
RENT 2025

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Title of the paper	Entrepreneurial alertness as a cognitive bridge between entrepreneurial self-efficacy and new venture creation behavior – Contextual headwinds impeding the crossing
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Objectives (200 words)

This research investigates the factors influencing new venture creation behavior among nascent entrepreneurs. While entrepreneurial intentions are widely recognized as key predictors of such behavior (Liñán et al., 2015; Neneh, 2019), studies show they explain less than 30 percent of the variance in actual new firm gestation behavior (Kautonen et al., 2015; Li et al., 2020). This suggests that more nascent entrepreneurs than previously assumed discontinue their efforts before launching a venture. Drawing on social cognitive career theory (SCCT) (Lent, 1994), this study explores how and when nascent entrepreneurs engage in new venture creation behavior. First, we examine how cognitive-person factors, such as entrepreneurial self-efficacy and entrepreneurial alertness, support individuals in overcoming the challenges of new venture creation (Baron, 2007; Cardon & Kirk, 2015). Second, we investigate when nascent entrepreneurs will act by examining external signals, particularly those emitted by universities and investors that moderate this relationship. While often seen as crucial entrepreneurship-support actors, they may unintentionally emit negative signals (e.g. unmet investment promise, administrative hurdles), acting as entrepreneurial career barriers (Bafera & Kleinert, 2023; Donaldson et al., 2024; Lent et al., 2000). Integrating SCCT with signaling theory, this study examines how and when nascent entrepreneurs create new ventures.

Literature review (+/- 300 words)

A fine-grained understanding how and when nascent entrepreneurs effectively engage in new venture creation behavior remains sparse (Shane & Venkataraman, 2000). Although, new firms have been recognized as paramount contributions to economic growth (Shepherd et al., 2021). Social Cognitive Career Theory (SCCT) offers a well-validated framework to explain entrepreneurial career development through two core components: individual cognitive-person factors, especially entrepreneurial self-efficacy

(ESE), and contextual influences (Lent et al., 2000; Meoli et al., 2020). ESE, or belief in one's capability to perform entrepreneurial tasks, is strongly linked to sustained effort towards entrepreneurial goals and venture-related actions (Newman et al., 2019; Trevelyan, 2011). However, the pathway from ESE to actual behavior remains only partially understood, with intentions explaining less than one-third of the variance in entrepreneurial action (Kautonen et al., 2015). We propose entrepreneurial alertness (EA), the ability to scan, connect and evaluate information to discover an entrepreneurial opportunity, as the missing cognitive bridge between ESE and new venture creation behavior (Tang et al., 2012; Valliere, 2013). While ESE reflects the confidence to act, EA determines whether individuals will actually recognize opportunities worth acting upon (Tang, 2008; Zhao et al., 2005). Furthermore, drawing on signaling theory (Spence, 1973), the literature shows that nascent entrepreneurs interpret deliberate and unintentional cues from entrepreneurship-support actors (Bafera & Kleinert, 2023; Donaldson et al., 2024). In particular, universities and investors have been recognized as crucial entrepreneurship-support actors (Stam & van de Ven, 2021). While these actors aim to reduce uncertainty, negative signals, such as perceived bureaucratic hurdles or funding inaccessibility, can erode the confidence caused by ESE or impede the exploitation of a discovered opportunity (Donaldson et al., 2024). Thus, we suggest that perceived barriers to university collaboration and venture capital can respectively dampen the ESE-EA and EA-NVCB link (Chang & Busser, 2020; Edelman & Yli-Renko, 2010).

Approach/Method (200 words)

Scholars increasingly urge to avoid student or existing-founder samples because they suffer from vocational, hindsight, or self-selection biases (Shepherd et al., 2021). Since nascent entrepreneurs are one of the hardest populations to actually sample, most empirical studies still rely on them out of convenience and relatively easy access (Bogatyрева et al., 2019; Shirokova et al., 2016). To advance knowledge, recent work recommends studying actual nascent entrepreneurs drawn from the working-age population (Roelandt et al., 2023; Shepherd et al., 2021). Accordingly, we surveyed Belgian nascent entrepreneurs, meaning those who have actively tried to start a business in recent months (Reynolds, 2009). Partnering with a major news outlet allowed us to generate a broad sample of nascent entrepreneurs from the general population. We invited subscribers to participate in a general entrepreneurship study and highlighted the survey's brevity to minimize self-selection by highly motivated founders. Screening involved two questions: whether respondents are trying to start a new business and whether they had undertaken any active efforts in the past six months. Those answering yes proceeded; after removing incomplete responses, dropouts, and failed attention checks, we retained 493 unique participants.

Results/Findings (300 words)

Research increasingly highlights that more nascent entrepreneurs than thought and theorized hitherto eventually do not start a new venture and abandon their new firm gestation activities because of the vast challenges (Bogatyрева et al., 2019; Gieure et al., 2020; Roelandt & Andries, 2025). This study provides insights into how and when nascent entrepreneurs engage in new venture creation behavior. We draw on social cognitive career theory by starting from the extent nascent entrepreneurs believe they

can start a new venture (i.e., entrepreneurial self-efficacy). Applying a conditional moderated mediation analysis on a sample of 493 Belgian nascent entrepreneurs, we first find that nascent entrepreneurs' self-efficacy determines the development of entrepreneurial alertness, which functions as an underlying mechanism that stimulates the translation of a nascent entrepreneur's belief in their entrepreneurial knowledge and skills into actual new venture creation behavior. Next, we enrich our SCCT framework with signaling theory and demonstrate that the development and deployment of alertness as a cognitive opportunity discovery skill is contingent on nascent entrepreneurs' perceived barriers to university collaboration and access to venture capital. The results show that one's alertness to discovering new and innovative new venture opportunities is significantly impeded and less developed when knowledgeable and skilled nascent entrepreneurs experience high barriers to collaborating with universities. Lastly, our results show that when nascent founders who are entrepreneurially alert face high barriers to access early-stage venture capital, their likelihood of engaging in actual new venture creation is significantly reduced.

Value and Implications (200 words)

Our study contributes to entrepreneurship, SCCT, and signaling research by highlighting how individual cognition and contextual signals jointly shape entrepreneurial behavior. First, we demonstrate that, while necessary, entrepreneurial self-efficacy (ESE) is insufficient to trigger new venture creation. Entrepreneurial alertness emerges as a key mediating mechanism through which ESE translates into new venture creation behavior. Second, we propose and test a multi-level framework linking cognitive-person factors with the signaling environment to understand how entrepreneurial career decisions are made. Our findings reveal conditional effects: when nascent entrepreneurs perceive high barriers to university collaboration, the development of alertness is hampered. Likewise, perceived inaccessibility of early-stage venture capital reduces alertly discovered opportunities being turned into concrete action. These findings underscore the importance of both cognitive-person factors *and* the subjective interpretation of environmental signals in driving entrepreneurial behavior. For policy and practice, the results suggest that entrepreneurial universities and investors must pay closer attention not only to the resources they provide but also to signals they send, intentional or not. They should work to reduce unintended barriers, strengthening both their perceived accessibility and fostering individual entrepreneurial capabilities. This study advances our understanding of why capable and motivated nascent entrepreneurs may still discontinue new venture creation.

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