Emotional arousal and entrepreneurial outcomes: Combining qualitative methods to elaborate theory

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ABSTRACT

This qualitative study of innovators in the superyacht industry blends longitudinal content analysis with narrative case vignettes to extend nascent theorizing about the antecedents and consequences associated with the arousal of entrepreneurial emotion. The empirically grounded framework induced through our research offers two key theoretical elaborations. First, it extends the existing set of theorized antecedents by highlighting the overlooked roles played by dramatic performances (staged or improvised) and ambient conditions (project, actor and venue considerations). Second, it calls attention to the consequences of emotional arousal for such entrepreneurial outcomes as generating novel solutions to specific problems encountered during the creation process, developing innovative end products, and fostering a general context for innovation.

Keywords: Entrepreneurial emotion
Emotional arousal
Innovation
Qualitative study
Theory elaboration

1. Executive summary

As noted by the editors of the special issue in which this paper is featured, entrepreneurship research remains well-suited to qualitative approaches due to the plethora of new topics that continue to be raised. We address one such topic herein—that on entrepreneurial emotion. Although work on this topic has increased dramatically over the past five or so years, we were struck by the disconnect between the primarily intrapersonal focus of extant research and the growing recognition that many core activities constituting the entrepreneurial process are very much interpersonal in nature. Our study addresses this gap by articulating the following foundational questions for work at the nexus of these two streams of enquiry: “What factors contribute to the arousal of emotions amongst those involved in entrepreneurial pursuits?” and “How does this arousal influence outcomes relevant to entrepreneurship?”

We examine these questions using data previously collected as part of an open-ended, inductive and longitudinal study of an industry that is especially germane for shedding light on such queries. More specifically, we analyze multiple sources of data on key actors involved during and since the ‘creative destruction’ (Schumpeter, 1934) of the superyacht industry. We employ a novel analytic approach to the data, combining content analysis of bracketed text excerpts with the construction of holistic narratives (or case vignettes) of two feature builds. The former qualitative technique is used to induce the constitutive elements of our elaborated conceptual model; the latter is used to illustrate the emergent framework in its entirety. This recombinant technique, which we term a ‘second-order grounded approach’, represents a key contribution of our work.

Beyond this methodological contribution, our findings and interpretations possess implications for both the theory and practice of entrepreneurship. With respect to theory, we not only provide preliminary evidence illustrating the influence of factors previously

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theorized to contribute to emotional arousal during the entrepreneurial process, but also call attention to hitherto overlooked contributing considerations. Our analysis further extends nascent theorizing by demonstrating how emotional arousal facilitates the generation of novel solutions to specific problems encountered during the entrepreneurial process, the development of highly-innovative end products and the creation of a general context for innovation—and by revealing how creative solutions to specific problems, in particular, are sometimes triggered by the arousal of negative emotions. With respect to practice, our study’s most important contribution stems from surfacing the influence of ‘front-stage’ dramatic performances as well as ‘back-stage’ ambient conditions (i.e., careful attention to project selection, actor involvement and venue characteristics) in arousing emotion amongst those involved in the entrepreneurial process of bringing a new product into existence.

2. Introduction

Over the past few years, scholars have increasingly turned their attention to the long-neglected affective side of entrepreneurship, extending Baron’s (2008) seminal framework in the process. As an umbrella label for such work, Cardon et al. (2012) recently coined the concept ‘entrepreneurial emotion’, which they theorize as the subjective feelings of pleasure or displeasure that individuals or a collective experience prior to, concurrent with and/or as a consequence of being involved in bringing new goods, services, raw materials, markets, or organizing methods into existence. A wide range of subjective feelings have already captured the attention of various researchers, including the positive emotions of joy (Welpe et al., 2012) and passion (Breugst et al., 2012; Cardon, 2008; Cardon et al., 2005, 2009, 2013; Chen et al., 2009; Dmowsek et al., 2009; Mitteness et al., 2012) as well as the negative emotions of grief (Shepherd, 2003, 2009), envy (Biniari, 2012), fear and anger (Welpe et al., 2012). Collectively, these studies and others have contributed to the area’s status as a “hot topic” within current entrepreneurship research (Cardon et al., 2012:1).

Despite this status, Cardon and her colleagues acknowledged that many fundamental questions remain “sorely in need of study” (2012: 1). In our view, some of the most important of these enduring questions stem from the field’s historic glamorization of the lone entrepreneur—a preoccupation that is out of step with the increased recognition that much entrepreneurial activity occurs within teams or at least relies upon inputs from other individuals. This preoccupation is reflected in the entrepreneurial emotion literature, as evidenced by the relative preponderance of studies addressing intra rather than interpersonal questions. As a result, research in the area has not yet generated much understanding of the factors that contribute to the arousal of entrepreneurial emotion amongst others—such as investors, employees, customers, and suppliers—who participate in the process of bringing a new goods, service, raw material, market, or organizing method into existence nor has it generated much understanding of the consequences for such entrepreneurially relevant outcomes as devising novel solutions to problems encountered during the creation process, producing innovative end products, or cultivating a general context for innovation. These outcomes are particularly germane to the notions of novelty and innovation inherent in many of the field’s leading definitions of entrepreneurship (see, for example, Busenitz et al., 2003; Schumpeter, 1934; Shane, 2012; Shane and Venkataraman, 2000). To remedy these gaps in understanding, we pose the following questions: (i) what factors contribute to the arousal of emotion amongst those who contribute to the process of bringing a new goods, service, raw material, market, or organizing method into existence, and (ii) what entrepreneurially relevant outcomes are produced or affected as a result?

Given the limited work conducted to-date on the emotions aroused in others beyond the lead entrepreneur, this study adopts Lee et al.’s (1999) qualitative approach of ‘theory elaboration.’ A combination of deductive and inductive styles of theorizing, this approach is especially well suited to the early stages of a research line’s development because it involves identifying pre-existing conceptual ideas about a focal topic and then extending those ideas via a study’s empirically grounded findings. We identify, summarize, and synthesize extant theory related to the arousal of entrepreneurial emotion in others in the following section. The empirically grounded findings that we subsequently present stem from an analysis of the superyacht industry. A setting in which multiple parties interact over an extended period of time to co-create highly-innovative, custom-designed luxury vessels, this empirical context is ideally suited for the interpersonal focus of our research.

By analyzing numerous accounts of the interactions between those who participated in the industry’s transformation in the late 1960s and those who continue to push the industry’s frontier forward today, our study offers both theoretical and methodological contributions. With respect to theory, our work sheds light on hitherto overlooked factors that not only evoke strong emotions during the entrepreneurial process but also contribute to the entrepreneurially relevant outcomes noted above. These contributing factors include ‘front-stage’ dramatic performances, both staged and improvised, as well as attention to ‘back-stage’ ambient conditions consisting of project, actor and venue considerations. As for methods, our study features a blend of two qualitative techniques—longitudinal content analysis and narrative case vignettes—that is atypical within current research. This novel recombinant methodology offers a potential template for future researchers interested in addressing recent calls for a less formulaic and more heterogeneous approach to our understanding of organizational phenomena (Askanasy, 2013; Delbridge and Fiss, 2013; Suddaby et al., 2011). Our first narrative vignette, in particular, illustrates the disruptive nature of the process that contributed not only to the creation of a highly-novel end product but also to the transformation of an entire industry.

3. Literature review

3.1. Existing theory regarding the arousal of entrepreneurial emotion in others

As noted by Cardon et al. (2012), most research on entrepreneurial emotion tends to focus solely on the lead entrepreneur. As a result, the field currently possesses comparatively little knowledge about the interpersonal side of this topic; that is, about how others
involved in the entrepreneurial process perceive, respond to and potentially come to share the entrepreneur’s subjective feelings. Fig. 1 summarizes the core constructs and interrelationships evident within nascent theorizing about the factors that contribute to the arousal of emotions in other key actors beyond the lead entrepreneur (e.g., investors, employees, customers, suppliers) who contribute to bringing a new good, service, raw material, market, or organizing method into existence.

As highlighted by the bolded box at the bottom part of Fig. 1, the focal outcome variable in extant work is the emotional arousal of contributing actors. This concept refers to the activation of subjective feelings within individuals other than the lead entrepreneur for their role in the entrepreneurial process, for the envisioned outcome of the endeavor and/or for the artifacts produced along way. Thus far, the few scholars who have started to theorize about the activation of such emotion in others have tended to emphasize the arousal of positive feelings in particular. Cardon’s (2008) work, for instance, focused upon the transference of the intense positive feeling of entrepreneurial passion. Similarly, Drnovsek et al. ’s (2009) work focused upon how such passion can become consensually experienced by members of an entrepreneurial team. This notion of collective entrepreneurial passion resonates with the concept of ‘emotional energy’ central to Collins’ (2004) theory of interaction rituals, which Goss (2005, 2008) recently applied within the context of entrepreneurship. Although the original conceptualization of emotional energy pertained to relatively enduring interpersonal-level feelings of pleasantness or unpleasantness, Goss emphasized the former in his theorizing, describing the construct as a “long-term level of enthusiasm” (2005: 210) or sense of “collective effervescence” (2008: 124) that can emerge amongst those involved in the entrepreneurial process.

As for the determinants of entrepreneurial emotion arousal, extant theorizing highlights two contributing behaviors enacted by the lead entrepreneur. The first is the emotion exhibited by the entrepreneur. Such an emphasis is especially salient in Cardon’s (2008) explication of how entrepreneurial passion, in particular, can be transferred to others via the process of emotional contagion. As described by Cardon, one of the two primary methods of contagion—primitive emotional mimicry—fundamentally relies upon the emotion displayed by the lead entrepreneur. More specifically, theory and research on primitive emotional mimicry suggest that those involved in the entrepreneurial process can come to share an entrepreneur’s emotion simply through their exposure to this individual. As noted by Cardon, this is because individuals tend to imitate, automatically and subconsciously, the emotional displays of others with whom they interact.

The second contributing factor emphasized within extant conceptual work is the symbolic devices used by the entrepreneur. Goss (2008) drew attention to two symbolic devices in particular: language and objects. With respect to language, Goss emphasized the importance of stories and narratives, i.e., “specific accounts of enterprising actors’ exploits” (2008: 130), as well as meta-discourses, or “sets of shared meanings that operate at a cultural or societal level” (2008: 124). As for objects, Goss primarily referred to physical representations emblematic of the enterprising group’s activity, such as the logo for their venture. Both types of symbolic devices are argued to play an important role in arousing and maintaining the collective energy of the actors involved in the entrepreneurial process.

A third contributing factor evident in extant conceptual work is the concurrent cognitions of contributing actors. Goss (2008), for instance, emphasized the importance of focused attention and cognitive appraisals/attributions as factors that both influence and are influenced by the emotional energy of participating actors. Whereas the former pertains to a mutual focus on the same activities, the latter refer to evaluations of liking or disliking. According to Goss, positive appraisals are more likely in the presence of strong identification with the enterprising group’s activities. Meaningful identification is also fundamental to the second means of emotional contagion explicated by Cardon (2008): social comparison. As discussed by Cardon, contributors to entrepreneurial endeavors are unlikely to internalize the intense positive emotions exhibited by lead entrepreneur(s) due to emotional mimicry alone. For such feelings to become internalized, contributing actors must also possess an identity connection with the endeavor; that is, they must “identify with the entrepreneur or the venture in a meaningful way” (Cardon, 2008: 81; see also Drnovsek et al., 2009).

Please cite this article as: Jennings, J.E., et al., Emotional arousal and entrepreneurial outcomes: Combining qualitative methods to elaborate theory, J. Bus. Venturing (2014), http://dx.doi.org/10.1016/j.jbusvent.2014.06.005
3.2. Extant empirical research on the arousal of entrepreneurial emotion in others

To the best of our knowledge, no empirical studies have directly investigated the above-noted concepts and relationships. Although several have demonstrated that an entrepreneur’s affective displays can influence the cognitions and/or behaviors of resource providers (Balachandra and Briggs, 2010; Breugst et al., 2012; Brundin et al., 2008; Chen et al., 2009; Mitteness et al., 2012), none of these explicitly examined the arousal of emotions in others beyond the entrepreneur. Similarly, only Breugst et al.’s (2012) study, which focused upon the outcome of employee commitment to an entrepreneurial venture, investigated a construct close to the notion of meaningful identification evident within our preceding review. Moreover, none of the studies that examined how entrepreneurs use symbolic linguistic and/or visual devices to influence others (e.g., Clarke, 2011; Martens et al., 2007; Mitteness et al., 2012; Zott and Huy, 2007) directly analyzed whether these symbolic devices contributed to emotional arousal amongst the recipients.

The upshot is that the conceptual building blocks of exhibited emotions, symbolic devices, and concurrent cognitions theorized to be fundamental in arousing entrepreneurial emotion in others have not yet been directly or systematically examined in an integrated manner. As a result, we do not possess sufficient evidence that these represent the only influential factors nor do we possess empirically grounded details on either the types of emotions that are aroused in practice, or whether their arousal influences outcomes pertinent to the notions of novelty and innovation that feature prominently within several prominent conceptualizations of entrepreneurship (e.g., Busenitz et al., 2003; Schumpeter, 1934; Shane, 2012; Shane and Venkataraman, 2000). Our qualitative study addresses these gaps.

4. Empirical setting and data sources

4.1. Empirical setting

The data for this study were collected as part of an open-ended, inductive and exploratory investigation of the superyacht industry’s evolution since its ‘creative destruction’ (Schumpeter, 1934) in the late 1960s. The superyacht industry produces the world’s largest and most expensive motor or sail boats for private use. A modern superyacht typically exceeds 30 m (90 ft) in length, with a significant proportion—28% of the total builds in 2010—exceeding 50 m (The Yacht Report, 2009, 2010). Producing a vessel of this magnitude costs approximately $27.4 million USD on average (Curtis-Davis-Garrard, 2007), with overruns a common occurrence. These overruns stem from the custom-designed, ‘bespoke’ nature of most modern superyachts.

The bespoke nature of most modern superyachts can be traced to Jon Bannenberg, the Schumpeterian-type entrepreneur who introduced the role of the independent designer into the process. This innovation transformed not only the practice of yacht design and production but also the structure and power relations within the industry (for more details see Delbridge and Edwards, 2008, 2013). Prior to Bannenberg’s radical intervention, vessels were largely designed and built in-house by the architects and shipwrights employed at shipyards. The creative input of these salaried designers was mediated by the risk and cost calculations of the shipyard’s senior management, which meant that most in-house vessels were built to an off-the-shelf formula. Although a small number of established shipyards continue to have the capacity to design and build vessels in-house, the majority of new builds today follow Bannenberg’s revolutionary method.

This now-common, design and production method is based upon principles of customization and innovation, with independent designers often playing the lead role in the process. Retained by the clients who commission the yacht, independent designers have greater scope for innovation and creativity by virtue of their independence from the shipyard. Indeed, when retaining an independent designer, as part-and-parcel of the process clients expect unique, ground-breaking designs that successively push the frontier of yacht design further forward. As such, the design of a bespoke superyacht is representative of a process that involves the creation of a highly-innovative end product. Accordingly, the contributing actors to such a process can be deemed as engaging in the type of entrepreneurial activity emphasized within several leading conceptualizations of entrepreneurship, in which innovation rather than new venture creation is deemed a fundamental requirement (e.g., Schumpeter, 1934; Shane, 2012; Shane and Venkataraman, 2000).

Additional aspects of the superyacht design and build process warrant mention here. For one, it is a process of co-creation involving varied subsets of contributing actors: the independent designer and members of his/her design house (e.g., business manager, interior designer); the client and his/her affiliates (e.g., spouse, broker, captain); and, the personnel employed at the shipyard that constructs the vessel (e.g., naval architects and engineers). Second, it is a complicated and lengthy process, with numerous interactions and complex negotiations occurring between the contributing parties over a span of two to three years. Third, it is highly charged process, not only because of the large sums of money involved and the high risks associated with committing to an untried and untested design, but also because a superyacht is one of the world’s few pinnacle cultural products of identity expression and image projection. Combined, the above-noted characteristics suggest that the industry is well suited—if not an ‘extreme case’ (Bamberger and Pratt, 2010; Eisenhardt and Graebner, 2007; Siggelkow, 2007)—for shedding light on the nature, antecedents and outcomes associated with emotional arousal during the entrepreneurial process.

4.2. Data sources

4.2.1. Formal interviews

As indicated in Table 1, the qualitative data sources for this study consisted of 38 formal interview transcripts, 28 archival documents and 12 sets of field notes. The formal interviews were conducted between 2002 and 2012 with a variety of central, experienced actors in the superyacht industry. Fifteen were held with the lead designer or senior members from three of the world’s dozen or so
preeminent independent design firms: Jon Bannenberg Ltd (N = 4), Terence Disdale Design (N = 3), and Andrew Winch Design (N = 8). Each firm’s lead designer is widely acknowledged as an innovator within the field. Recognized with the Lloyds Trophy for Design and Innovation in 1973 and appointed Royal Designer for Industry in 1978, Jon Bannenberg’s “influence has been so great that some mega-yacht customers have been heard to refer to time as BB (Before Bannenberg) and AB (After Bannenberg)” (Smyth, 1985: 65). Although the other two lead designers, Terence Disdale and Andrew Winch, would not be considered Schumpeterian-type entrepreneurs like Bannenberg, their status amongst the world’s top dozen innovators within the superyacht industry today is without question. Each, for instance, is the recipient of numerous awards for their innovative designs, including the prestigious World Superyacht Award (to Terence Disdale in 2007) and the Superyacht Society Design Award (to Andrew Winch in 2009).4

Four interviews were conducted with clients and their representatives (i.e., broker and captain). Eleven were conducted with senior managers and/or technical personnel at three different shipyards. These individuals are important ‘gatekeepers’ acting between the independent designer and client. Decisions over design intent have to be agreed with these personnel because often such specifications have yet to be technically proven due to the novelty of the design ideas. The remainder of the interviews were held with varied additional industry constituents: suppliers (N = 2), government officials (N = 2), editors of industry-specific media publications (N = 3), and another designer with experience managing a naval architecture outfit (N = 1).

The interviews ranged from 45 to 180 min in length, with most lasting approximately 1 h. Given that the research project was originally conceived to develop a deeper understanding of the design and build process, the interviews were used to characterize the commissioning of a vessel and the subsequent interactions and decisions made between key actors in establishing a workable project. Particular emphasis was given to the nature of the negotiations during this process to elaborate the relationships between these parties in developing and translating design ideas into reality. Each was conducted by the second and/or fourth author, tape-recorded, and then transcribed verbatim. In a handful of instances, multiple members of a design house or shipyard were interviewed at the same time. Those conducted at Andrew Winch Design included one multi-party interview of this sort as well as four repeat interviews with the lead designer and three repeat interviews with his project manager.

4.2.2. Archival documents

The 28 archival documents collectively spanned the four-decade period from 1969 to 2011. One set consisted of publicly available materials regarding the superyacht industry; i.e., book chapters/excerpts (N = 5), catalogues (N = 5), and articles within the general media (N = 5) or industry-specific periodicals (N = 8). The other set consisted of privately held documents pertaining to lead entrepreneur Jon Bannenberg in particular; i.e., personal correspondence from clients (N = 2) and materials related to his death in 2002 (N = 3).5

4.2.3. Field notes

The 12 sets of field notes were of three types. The first type (N = 2) contained documentation related to the experiences and impressions of the second and fourth authors upon attending industry events (i.e., the 2004 SEAS Conference and the 2004

Table 1
Details about the various data sources.

<table>
<thead>
<tr>
<th>Type (dates) and sources</th>
<th>Number</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal interviews (2002 to 2012)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lead designers</td>
<td>5 (4 repeat)</td>
<td>138 pages</td>
</tr>
<tr>
<td>Senior members of design firms</td>
<td>10 (3 repeat)</td>
<td>320 pages</td>
</tr>
<tr>
<td>Shipyard personnel</td>
<td>11</td>
<td>209 pages</td>
</tr>
<tr>
<td>Clients and their representatives</td>
<td>4</td>
<td>101 pages</td>
</tr>
<tr>
<td>Other industry constituents</td>
<td>8</td>
<td>246 pages</td>
</tr>
<tr>
<td><strong>Archival documents (1969 to 2011)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Book chapters/excerpts</td>
<td>5</td>
<td>240 pages</td>
</tr>
<tr>
<td>Catalogues</td>
<td>5</td>
<td>142 pages</td>
</tr>
<tr>
<td>Articles within the general media</td>
<td>5</td>
<td>12 pages</td>
</tr>
<tr>
<td>Articles within industry-specific periodicals</td>
<td>8</td>
<td>37 pages</td>
</tr>
<tr>
<td>Personal correspondence</td>
<td>2</td>
<td>4 pages</td>
</tr>
<tr>
<td>Obituary materials</td>
<td>3</td>
<td>60 pages</td>
</tr>
<tr>
<td><strong>Field notes (2001 to 2010)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes related to attendance at specific industry events</td>
<td>2</td>
<td>18 pages</td>
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<tr>
<td>Notes pertaining to unscheduled, informal discussions</td>
<td>9</td>
<td>36 pages</td>
</tr>
<tr>
<td>Notes consisting of general researcher reflections</td>
<td>1</td>
<td>9 pages</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>78</td>
<td>1572 pages</td>
</tr>
</tbody>
</table>

4 These awards are based on peer recommendations from within the superyacht industry that relate to specific yacht designs (named yachts launched within a specific year). Winners are judged on the level of design innovation and overall build quality (see http://www.Andrew-winch-designs.co.uk/en/news/09).

5 Indeed, it was Jon Bannenberg’s death that triggered the broader study for which the original data were collected. Although the regrettable consequence is that we were unable to conduct any interviews with this entrepreneur, almost all of the other interviewees knew him during the time period when he created his revolutionary design method and products and referred to Bannenberg explicitly in our interviews. Moreover, many of the archival documents contained direct quotes by Bannenberg himself and were spaced over the years of his career. As we will show in the results section and accompanying tables, many of these direct quotes—in addition to the other data sources—provided evidence of the strong emotions exhibited by this entrepreneur and his ability to arouse such feelings in others.

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Monaco Boat Show). The second type (N = 9) consisted of notes made soon after holding unscheduled, informal discussions with a variety of industry informants (including those present at the 2005 UK Superyacht Forum). The final type (N = 1) comprised the researchers’ reflections and insights throughout the data collection period.

5. Analytic methods

We analyzed and interpreted the above-noted empirical material by combining two qualitative techniques. The first consisted of a longitudinal content analysis of bracketed textual data, through which we induced specific constructs and relationships featured in our elaborated conceptual framework. The second, more holistic, technique involved the construction of narratives for two specific superyacht builds. These case vignettes are used to illustrate the grounded theoretical model in its entirety.

Our approach conforms to the principles of grounded theory, which represents “an organic process of theory emergence based on how well data fit conceptual categories identified by an observer, by how well the categories explain or predict ongoing interpretations, and by how relevant the categories are to the core issues being observed” (Suddaby, 2006: 634). A grounded theory approach is appropriate because in writing this paper we set out to explain the process by which different actors constructed meaning out of intersubjective experience. The combination of longitudinal content analysis and case vignettes provided the means to develop theoretical categories and to explore these in terms of the patterned relationships between social actors and how these relationships, interactions and contexts shaped reality (Glaser and Strauss, 1967).

This approach has been undertaken with an existing dataset, initially gathered by the second and fourth authors. How the researchers came to develop the combined methodological approach is illustrative of an emerging process whereby the idea of entrepreneurial emotion did not feature in the discussions of these two researchers. It was only after conversations with the first and third authors that the findings of the original research were revisited and the current insights were gradually uncovered through a new analysis of the existing data.

This ‘second-order’ grounded approach—i.e., the fresh and open-ended inductive analysis of an existing dataset—demonstrates the benefits of extending the “interplay between researcher and data” (Corbin and Strauss, 1990: 19). On this occasion, additional insights from new researchers created renewed impetus around the analysis and interpretation of the findings. This also created creative tension in how to represent the data. As noted by Glaser (1978) there is often a “theoretical tension” between the mechanical application of technique and the importance of interpretive insight. As Suddaby (2006: 639) wryly observes, grounded theory “is not easy”. In our case, this tension concerned how best to reveal the theoretical insights in the data. This was resolved in a pragmatic decision to combine the longitudinal content analysis – used to reveal key theoretical constructs – with the development of two narratives to expose more clearly the actors, their interactions and social contexts through which the constituent features highlighted in the content analysis unfolded.

5.1. Longitudinal content analysis

The content analysis component of our analytic procedure consisted of three main stages. Although we describe these stages for ease of presentation as if they occurred in a sequential and non-recursive manner, it is important to note that in reality we did not progress through them in such a linear manner (as is common in qualitative research). For instance, during the process of assessing the credibility of our interpretations (stage 3), we realized that we needed to refine not only our coding scheme (stage 2) but also the organization of the data (stage 1).

5.1.1. Identifying analytic units and time periods (stage 1)

The first stage involved identifying and organizing relevant units of analysis within the wealth of qualitative data. Given our interest in the arousal of entrepreneurial emotion in others, we began by bracketing only those textual passages referring to interactions between those involved in the process of bringing a new superyacht into existence. Excluded passages consisted of technical process descriptions of the yacht-building process or references to the industry’s evolution that did not directly mention any specific actors (e.g., discussions of broader societal and technological trends). We culled any data sources that did not include any relevant passages.

We then separated the relevant passages into two analytic periods. Those in the first pertained to interactions between Jon Bannenberg and others who contributed to the creative destruction of the superyacht industry. Passages in the second referred to interactions between subsequent innovators Terence Disdale or Andrew Winch and their collaborators during the post-disruptive period. This step enabled us to conduct a within-case corroboration of our emergent findings, which was important given that the dataset contained primarily retrospective data pertaining to Bannenberg in particular. We identified 475 relevant analytic units in total, with approximately equal numbers pertaining to each analytic period.

5.1.2. Developing the coding scheme (stage 2)

To develop the coding scheme, we first divided the identified analytic units amongst the four members of the co-authorship team. To increase objectivity, we assigned the transcripts to the two members who had not been involved in the original data collection
effort and thus had not participated in the personal interviews; the other two analyzed the relevant passages identified within the archival documents and field notes. Each researcher coded his/her assigned analytic units independently.

Initially we engaged in manifest or in-vivo coding in which we looked for similarities and differences in the "elements that were physically present and countable" within and across the analytic units (Berg, 2004: 269; see also Strauss and Corbin, 1990). This process resulted in a set of first-order concepts. We then engaged in latent or axial coding in which we searched for relationships amongst the first-order concepts by conducting an “interpretive reading of the symbolism underlying the physical data” (Berg, 2004: 269; see also Strauss and Corbin, 1990). As is common in qualitative research, this step involved iterating between the analytic units, our emergent codes and the extant constructs distilled through our literature review. Several rounds of discussion took place, both virtual and face-to-face, out of which resulted a set of second-order themes. Finally, following Corley and Gioia (2004) and Nag et al. (2007), we further collapsed these themes into a set of overarching dimensions in order to facilitate the presentation of our emergent model.

As a simple illustration of this coding procedure, consider this excerpt from an interview with Andrew Winch, in which he is reflecting upon a pivotal interaction with Jon Bannenberg:

I went to see Jon [about a job] and he said, ‘What do you know about boats?’ … Then he showed me a spine, which is a piece of plastic that you use to draw hull lines … So he left me this spine, and gave me some weights and then sent me off to learn how to do it … This inspired me.

We initially coded this segment as containing examples of the first-order concepts ‘3D representations’ and ‘positive emotion’ because of the explicit references to the use of visual models and aroused feelings of inspiration. As we refined our coding protocol, the segment was subsumed under the second-order themes of ‘symbolic devices’ and ‘emotional arousal in contributing actors’, and finally under the overarching dimension of ‘interaction episodes’.

5.1.3. Assessing credibility (stage 3)

We took several steps to ensure that our interpretations adequately reflected the interactions between those involved in bringing a new custom-designed superyacht into existence. For one, the two authors who constructed the original dataset did so through prolonged engagement within the research setting (Lincoln and Guba, 1985) and via the triangulation of multiple data sources and informants (Maxwell, 1996).

Second, following Nag et al. (2007), we calculated indicators of inter-coder agreement for a subset of our coding decisions (i.e., 7 of the 13 second-order themes). The average intraclass correlation coefficient between the pairs of co-authors assigned to each type of data source was .90, indicative of a high degree of internal agreement.

Third, following the exemplars that we consulted for writing-up our qualitative findings (Elsbach and Kramer, 2003; Maitlis, 2005; Zott and Huy, 2007), we assessed the strength of evidence for our emergent second-order themes. We did so both within and across the two analytic periods. We inferred strong evidence if a theme appeared across many passages in both analytic periods, moderate evidence if it appeared across many passages in one analytic period and within several passages in the other analytic period, and suggestive evidence if it appeared within at least some passages in both analytic periods. Our supporting tables indicate the degree of support found for each emergent theme.

The final step of our longitudinal content analysis involved member checking; that is, presenting summaries of our interpretations to highly knowledgeable individuals representing diverse perspectives within our focal setting (Eisenhardt and Graebner, 2007; Lincoln and Guba, 1985). Their feedback not only confirmed the importance of emotion to creative collaborations in the superyacht industry but also endorsed the explanatory potential of our emergent model. Illustrative comments are available upon request.

5.2. Narrative case vignettes

The case vignettes were constructed using empirical evidence that was gathered during the analysis of two different yacht commissions. Each narrative was constructed around a set of significant events related to the emergence of design intent, which helps to highlight the processual characteristics of creating innovative design and how key actors established the context to enable them to establish and share their novel ideas. The first narrative was chosen because it reveals Jon Bannenberg’s original superyacht design, when his ideas had yet to be proven. The second narrative was chosen to show the contemporary challenges of the same process and, as such, confirm the salience of the concepts emerging from the longitudinal content analysis despite the different historical periods.

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6 The three consulted individuals consisted of Dickie Bannenberg, Jon Bannenberg’s son and current managing director of Bannenberg and Rowell Ltd, (formerly Jon Bannenberg Ltd), Geoffrey Simmonds, Jon Bannenberg’s first client, and designer Andrew Winch. Re-approaching two of the study’s original participants (Geoffrey Simmonds and Andrew Winch) is defensible given that the initial data collection effort was not focused explicitly on the role of emotion in the superyacht design and build process.

Please cite this article as: Jennings, J.E., et al., Emotional arousal and entrepreneurial outcomes: Combining qualitative methods to elaborate theory, J. Bus. Venturing (2014), http://dx.doi.org/10.1016/j.jbusvent.2014.06.005
Table 2
Supplemental evidence related to emotional arousal, exhibited emotion and concurrent cognitions.

<table>
<thead>
<tr>
<th>Second-order themes/first-order concepts</th>
<th>Illustrative quotes (and data source)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emotional arousal in contributing actors</strong>a</td>
<td></td>
</tr>
<tr>
<td>Positive emotion</td>
<td>The Editor-in-Chief of Yacht Report noted that many superyacht clients like the collaborative approach adopted by some designers “… because it’s exciting—it’s the build process that excites them more than the finished product” (Interview transcript #25).</td>
</tr>
<tr>
<td>Negative emotion</td>
<td>A member of Andrew Winch’s design firm admitted the following: “… sometimes I will hear Andrew say, ‘We can do this and we can do that’… and I am thinking, ‘No, we cannot’… He is good, knowledgeable … but when he is with the client he cannot stop himself, and of course, I do not like it.” (Field notes #5)</td>
</tr>
<tr>
<td>**Emotion exhibited by entrepreneur(s)**b</td>
<td></td>
</tr>
<tr>
<td>Passion for specific entrepreneurial project</td>
<td>Brian Beardmore, a designer who worked alongside Jon Bannenberg during the emergence of the modern superyacht industry emphasized that “… with this group of designers there was this tremendous excitement” (Interview transcript #4)</td>
</tr>
<tr>
<td>General charisma</td>
<td>A member of Jon Bannenberg’s design firm stated: “[Bannenberg] was great, he knew what he wanted. He was very exciting … Jon would put his heart into things … he showed so much enthusiasm.” (Field notes #12)</td>
</tr>
<tr>
<td><strong>Concurrent cognitions of contributing actors</strong>c</td>
<td></td>
</tr>
<tr>
<td>Identity resonance</td>
<td>One of Andrew Winch’s clients provided this testimonial: “Andrew combined his energy and wonderful creativity, with his broad experience to give us a yacht that uniquely reflected our style and tastes perfectly.” (Archival document #28)</td>
</tr>
<tr>
<td>Identity dissonance</td>
<td>Designer Andrew Winch admitted: “One of my designers left with one of my clients. We were doing a boat for him when I first started off thinking, ‘this is great!’ … [but then] I said, ‘it’s not me’…” (Interview transcript #5)</td>
</tr>
</tbody>
</table>

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6. Findings and elaborated conceptual model

6.1. Support for pre-existing constructs

Consistent with prior theorizing, our analysis revealed ample empirical support for the core pre-existing constructs previously depicted in Fig. 1. Table 2 summarizes the first-order concepts and supplemental illustrative quotes associated with the constructs of emotional arousal, exhibited emotion and concurrent cognitions. Those pertaining to symbolic devices are presented in Table 3, to better highlight how the findings elaborate extant conceptual work.

6.1.1. Emotional arousal in contributing actors

As indicated within the top rows of Table 2, our data were replete with references to the emotions aroused within contributing actors—both within and across the two analytic periods. Consistent with extant theorizing, most pertained to the arousal of positive emotions. Some passages, for instance, referred to the arousal of pleasant yet low-intensity feelings in others. One example comes from an interview with Jon Bannenberg’s first client, Geoffrey Simmonds, who expressed his “satisfaction of what [they] had done” in creating the world’s first superyacht. Another example comes from a personal note written to Bannenberg by a different client, Leslie Wexner: “Every time I use the boat I think so fondly and appreciatively of you … I truly miss our visits and the working together.”

Most passages reflected the activation of the considerably more intense positive emotions typically associated with passion; e.g., excitement, love and/or rapture (Cardon et al., 2009). References to excitement were particularly common, such as in the following interview remark by Andrew Winch: “[The client] left it to me and he was excited when he saw it come together.” In a subsequent interview, Winch described how Bannenberg was also capable of invoking feelings akin to love: “Everybody admired Jon but … [he] was too far ahead of them for them to know where he was going. [They were] like a blind man being led by a dog that was enjoying his food… And I loved him because he turned that blind man into something better.” One of the most poignant expressions of emotional arousal in general, and rapture in particular, is contained within the following interview reflection by client Geoffrey Simmonds:

> Obviously men do cry and one of the emotional high points of my life was seeing the Tiwana slide down and going to the water. I described it at the time as being probably the closest way a man can get to what a woman feels when a child is born … it’s a very emotional moment.

Several passages even contained references to the notions of shared emotional energy (Goss, 2005, 2008) and collective passion (Drnovsek et al., 2009) mentioned in extant theoretical work. The former, for instance, is evident in this interview remark by Andrew Winch: “We just had a bit of a riot … We just had a happy time. And that’s half of it—it should be fun.” The latter is evident in this interview comment by Stuart May, a member of Bannenberg’s original design team, in which he described how it felt to be involved in the entrepreneurial process of transforming the superyacht industry: “We were just generally enthralled with the whole thing.”

As a counterpoint, however, some passages referred to the arousal of negative emotions in others. During his interview, for instance, client Geoffrey Simmonds shared this revealing anecdote: “I was using a naval architect in America and when Jon came up with the...
way he wanted to enter the saloon this guy was absolutely horrified—thought this was the most un-seamanlike thing he had ever seen.” In the case vignettes, below, we illustrate how the participants’ behavioral reactions to negative as well as positive emotions impacted key entrepreneurial outcomes.

6.1.2. Emotion exhibited by entrepreneur(s)

As indicated within the middle rows of Table 2, references to the contributing role played by the entrepreneur’s exhibited emotions were also prevalent within our data. Many pertained to their passion for specific projects. One of the most revealing references in this regard is evident within this interview remark by client Geoffrey Simmonds: “[Jon] was really shaking the foundations [of the industry]… I think that [he] loved the experience … I think he loved every part of it.” Another telling yet implicit example, written by Bannenberg himself, was featured in a commemorative volume published upon his death in 2002:

In 1968 my design life was rejuvenated by a commission for a 72 metre 24 knot yacht … [This commission] represented an opportunity to re-examine existing yacht design … I was fired to break new ground with unique and interesting features which had been lurking in my psyche awaiting just such a project.

Other passages referred to the general charisma exuded by the entrepreneurs beyond their passion for specific entrepreneurial projects. Numerous archival documents highlighted Bannenberg’s charismatic personality in particular. The following quote, for example, appeared within a 1986 issue of Nautical Quarterly: “It’s partly his charisma, I think … Other people may have these kinds of ideas, but Jon has the ability to convince people of these things … He gets so excited they’ll do damn near anything he wants.”

6.1.3. Concurrent cognitions of contributing actors

As indicated within the bottom rows of Table 2, our data also contained evidence—albeit not quite as strong—for the role played by the concurrent cognitions of the contributing actors. Consistent with extant theorizing, identity resonance (i.e., meaningful identification with the entrepreneur and/or the venture; Cardon, 2008) emerged as particularly salient. That is, several passages revealed that the contributing actors identified strongly with the entrepreneur, their own role in the entrepreneurial process, the outcome that they were trying to achieve and/or the artifacts produced along the way. Many of the preceding quotes, for instance, hint at the contributing actors’ identification with the entrepreneurs. As for their own role in and envisioned outcome of the entrepreneurial process, the following interview remark by client Geoffrey Simmonds is revealing:

[Jon and I were] very interested in how you push the technical envelope … saying to each other, “We don’t want to build the best yacht of 1936” … I think we were genuinely trying to move the design of boats forward.

With respect to artifacts, Simmonds similarly spoke about how Bannenberg’s initial concept drawings resonated with his identity because they featured “an unconventional razor-edged exterior”, which captured the fact that he came “from the aerospace industry—an industry that [was] on the cutting edge.” Winch also underscored the importance of establishing an identity connection, describing in one interview how he strives to represent the ideals cherished by clients within his illustrations of their boats. In particular, he mentioned how excited he and the client were about a certain design because the vast, open, longitudinal spaces that he had sketched captured the essence of success for this individual, which was freedom.

Some of the passages, however, pertained to identity dissonance amongst participants in the entrepreneurial process. These revealed that occasionally a certain degree of discord existed between an innovative idea proposed by the entrepreneur and the contributing actor’s sense of self, which detracted from the latter’s ability to identify strongly with that particular aspect of the entrepreneurial project. This was especially evident in an anecdote shared in a follow-up interview with Winch regarding a client’s reaction to a painting presented early on in the project’s conceptualization phase. The picture depicted the client’s new yacht moored just off a sandy beach with figures representing the client, his family and attending crew on the beach enjoying a picnic. The client’s response to the painting was negative, strong and direct. As Winch recounted:

[The client said], “We don’t make such a song and dance on the beach. We don’t have blue and white umbrellas, we only have white umbrellas.” That mattered to him. He said, “No, no, no, if you were a little bit more sort of nouveau riche you’d have blue and white and make a statement on the beach, but we don’t want to make a statement. We just want quality—just quiet white chairs, understated, in the corner.”

As with the fortuitous evidence pertaining to negative emotions, we elaborate the consequences associated with identity dissonance (as well as identity resonance) in the case vignettes below.

6.1.4. Symbolic devices used by entrepreneur(s)

Many of the preceding quotes preview the symbolic devices that contributed to arousing emotions in others as well as their identification with the entrepreneurial project. As indicated in Table 3, these consisted of linguistic devices, visual objects and dramatic performances. The first two provide support for extant concepts; the third constitutes an example of theory elaboration.

One of the salient linguistic devices pertained to asking lots of probing questions, especially of clients. Andrew Winch put it this way in one of the follow-up interviews: “That’s my role—tumbling questions and listening a lot to what they’re after.” Another salient linguistic device involved the use of imagery, analogy or metaphor. Client Geoffrey Simmonds shared a vivid example when reflecting
upon how Jon Bannenberg was able to convince recalcitrant shipyard engineers to change their traditional ‘miniaturation’ approach to yacht design and accept his innovative ‘holistic’ approach:

One of his comments often was: “If you get into a mini there’s an assumption on the part of the designers that the person has shrunk from 6’ to 5’3″ … And you’ve only got to look at the size of the pedals to see that they’ve also made the assumption that he doesn’t wear a size 10 shoe, he wears a size 5 shoe.” Somehow he used that as an analogy to say: "You’ve got to accept that these are not 5’3″ [people] coming on board."

Given the image-conscious nature of the superyacht industry, it is perhaps not surprising that we found even stronger support for the contributing role played by visual objects. These took the form of either two-dimensional representations, such as drawings and storyboards, or three-dimensional representations, such as scale models of the entire vessel or full-scale prototypes of certain areas within the yacht. Regardless of their form, it was clear from the data that the entrepreneurs used these visual objects not only to convey their ideas and connect with the client’s identity (as described in the preceding subsection), but also to elicit positive emotional reactions. The models were used to capture the client’s imagination, generating considerable gratification, interest and excitement. The following interview quote from a member of Winch’s design team, which describes the “dream pictures” that the firm typically produces for clients, demonstrates the continued use of visual objects by innovators within the modern-day superyacht industry:

Generally there’s lots of photographs… any image that we can draw from any reference books, magazines, anywhere. And then we might put some samples of timber, glass, stone or marble, whatever it happens to be, pieces that we think reflect what [the client’s] after … And very tangible things, very touchy-feely bits and pieces … anything that would, I think, capture the elements of imagination, get his juices going.

To arouse emotional reactions, the entrepreneurs often produced visual objects that evoked surprise. More specifically, they tended to create visuals that extended the client’s sense of self, while still connecting with the individual’s ascribed identity, thereby pushing these contributing actors to embrace innovative concepts beyond those that were initially articulated. In one interview, for example, Winch remarked that Bannenberg was always eager to deliver something beyond what his clients could envision, such that they “never quite knew … what was coming out of the box.” As Winch elaborated:

Interestingly, we learned from an interview with Ron Edwards, Bannenberg’s retired head draftsman, that Jon was the first to use such visual objects during the design and build process.
Jon’s focus was much more, “What do I want to draw?” Sometimes the client says, “I wasn’t thinking of going out looking for that sort of boat but—wow—that looks sexy!” Jon sold [his ideas] so well [this way].

The third type of symbolic device evident within our data is one that has received very little attention within the entrepreneurship literature to date: the use of dramatic performances. Whether staged or improvised, these theatrical events almost invariably elicited highly charged emotional reactions in others. As such, our impression was that the entrepreneurs (deliberately or unwittingly) invoked them as a means of generating or reigniting excitement amongst project collaborators. See the last entry in Table 3 for a widely cited anecdote of the impromptu performance by Bannenberg that evoked just such an affective reaction within Geoffrey Simmonds, leading to the commission that marked Jon’s entrée into the superyacht industry. With respect to reigniting enthusiasm later in the process, Winch confided during one interview that Jon was especially good at the “theatre” involved in “refocusing these people’s pleasure about building a boat”, describing this very vivid illustrative incident:

The boat would be half-built, a few bits of metalwork sitting on the floor and a mock-up of a cockpit or something. He knew there was not much to look at but the client had come over to have fun seeing the boat being built, so he said [to the workers]: “Shut the doors of this huge hangar … I want them shut and I want the lights off—everything off, everybody standing still.” So [the workers] are all thinking, “What the hell?”, and then this client walks out and he walks up to these doors and Jon says, “I’m going to show you your boat being built”. He presses the button and all of a sudden the doors slide open, the lights come on and we’re all going, “Wow!” All it is is a lump a metal—but we’ve all gone, “Wow!” The client is so excited.

Besides eliciting strong emotions, the dramatic performances sometimes provided an additional means of establishing an identity connection with contributing actors. Moreover, in some instances, the collaborator rather than the innovator staged such events. One client, for example, invited Winch and his wife (as well as the shipyard’s senior manager and his wife) to sail with his family for several days on their existing yacht in the Greek Islands. During one of his follow-up interviews, Winch explained that this experience deepened his understanding of the client’s ascribed and aspired identities, thereby increasing the likelihood that he would be able to generate ideas for their next yacht that would elicit positive emotional reactions by exceeding their expectations.

6.2. Evidence of additional influential factors

Our content analysis revealed a number of additional influential factors missing from extant theorizing. We labeled these ambient conditions because they consisted of background considerations regarding projects, actors and venues. Although they operated in a more of a behind-the-scene manner than the factors discussed above, our sense was that these details were deliberately attended to in order to evoke at least a baseline level of positive emotional arousal and identity resonance amongst participants in the entrepreneurial process. Table 4 contains additional evidence to supplement that reported below.

Table 4
Supplemental evidence related to ambient conditions.

<table>
<thead>
<tr>
<th>Second-order themes/first-order concepts</th>
<th>Illustrative quotes (and data source)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project considerations</strong></td>
<td></td>
</tr>
<tr>
<td>Projects</td>
<td>The following quote appeared within Bannenberg’s obituary: “The captain, looking through a yachting magazine, found an article on Tiwone and liked what he saw. This was the beginning of JB entering in the superyacht world. The captain had found JB, but JB had found an owner wanting something new in yacht design and a young captain with a completely open mind to give JB all his support and encouragement …” (Archival document #23)</td>
</tr>
<tr>
<td>Roles</td>
<td>Designer Andrew Winch confided that he was “not the best decorator” and thus had hired a talented woman to do this job so that he could focus upon the yacht’s overall design, which was a better fit with both his self-concept and his passion for “the more masculine side” of the process. (Interview transcript #5)</td>
</tr>
<tr>
<td><strong>Actor considerations</strong></td>
<td></td>
</tr>
<tr>
<td>Inclusion</td>
<td>The researcher notes contained this comment: “Bannenberg wanted to make sure that all his design team knew what was going on in the office. Clients would meet the whole team and be shown work in progress … The administrators were also in this main room, ensuring that everyone was part of the team.” (Field notes #12)</td>
</tr>
<tr>
<td>Exclusion</td>
<td>Designer Andrew Winch mentioned that one employee is not required to attend client meetings because he “doesn’t feel comfortable sitting with a client—he gets very tongue-tied.” (Interview transcript #5)</td>
</tr>
<tr>
<td><strong>Venue considerations</strong></td>
<td></td>
</tr>
<tr>
<td>Settings</td>
<td>The researcher notes contained this comment: “Clients were never taken to a meeting room; rather, they would sit around Bannenberg’s board to discuss projects.” (Field notes #12)</td>
</tr>
<tr>
<td>Props</td>
<td>In a follow-up interview, designer Andrew Winch elaborated: “And so, if I’ve got clients coming in … I normally dress this side [of the table] with pictures of their project, and I sit here and they sit there. And they’ve got the view, they’ve got coffee coming in, everything’s relaxed. And I like to present … so if I lose concentration the boat’s there—their own design. It’s to inspire them.” (Interview transcript #6)</td>
</tr>
</tbody>
</table>

a Strong evidence (theme appeared across many passages in both analytic periods).

b Moderate evidence (theme appeared across many passages in one analytic period and within several passages in the other analytic period).

c Suggestive evidence (theme appeared within at least some passages in both analytic periods).

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6.2.1. Project considerations

As indicated within the top row of Table 4, we found moderate evidence to suggest that the innovators in our study were very choosy about the projects in which they would engage (despite the astounding sums of money involved). Notably, many of their project-related decisions seemed to be influenced, consciously or sub-consciously, by whether the proposed undertaking evoked positive emotions and/or possessed sufficient resonance with their identity. Indeed, they sometimes refused certain projects if there was a mismatch in this regard. Disdale’s business manager, for example, confided the following: “There has been the odd job we’ve turned down simply by saying we can’t work within the parameters of the exterior. And if it’s a very, very unattractive boat then Terry doesn’t want to be associated with it.”

Besides being very particular about the projects to which they would commit, the innovators in our study were also choosy about the roles they would play. Bannenberg, for instance, favored being involved in the design of the entire yacht rather than just certain aspects. As one member of his design team noted during an interview: “Jon would always try to insist that he would do the entire job … because [designing just the interior] is disaster.” The impression conveyed by this quote, that included in Table 4 and others like them is that the lead entrepreneurs were careful to commit to roles that resonated sufficiently with their identities and which evoked at least pleasant emotions within them.

6.2.2. Actor considerations

In addition to being careful about project choices, innovators within the superyacht industry paid considerable attention to whether and/or how to involve others in their entrepreneurial endeavors. As indicated by the first quote in the middle row of Table 4, Bannenberg appears to have fostered a high degree of inclusion. Indeed, client Geoffrey Simmonds frequently used the term “collaboration” during his interview, and he and others shared stories about how Jon would invite the shipyard engineers into the process by challenging them to solve specific problems and placing faith in their abilities (as evidenced within several archival documents).

Examples of deliberate exclusion were also apparent in the data—especially if they detracted from the positive emotional timbre. Simmonds, for example, admitted during his interview that he “got rid of” the naval architect whom he had originally retained when it became clear that he and Bannenberg “got on very badly”. Similarly, Disdale’s business manager admitted during an interview that he had purposely invented a new administrative process so as to circumvent shipyard personnel from controlling the budget, claiming that their myopic focus on “cost, cost, cost” tended to dampen both the designer’s and the client’s enthusiasm for the project. Likewise, Winch minimizes potential emotional discomfort by not insisting that certain members of his design team attend client meetings—even though he believes in the importance of a collaborative approach in general.

6.2.3. Venue considerations

The final set of ‘back stage’ considerations evident in the data quite literally had to do with the settings in which interactions took place and the props within those settings. Often carefully selected and staged, we had the impression that choosing or creating venues that aroused positive emotions played an important role throughout the entrepreneurial process. Consider this quote from a set of field notes referring to the venue for early meetings between Bannenberg and his clients: “The Burnsall Street offices, just off the Kings Road, were decorated to excite the clients who entered the premises. There were wall-to-wall pictures of the JB past catalogue as well as models of his yachts and other yachting memorabilia scattered around the design loft.” Closer to a project’s completion Bannenberg invariably arranged a site visit during which, according to an interview with a member of his design team, “the owner goes on board and everything is done—the drinks are on the table, the music is playing … and everything is in position.”

Later designers exhibited similar attention to deliberately selecting or creating an ambience that aroused pleasant emotions, often by ensuring the existence of surroundings or objects with which others identified. As a project manager within Disdale’s firm explained:

[We] tend to try and have one meeting on their territory to begin with, or to meet them in an environment that they’re comfortable in. [Take], for instance, the Miami meeting we had recently with this client. We met her at the boat show but we then went to a hotel where she was at … Little things like that [are important]—just even one meeting in their territory.

Winch shared numerous similar examples, one of the most revealing of which appears in the bottom row of Table 4. His office is on a riverside location on the Thames with windows that overlook the water and a large captain’s table angled to take advantage of the view. Ensuring that the client is in a relaxed environment surrounded by models and artwork is a deliberate attempt to create a context conducive to discuss design intent.

6.3. Illustrations of consequences for entrepreneurially relevant outcomes

Thus far, the findings from our longitudinal content analysis corroborate and extend existing theory about the antecedents that contribute to the arousal of entrepreneurial emotions in others. We turn now to demonstrating how the confluence of these factors can impact entrepreneurially relevant outcomes. As depicted in the elaborated conceptual model presented in Fig. 2, our study calls attention to the following outcomes: the generation of novel solutions to problems encountered during the creation process, the development of innovative end products, and the fostering of a context for innovation. To illustrate, we share the narrative accounts that we had constructed for two specific superyacht builds, Tiawana and Project T.
6.3.1. Case vignette from the first analytic period: the Tiawana build

The Tiawana, which was Bannenberg’s initial foray into the industry, provides evidence of the importance of the relationship between innovation and the emotions evoked in others. To explain, Simmonds and Bannenberg had become good friends during the 1960s following the refurbishment of a number of Simmonds’ London properties and it was on the basis of this friendship that Bannenberg stumbled upon this opportunity. This was in the form of Simmonds’ new private yacht, which was at the drawing-table stage. Simmonds wanted Bannenberg’s opinion and showed him the drawings after they shared dinner at his Bannenberg-designed London apartment. As Simmonds remembered it:

Bannenberg was a little reluctant to give his opinion. He said, “Do you really want to know?” I said yes and he said, “I think it’s perfectly dreadful.” The way [Bannenberg] tells the story, I then said “Well if you’re so damn smart …” (but that is not my style). So I said to Jon, “Well, would you be interested in … you obviously feel something could be done, would you be interested in showing us what you can do?” And he said, “I’d love to”. Bannenberg went on to explain what he thought was wrong. I’ll always remember him sort of saying, he said, “What’s wrong with yacht design is if you think of it you have this beautiful shape, the largest part of which goes underneath the water and can’t be seen … I think everything should try to follow the flow of the boat and it should have more curves and so on to follow this beautiful shape.”

The dinner was on the Friday evening and by Monday morning at 10:00 am Bannenberg had returned and, according to Simmonds, “rolled out his concept of what became Tiawana in approximately the form that you or anybody else would have finally seen it”. These events and the venue for the meeting created the context for innovation: the dinner conversation and the subsequent two days of preparation represent a dramatic performance, which were played out in a venue designed and decorated by Bannenberg. To justify his ideas, Bannenberg confirmed the failings of the existing designers (who ignored the beautiful lines of the hull below waters) using linguistic devices and visual displays. In turn, Simmonds deliberately included Bannenberg by asking him to comment on the original design and it was the negative emotion elicited from this discussion that made the creative space for the ideas to emerge.

Having Simmonds identify with the new design ideas was necessary if the shipyard was to be persuaded that the new ideas could be done. This identity resonance was important because, as Simmonds recalled, John White (the head designer at the shipyard) was visually upset and disappointed by my decision because they thought they were marvelous and nobody could do it better than they...
could do it". Creating identification with the design also meant excluding some actors—the original architect was fired by Simmonds—while it required further acts of persuasion, which included the making of a model by Bannenberg to allow Simmonds to visualize Bannenberg's "razor-edged" design, which he so liked, at all angles.

Identity resonance was important not only at the conception stage of the project but also throughout the build and involving different sets of actors. Success relied on Bannenberg working closely with the shipyards’ craft workers; he needed to find ways to energize them to find solutions for his innovative designs. As Bannenberg’s head draftsman recalled:

Bannenberg …would appreciate anything the guys were doing. He would go in and talk to everybody that was involved on the boat and ask them, “What do you think? How is this going? Any problems?” If there were, he would ask, “How do we get over it?” He did get an awful lot out of the guys on the shop floor.

Arguably, the launch of Tiawana was the culmination of not simply the creation of a shared cognitive understanding around an innovative design; it was also the culmination of a shared emotional process, which depended on a shared identification between Bannenberg and those around him and that resulted in what Simmonds recalled as one of the emotional high points of his life.

The outcomes of this process were ideas for a completely innovative end product that included a new living space concept with rooms that were "very rounded in the corners" and decorated using "very light materials, lots of painted surfaces, light carpets and so on", which was not the type of interior usually associated with a 90-foot sailing ketch. The process also resulted in novel solutions to problems raised by the needs of the client, including new combinations of materials and products such as the use of "smooth aluminum ceiling panels matched with polished glass fiber units, seamless Zircon wall surfaces, and slatted wood sliding doors" (The Times, 1969: 6). The aim was to create a luxury living space for the client, which was in complete contrast to the original design by John White and his team. Other innovations included the incorporation of a combined washer and spin dryer, air conditioning throughout the vessel and a "built-in vacuum cleaning system with a central dust collection point in the engine room" (The Times, 1969: 6). These features may have been familiar to the owners of luxury London homes at the time but they were unheard of on private yachts.

6.3.2. Case vignette from the second analytic period: the Project T build

Whereas the design and build of Tiawana prompted the creative destruction of the traditional yacht industry (Delbridge and Edwards, 2008, 2013), Project T is a modern-day illustration of the continued drive for personalized and innovative design, this time led by protégé Andrew Winch. As described by the shipyard’s project manager: “... you need a certain attitude [to build a superyacht like Project T]... that is very different from working with commercial shipbuilding.” The attitude referred to here was an acceptance that the design and build process was driven as much by emotion as cost considerations. This was also reflected in how Winch’s design team described their relationship with the client: “We get them excited about delivering something beautiful—the best thing on the water—and we want to try and keep the excitement levels up.” The upshot of this was that Winch’s team were actively pushing the boundaries of what might be possible, trying to exceed the expectations of the client while also managing the shipyard’s anxiety about the risks involved.

Although Project T began life as a concept boat priced on an existing structural template for a 53-meter motor yacht, Winch set out to challenge any notion the shipyard may have had that this would be an off-the-shelf build. When innovation is the driving motif for a project, there is often a need to create a sense of emotional connection—identity resonance—to head off any challenges that will emerge. On this occasion, Winch set out to make such a connection in signaling very early on in the project how he wanted to work with the shipyard. These motivations are not that dissimilar to the way Bannenberg tried to develop a close rapport with the Camper and Nicholson shipwrights involved in building Tiawana. However, in Project T we can say even more about the detail of this process for creating a context for innovation.

At the concept stage, Winch’s team used a combination of symbolic devices to help the client visualize the boat while at the same time establishing a narrative based on playful creativity with the shipyard. This they did using sketches of rabbits on the design drawings. While one of Winch’s team members jokingly described these as “designer bunnies”, they had a serious purpose, which was to indicate that working with the Winch design team would help make fun of the unexpected and risky. As the team member put it:

So we put rabbits everywhere … so the rabbits were lying like this on the floor, and rabbits on the shelves and we put them everywhere … The shipyard liked it because they are afraid of all the drawings you are going to bring out and they think, “Oh my God it’s going to be very costly to design those areas”… [so the rabbits helped] soften the atmosphere.

The creation of these visual displays provided an emotional signal (i.e., the feeling that the process would be fun) to allay any fears that the contributing actors might have been feeling.

In turn, the client and designer embarked on a process that was emotionally charged. We have already commented on the early moments of this process, when Winch presented the client a watercolor painting depicting him enjoying lunch on the beach with his boat in the background. This was useful because it evoked identity dissonance, which, as a result, helped Winch recalibrate his design intent to better resonate with what the client felt about how he sailed and relaxed. This process continued when Winch was invited to sail with the client on his existing yacht. This dramatic performance (there were at least two occasions when Winch sailed with the client) is remarkably similar to that noted above with Tiawana, in that it took place in a venue that was personal to the client. In
both instances, this venue consideration helped the innovators to better understand their clients and thus develop designs that would resonate with their identities and arouse positive emotions. The following interview excerpt is illustrative of an encounter Winch had with the client on his current yacht, which provides a sense of how such moments create an emotional attachment important in the execution of entrepreneurial projects:

And I know he must have shade. Yesterday, or two days ago, in Greece with him he said, “Oh, I don't want to have an awning there.” And I've just now while I'm talking to you realised that he must have one there because he must have the shade. And I realise it's just not going to work, but I'm absolutely sure he's going to eat on that upper, on the wheelhouse deck, and without the awning, he's going to get too much sunshine on it and nobody will enjoy it … When I cruised with him on his current boat he ate on the upper deck and the steward put up those beach umbrellas and they moved them around … and I have this photograph of us sitting up on his upper deck having a lovely lunch … but we should be doing it better … and I have just realised he must have shade … so I have got to send him the photograph and say, “You must have shade over this deck because you will eat here.” And it must be a shade that we can drop down—screens at the side. I will get back to him on that.

While not every designer has the opportunity to visit a client on their existing yacht, this occasion confirmed the need for an awning. It also created a dilemma of how to convey this to the client who was opposed to the idea. The visual prompt (photograph) and the shared enactment of the dramatic performance based on how the client lived onboard meant Winch could demonstrate to the client why he would feel unhappy unless an awning was included. Such events reveal ‘hot spots’, which are those moments “when working with other people [is] never more exciting and exhilarating” and when new innovative solutions follow those supreme efforts to create a shared understanding and purpose (Gratton, 2007: 1). On this occasion, the agitation expressed by Winch (an emotional response to the problem) led to an important novel solution, which was the bespoke awning he was so sure was required.

This was not the only innovation, though. Following the concept drawings, Winch and his team spent considerable time customizing the original structural template to ensure that the beach lifestyle preferred by the client could be accommodated. The result was a vessel that had increased in length from 53 to 58 m and had an interior configuration that was unlike anything else on the water because it allowed guests to enter their living quarters from the aft section without entering any part of the main saloons onboard. The increase in length and the open configuration of below-decks ensured that the new design was effectively a wholly new and innovative end product.

7. Discussion

7.1. Summary and contributions

This qualitative study of innovators in the superyacht industry sheds light on two fundamental questions for nascent work on the interpersonal side of entrepreneurial emotion: “What factors contribute to the arousal of such emotion amongst those who contribute to the process of bringing a new good, service, raw material, market, or organizing method into existence?” and “What entrepreneurially relevant outcomes are produced or affected as a result?” Our approach to these questions, and the findings that surfaced from our analysis, offer a number of notable methodological, empirical and theoretical contributions.

Methodologically, we offer a qualitative alternative to the prevailing cross-sectional, survey-based studies of entrepreneurial emotion, thereby heeding Cardon et al.’s (2012) call for creative approaches. Our response to this call was recombinant in nature, involving the revisiting of an existing dataset in order to explore new research questions through the application of two types of analytic techniques. The first of these involved a longitudinal content analysis of bracketed text excerpts, from which we induced specific components of our elaborated conceptual model. The second involved the construction of holistic narratives for two case vignettes, which we used to illustrate the emergent framework in its entirety. Our study thus contributes a potential template for future researchers interested in examining entrepreneurial emotion (or other topics) via rigorous and creative combinations of qualitative methods. Our approach reflects what we have coined a ‘second-order’ grounded approach whereby the involvement of new researchers created new emphases and renewed impetus in the interpretation of the original research data. Here we agree that qualitative research can be a messy business that is often characterized by tensions around technique and interpretation (Glaser, 1978). The resolution of these tensions reveals an open-minded approach to the relative benefits of different methods.

Empirically, the primary contribution of our research lies in offering preliminary evidence for extant theorizing about how entrepreneurs elicit and maintain emotional arousal amongst those who contribute to their pursuits. In particular, our findings lend support for the seminal theory-building efforts by Goss (2005, 2008) and Cardon (2008) and her colleagues (Dmovsek et al., 2009) by demonstrating the influential roles played by an entrepreneur’s exhibited emotion, use of linguistic and visual symbolic devices, and ability to achieve resonance with the identities of contributing actors. Our findings pertaining to the consequences rather than the determinants of emotional arousal offer a further empirical contribution. More specifically, the outcomes demonstrated via our case vignettes in particular—i.e., novel solutions to specific problems encountered during the process, innovative end products, and the creation of a general context for innovation—lend illustrative support for arguments that positive affect is beneficial for the creativity inherent in entrepreneurship (Baron, 2008; Baron et al., 2012; Cardon et al., 2009).

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The client was a food producer who took considerable care over how food was presented and enjoyed aboard. The meal setting was an important issue, which Winch wanted to resolve.
The key theoretical contributions of our work are twofold: first, we extend the existing set of core constructs argued to be influential in evoking emotional arousal during the entrepreneurial process; second, we offer a dynamic representation of how these constructs jointly influence outcomes relevant to entrepreneurship. More specifically, our study unearthed the importance of background considerations pertaining to project, actor and venue choices, which created the ambient conditions that arguably elicited a baseline level of emotional arousal in participating actors. Our analysis also surfaced the use of staged or improvised dramatic performances, which seemed particularly effective at re-igniting emotion over the course of the entrepreneurial project. Finally, our study revealed how creative solutions were sometimes triggered by negative affect and identity dissonance, which differs from the emphasis upon positive affect and identity resonance emphasized in nascent theoretical work.

7.2. Implications

The main implications of our study for future research stem from the emergent theoretical constructs noted above. With respect to ambient conditions, additional research (possibly utilizing an experimental approach) is needed to examine our conjecture that attention to these ‘behind the scenes’ details, in general, helped ensure that interactions would occur within a context characterized by a minimum threshold of affective arousal and identification with the entrepreneurial project. The specific background considerations surfaced through our analysis possess additional implications—particularly the venue considerations of settings and props. Choices about settings pertain to the venues in which interactions take place, such as whether to hold a meeting at the entrepreneur’s facilities, in the client’s office, home (or yacht), or in a neutral location like a hotel lobby or restaurant. Props pertain to the background objects within the selected setting, such as the seating arrangement and décor. Although we presented these as distinct constructs, in reality they are likely to be interconnected and thus not easily disentangled, which will create challenges for empirical testing. Moreover, our data and interpretations suggested that astute entrepreneurs purposely select and/or arrange these venue considerations in order to elicit favorable responses within contributing actors. One can easily imagine, however, that they might also create distraction, unease or other behavioral and/or emotional responses that interfere with the creative process. Determining the characteristics of settings and props that invoke the former rather than latter response represents an interesting direction for future research consistent with Downing’s call for greater attention to the “dramatic processes amongst entrepreneurs and stakeholders” (2005: 189).

In terms of dramatic performances rather than venues, an important first step is to document the extent to which entrepreneurs, more generally, engage in the type of staged and improvised theatrical acts evident in our empirical setting—and to validate whether these performances do, indeed, contribute to evoking and/or reigniting entrepreneurial emotion as our findings suggest. We can also envision future researchers exploring other outcomes. Cultural entrepreneurship scholars, for instance, have either called attention to (Aldrich and Fiol, 1994; Cornelissen and Clarke, 2010; Lounsbury and Glynn, 2001) or demonstrated the impact of (Clarke, 2011; Martens et al., 2007; Zott and Huy, 2007) linguistic and visual cues on entrepreneurs’ efforts to establish legitimacy and secure resources for their ventures. Do dramatic performances also influence such outcomes? Are they even more impactful than language or visuals? How might dramatic performances shape the discursive resources available for innovation? And are impromptu dramatic acts even more influential than staged? These are just a handful of illustrative questions that could be asked in future work that also heeds Downing’s (2005) call for a dramaturgical lens on entrepreneurship.

Finally, we feel that our second-order grounded approach represents a useful methodological contribution in the way grounded theory is understood and practiced. The open-ended, inductive and exploratory approach adopted in the original research readily conforms to a grounded methodology. However, the introduction of new researchers into the data analysis process offers an opportunity to reflect on how qualitative researchers value their work and how scholars might consider collaboration in the future. Ours is perhaps an unusual story but the benefits of opening up the research process are obvious to see—ours was a truly inductive and exploratory approach to writing this paper.

7.3. Limitations

As for limitations, we acknowledge that some of our emergent findings might be at least partially attributable to the ‘extreme’ setting of our research. More specifically, it may be that the very nature of the products co-created in our selected context (i.e., custom-designed, multi-million-dollar, 90-foot-plus superyachts) is capable of eliciting intense emotions regardless of the constructs focused upon in the presentation of our findings. Indeed, it is difficult to envision clients not being excited about being involved in the process of co-creating a bespoke vessel of this magnitude, especially if it is their first yacht and/or the financial outlay represents a high proportion of their wealth. Similarly, it is hard to imagine that the independent designers and shipyard personnel would not be anxious, at times, about their ability to deliver a vessel based upon an original and untested design that is not only highly innovative but also within budget and functional (i.e., seaworthy). Missing from our elaborated conceptual model, we encourage researchers to include such product and actor characteristics in future work. Reflecting on the role of actors we also recognize that different actors are likely to influence these processes in different measures at different moments and this is something we have not explored in detail. We suggest that future research focus on the dynamics between different sets of actors in different contexts during such processes. We also recognize that the current paper has remained fairly silent on the implications of the very high levels of cost that are involved and how these might influence the processes described. Here again, we see opportunities to extend our research by developing a fine-grained assessment of the relationship between scales of resource, resource allocation and emotional arousal. We also recommend research

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9 We would like to thank one of the reviewers for the insightful and interesting ideas raised within this paragraph.
that examines the generalizability of our findings and interpretations within more mundane contexts than the superyacht industry, as such efforts will undoubtedly establish the existence of important boundary conditions.

Some readers might also question whether the process of co-creating a custom-designed superyacht truly constitutes an example of entrepreneurship, pointing to the fact that while a new project team is typically formed for such an endeavor, a new firm is not. As emphasized most recently by Shane (2012), however, scholars are not unanimous in equating venture creation with entrepreneurship. Indeed, in their highly influential article, Shane and Venkataraman stated quite clearly “that entrepreneurship does not require … the creation of new organizations” (2000: 219). Consistent with these scholars and others, we view entrepreneurship as involving “the creation of new means-ends relationships (ways to combine resources)”, which results in the introduction of new goods, services, raw materials, markets, or organizing methods (Shane, 2012: 17; see also Busenitz et al., 2003; Cardon et al., 2012; Schumpeter, 1934). We also agree with Shane’s point that while “entrepreneurship can and does involve the creation of fundamentally new recipes for resource combination”, as in the case of Jon Bannenberg, who spearheaded the creative destruction of the superyacht industry, “it can also involve more prosaic recombination” (2012: 18), as in the case of the other, modern-day innovators featured in our investigation.

8. Conclusion

We conclude with some sailing metaphors highly relevant to our empirical setting. The first was invoked long ago by Schumpeter, who noted that: “Entrepreneurial leadership … does not consist simply in finding the new thing but in so impressing the social group with it as to draw [the social group] on in its wake” (1934: 88). The longitudinal content analysis component of our qualitative study surfaced several means by which entrepreneurs draw others on in their wake by arousing their emotions; the narrative case vignette component illustrated consequences for such entrepreneurially relevant outcomes as generating novel solutions to problems encountered during the creative process, developing innovative end products, and fostering a general context for innovation. Having ‘tested the waters’ for such a recombinant approach in this paper, we hope it encourages future researchers to consider changing their standard course towards theory building.

Acknowledgments

This paper is dedicated to Ron Edwards, a participant in the transformation of the superyacht industry who sadly passed away during the preparation of the manuscript. Funding for the initial data collection effort was provided by British Academy Small Grant Award SG 36137 (2003–04) and the UK’s Economic and Social Research Council/Engineering and Physical Sciences Research Council (ESRC/EPARC) Advanced Institute of Management Research [Grant ESRC RES-331-25-0014]. The manuscript benefited greatly from feedback received during presentations at Northeastern University, the University of Manitoba, the 2012 Academy of Management Meetings, and the special issue workshop hosted by Shanghai Tongji University as well as from Kevin Corley, Royston Greenwood, Nancy Rothbard, Martin Rief and our handling editor and reviewers at JBV.

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Please cite this article as: Jennings, J.E., et al., Emotional arousal and entrepreneurial outcomes: Combining qualitative methods to elaborate theory, J. Bus. Venturing (2014), http://dx.doi.org/10.1016/j.jbusvent.2014.06.005