

## Study: Spotlight shines bright (perhaps too bright) on entrepreneurs

May 21 2020

---



The Western research team used machine-learning to analyze close to 500,000 New York Times (1999-2014) and 300,000 Financial Times (2003-14) articles containing the words “entrepreneur” and “founder” when related to careers in new ventures, as well as the words “manager” and “executive” when looking at established organizations. Credit: Western News

Every year, thousands of motivated entrepreneurs launch new businesses. While led by determined and ambitious individuals, half won't make it past the fourth year.

Yet fail or succeed, these same entrepreneurs and founders still receive high praise when it comes to news coverage. It is a skewed perception that should remind future entrepreneurs to look beyond headlines when setting expectations about their careers, Western researchers say.

For the study, the Western research team used machine-learning to analyze close to 500,000 *New York Times* (1999-2014) and 300,000 *Financial Times* (2003-14) articles containing the words "entrepreneur" and "founder" when related to careers in new ventures, as well as the words "manager" and "executive" when looking at established organizations.

Coverage from the *New York Times* (81 percent) and *Financial Times* (74 percent) was overwhelmingly positive when referencing entrepreneurs and founders, compared to just 53 percent and 54 percent, respectively, for executives and managers.

A parallel analysis of companies like Facebook, Amazon, Netflix and Google was also compared to a to a set of older and more established Fortune 500 companies. Both produced similar results, showing overwhelmingly positive response for entrepreneurs.

The study was conducted by Ivey Business School professors Simon Parker and Rod White, Languages and Cultures professor Juan Luis Suárez, and Cultureplex Lab postdoctoral scholar Antonio Jiménez-Mavillard.

Their findings, "Entrepreneurship and the [mass media](#): Evidence from big data," were recently published in the *Academy of Management*

*Discoveries.*

"Entrepreneurship is genuinely good for society on balance—and that might be what influences journalists to write positively about it," Parker said. He credited a number of reasons why people want to believe entrepreneurship is a good thing and respond favourably to such messages.

"We like stories where the 'little guy' does well and the 'bad guy' – think greedy corporations and banks—get cut down to size," he said. "There is something empowering and egalitarian about such stories. In some sense, one has to ask what is going on at the subconscious level in the minds of journalists who are writing about entrepreneurship with language that evinces positive sentiments amongst their readership."

But with the high risks and potential failures involved with entrepreneurship, it would seem odd such high favorability would be presented.

"In its simplest form, a utilitarian social planner cares only about the total net happiness of the population, and any policy that makes one person miserable is acceptable, so long as other people gain more happiness than the one person loses," he said. "As long as society as a whole does well, utilitarians care less about individuals suffering from greater risk and losses.

"In a similar way, if entrepreneurs generate a positive externality, like creating innovative new ideas and inventions that others may exploit profitably later, society prefers they do that even though their pioneering efforts might be privately ruinous."

Parker added that business schools should continue to be responsible in teaching entrepreneurship, educating students not only on the upsides of

starting their own business, but also the potential costs and downsides.

Parker is unsure how the COVID-19 pandemic may affect how journalists report entrepreneurship in the future. Currently, he sees sympathy building for [small business owners](#) and adverse media publicity for some giant companies who have jumped on the U.S. government's grant bandwagon unnecessarily.

"As far as the future of [entrepreneurship](#), I am confident it will always be there," Parker said.

**More information:** Juan-Luis Suárez et al. Entrepreneurship and the Mass Media: Evidence from Big Data, *Academy of Management Discoveries* (2020). [DOI: 10.5465/amd.2018.0177](https://doi.org/10.5465/amd.2018.0177)

Provided by University of Western Ontario

Citation: Study: Spotlight shines bright (perhaps too bright) on entrepreneurs (2020, May 21) retrieved 23 June 2024 from <https://phys.org/news/2020-05-spotlight-bright-entrepreneurs.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.