Spotlight
by CeFEO

How do entrepreneurs make decisions when the future Is uncertain?

Balancing Risk, Emotion, and Strategy Under Uncertainty and Competing Goals

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In a world full of unknowns—rapid tech changes, market shocks, and personal stakes—entrepreneurs face some of the most complex decisions in business. Unlike corporate managers, entrepreneurs often pursue not just profits but personal, social, or family goals. This editorial sheds light on how entrepreneurs reconcile these diverse aims while dealing with uncertainty that can't be easily predicted or calculated. The tension between unpredictable conditions and competing goals makes entrepreneurial decision-making a uniquely challenging endeavor—and one that is under-theorized in research.

WHAT WE STUDIED

This article serves as both a conceptual anchor and a preview of four empirical papers included in the special issue. It integrates decades of research and introduces a framework that connects:

- **Antecedents** (traits, team dynamics, organizational context)
- **Decision-making processes** (goal prioritization, attention allocation, resource use)
- **Outcomes** (financial performance, social impact, knowledge advancement)

The editorial draws on theories such as Knightian uncertainty, behavioral agency, attention-based views, and the mixed-gamble logic—especially relevant in family and hybrid ventures.

KEY INSIGHTS

Uncertainty Is Not Just External—It's Also Psychological

Entrepreneurs deal with Knightian uncertainty, where outcomes and probabilities are fundamentally unknowable. This calls for reliance on intuition, heuristics, and emotions—shaped by personality and social contexts. Even traits like birth order can affect risk preferences and CSR behaviors in family firms.

Competing Goals Add Another Layer of Complexity

Entrepreneurs rarely pursue only profits. They also seek social, academic, or family-centered outcomes. These goals often compete—creating internal conflict that must be navigated through strategic prioritization.

Team and Structural Factors Matter

Different decision-making structures (e.g., majority vote vs. unanimous consent) lead to different results depending on the environment's stability and the team's goal diversity. Under fast-changing conditions, more consensus-driven approaches yield better results —especially when team members have divergent priorities.

Attention Is a Finite Resource

Where entrepreneurs focus their limited attention—especially in early stages like crowdfunding—can make or break performance. Hybrid or portfolio entrepreneurs who divide their attention across multiple ventures often underperform because they can't engage stakeholders effectively.

Ownership Structures Influence How Goals Interact

In academic spin-offs, the degree of academic ownership moderates how academic goals influence financial success. The relationship is not linear; instead, it depends on the level of emphasis and ownership balance.

TAKEAWAYS

For Entrepreneurs and Startup Founders

- **Focus your attention.** Especially in early fundraising, divided attention can tank performance. Go all-in when engaging stakeholders.
- **Balance your goals.** In hybrid ventures (like academic spin-offs), a moderate emphasis on non-economic goals can actually boost financial results—if ownership is balanced.
- **Build adaptive feedback loops.** Recognize that strategies must evolve with changing environments and shifting goal salience.

For Family Business Leaders

- **Know your decision-makers.** Individual traits—like birth order—can shape risk tolerance and ethical behaviors. Use this awareness in choosing or supporting leadership.
- **Plan for goal conflict.** Competing goals aren't a flaw—they're a feature. Build decision structures that acknowledge and manage them rather than suppress them.
- **Adapt your structure to your context.** In turbulent environments, opt for more inclusive decision-making mechanisms to reconcile diverse viewpoints.

IMPACT

This editorial bridges entrepreneurship and strategy by offering a holistic model of decision-making under uncertainty. It integrates behavioral and structural factors, clarifying why some ventures thrive while others falter under pressure. It opens space for research that's more realistic—acknowledging that most entrepreneurs aren't just rational calculators, but human actors juggling multiple, shifting priorities.

For family businesses, this is especially crucial: emotional, identity-based, and dynastic goals sit alongside economic ones, and understanding how to manage this tension may be the difference between generational success and stagnation.

RECOMMENDATIONS

- **Embrace uncertainty—not just as a constraint, but as a feature of entrepreneurial life.**
- **Use frameworks like mixed-gamble logic and behavioral agency to map out goal conflicts.**
- **Adopt flexible, inclusive team structures that adapt to both internal diversity and external turbulence.**
- **Encourage reflective learning loops in your organization—use outcomes (good and bad) to refine future strategies.**

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