. These tokens of fear can be transmitted by all actors (or actants) which the would-be entrepreneur must either overcome or take advantage of for emergent entrepreneurship.

Our contribution is twofold: First, we contribute to actor-network theory's idea of "tokens" - transmissions in a network of relations (Latour, 1986) - in which we argue that fear is one of the tokens in a would-be entrepreneur's heterogeneous network of relations that must be negotiated either for latent or emergent entrepreneurship. Here, fear may emanate from various human and non-human actants in the network of relations that the would-be entrepreneur is confronted with. The awareness of the network's heterogeneity thus affords the individual an opportunity to adopt appropriate strategies in their unique contexts in order to gain entrepreneurial success even if the network of relations is one that constrains entrepreneurship.

Second, we advance the understanding of the role of fear in the entrepreneurial process. We add value to existing literature by conceptualising fear as a context-specific phenomenon (Carriotti & Hayton, 2015) that is not static or stable, but rather can be both a

dispositional trait and a temporary state that the entrepreneurial agent may experience through the entrepreneurial journey. We draw on cognitive appraisals to propose how fear is triggered, and we discuss avoidance and approach behaviours to demonstrate how individuals respond to fear. By doing so, we draw on affective events theory to explain how fear may hinder and promote emergent entrepreneurship. Our proposed framework goes beyond the typical flight or freeze avoidance responses to fear (Frijda, 1986; Grandey, 2008; Ohman & Wiens, 2003) to depict the dualistic nature of fear (Carriotti & Hayton, 2015), showing how it could be both negative and positive in the shift from latent to emergent entrepreneurship. By doing so, we offer a clearer understanding on the role of fear in entrepreneurship in general (Cacciotti & Hayton, 2015; Cacciotti et al., 2016) and in latent entrepreneurship in particular (Caiazza et al., 2019). This understanding is deepened by linking fear with the knowing-doing gap concept (Pfeffer & Sutton, 2000) to offer an advanced conceptualisation of the transition from latent to emergent entrepreneurship.

5.2 Practical Implications

We raise two main practical implications for the would-be entrepreneur. First, because the Kirznerian idea of differential access to information is key to opportunity awareness, would-be entrepreneurs who wish to transition from latent to emergent entrepreneurship are better positioned to do so when they increase their knowledge of all actors in their heterogeneous entrepreneurial contexts. This is because all actors or actants in the context may carry tokens of fear that would impact any future attempts of entrepreneurship.

Second, presenting the role of fear in the shift from latent to emergent entrepreneurship, we highlight the importance of considering how fear in particular and emotions in general can influence decisions and actions on whether or not to commercialise entrepreneurial knowledge and opportunities. For would-be entrepreneurs, we raise

awareness of how fear can reduce opportunity exploitation tendencies. We also highlight that fear can also be overcome or used as a positive force toward action into realised entrepreneurship.

The possibility for potential entrepreneurship to never translate into actual entrepreneurship is in line with research on the psychology of doing nothing and people's preference for non-action (Anderson, 2003; Steel, 2007). Thus, the entrepreneurship knowing-doing gap contradicts motivational theories that view individuals as inherently active or proactive and innately developmental or growth oriented (Deci & Ryan, 2002). It is hoped that our conceptualisation of the entrepreneurship knowing-doing gap makes it more detectable by potential entrepreneurs, to support the shift from latent to emergent entrepreneurship.

5.3 Limitations and Future Research Directions

While we focus on the role of fear in influencing latent entrepreneurship, we acknowledge that the choice for avoiding entrepreneurship may involve a range of factors beyond fear (Cacciotti & Hayton, 2015). A more nuanced understanding of the role of affect in emergent entrepreneurship could take into account how other emotions may influence this process. For example, an entrepreneur experiencing fear may evaluate an opportunity's riskiness differently compared to an entrepreneur experiencing anger (Welpe et al., 2012).

Additionally, while we focus on how fear influences the decision to act on an opportunity, it is worth investigating fear in other stages of the entrepreneurial journey. For instance, our understanding of entrepreneurship remains limited if entrepreneurial opportunities are taken for granted when studying entrepreneurship. Future research could investigate how fear may affect the recognition and development of opportunities before the decision to pursue them (Hayton & Cholakova, 2012), and the cognitive and behavioural

processes combining both recognising and pursuing entrepreneurial opportunities (Audretsch & Keilback, 2007). Furthermore, research could also build on our propositions to differentiate between deliberate and emergent entrepreneurship, as the latter could imply that implementation of knowledge may not have been explicitly intended (Caiazza et al., 2019).

This paper takes individual and contextual lenses to offer insights into the interplay between the potential entrepreneur and the context in which they operate. Context refers to "situational opportunities and constraints" (Johns, 2006 p.386) that affect behaviour, which influence and is influenced by entrepreneurs (Welter, 2011). While we recognise that entrepreneurial behaviour can be shaped by a range of contexts, including geographic, institutional, organisational, economic, social and temporal (Welter, 2011), we take a broad view of the entrepreneurial context, exploring human and non-human factors that interplay in shaping whether or not entrepreneurial intentions are turned into actual start-ups. Thus, we do not focus on a particular type of individual or a single context. Instead, we discuss our propositions in light of a range of categories and typologies, such as types of ventures, entrepreneurial identities of founders, individual differences and spatial differences (Fauchart & Gruber, 2011; Morris et al., 2018; Welter, 2011) and draw our conclusions. In doing so, we contextualise our propositions, rather than theorise context (Welter, 2011). We offer insights on how internal and external factors could interact in different ways across individuals and contexts.

Future research could investigate our propositions in discrete contexts (e.g. a specific type of entrepreneurial venture). Such examination may involve determining the who, when and where dimensions of the chosen contexts (Welter, 2011), to distinguish variables, dynamics and conditions relevant to those contexts (Morris et al. 2018). Future research could also investigate how the entrepreneurship knowing-doing gap may differ for potential entrepreneurs within and across various contexts. Moreover, within the scope of this paper,

we are mindful that ANT's ontological assertions refute the bifurcation of what is "micro" and what is "macro" and therefore we have used the terms only as a heuristic for meaning, not for analytical positioning. Future research could thus explore how specific micro and macro factors may influence latent and emergent entrepreneurship.

6.0 Conclusion

Latent entrepreneurship as a concept assumes that individuals who desire to be entrepreneurs may be unable to achieve their aims due to a myriad of factors shown in the extant literature. One of such factors which we have examined is the idea that fear that is generated in the potential entrepreneur's network of relations plays a role between what the individual knows and what they do in what we have conceptualised as the entrepreneurship knowing-doing gap. We have argued that the would-be entrepreneur is inescapably connected to a heterogeneous network of relations that makes up their entrepreneurial context, and is one that is also able to enable or constrain entrepreneurship. From our analysis, the end goal of either latent or emergent entrepreneurship thus depends on how the individual manages the transmissions of fear within their network of relations. In our view, the response of avoidance behaviour ultimately leads to latent entrepreneurship, unless the would-be entrepreneur overcomes the fear, or takes advantage of it through approach behaviour in order to lead to emergent entrepreneurship.

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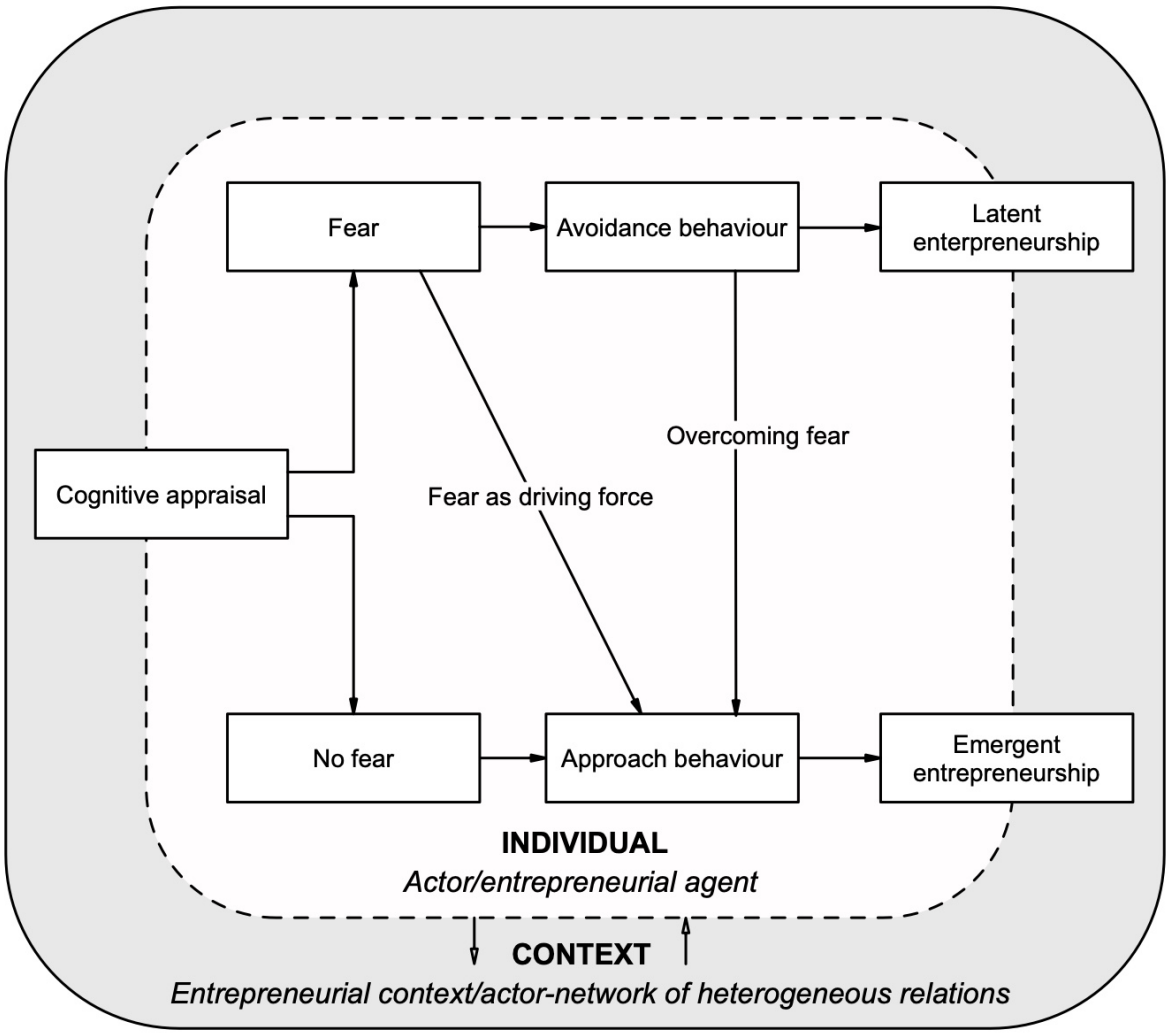
Figure 1: The fear factor in the interplay between the individual and context for latent and emergent entrepreneurship.



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