

THE SOCIAL MAXIMIZER: WHY THOSE WHO DESIRE THE BEST PURSUE ENTREPRENEURIAL VENTURES WITH A SOCIAL MISSION

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ABSTRACT

Maximizers will seek out more information and options when making decisions based on their desire to find the best. This quest for the best often results in greater effort in the decision-making process by comparing additional options and information to see if something better may be available, even after they have identified a “good enough” alternative. In contrast, satisficers can move forward when they find options that meet their minimum standards without continuing their search to find something better. First introduced by Simon’s (1959) Nobel Prize winning work on limitations in human cognition, maximizing and satisficing has since moved beyond the notion of bounded rationality, becoming a measurable trait in which individuals systematically differ (Schwartz et al. 2002), allowing researchers to identify meaningful differences in the way people approach work and life decisions (see Schwartz et al., 2002; Iyengar, et al., 2006; Schwartz, 2016; and Misuraca & Fasolo, 2018 for review). Interestingly, maximizing or satisficing has begun to be investigated in the context of entrepreneurial behavior and new venture decisions, finding that the information search and desire for the best components of maximizing encourage entrepreneurial and innovative behavior (Soltwisch, 2022) and have positive impacts on the performance of new business starts (Soltwisch, 2021). The rationale is that those who persistently seek out the best are more alert to new business opportunities given their more expansive search efforts and tendency to pursue those opportunities due to their career optimizing efforts, desire to improve their standing relative to others, and ability to identify better ways of doing business. While maximizing appears to be related to entrepreneurial behavior, it remains unknown how the trait may affect the types of businesses an individual decides to pursue.

The concept of a socially responsible entrepreneur was introduced to the academic literature in the 1950’s, with broader recognition of the importance of social ventures to society developing rapidly over the past decade (Saebi et al., 2019). Social entrepreneurs operate with the intent of solving community or broader social issues, distinguishing them from conventional entrepreneurs who prioritize the achievement of economic goals (Bacq et al., 2014). Social entrepreneurship has been utilized as a tool for addressing a broad array of important societal problems including the reduction of poverty, increasing the inclusivity of institutions, and generating opportunities for marginalized populations (Saebi et al., 2019).

The current study investigates whether maximizers (vs. satisficers) are more likely to start socially oriented businesses among a sample of Slovenian and U.S. students. Results suggest that maximizers

have greater social entrepreneurial intentions than satisficers as they attempt to improve social problems through new business opportunities, in line with research suggesting that maximizers will seek better options for others in addition to themselves (Luan et al., 2018). Underlying this effect, it is found that maximizers who are less individualistic are more likely to pursue businesses with a social purpose than those who are more individualistic, suggesting that a person's cultural orientation plays an important role in understanding why someone may start businesses aimed to serve society. Building on these findings, we conduct a follow-up study investigating how cultural orientation interacts with prosocial attitudes to encourage social entrepreneurial behavior with the goal of increasing our understanding of what drives entrepreneurs to pursue social causes, building a foundation for future research on this important topic.

Keywords: *Social Entrepreneurial Intentions, Maximizing, Satisficing, Decision-Making Styles*

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