

Title: Sleepless Schumpeter? Quasi- and Natural-Experimental Evidence Linking Disinhibition to Entrepreneurial Action in the General Population

Speaker: Prof. Siddharth Vedula, Miami University

Area: Entrepreneurship

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Abstract:

Prior research has shown that individuals make decisions about entrepreneurial opportunities in systematic and quasi-rational ways to maximize the value they can derive from pursuing such opportunities. However, in the nascent, initial stages of business venturing, information is scarce, time is limited, and uncertainty is high. We complement extant work by studying factors that fall outside of the “rational decision-making range”, exploring how incidental and contextual factors instead can influence important entrepreneurial venturing decisions. Drawing on the Disinhibition Theory of Entrepreneurial Action, we conjecture that, in the face of uncertainty, disinhibition induced by (even mildly) diminished sleep increases entrepreneurial action while simultaneously decreasing entrepreneurial decision quality. This identified contradiction has unique implications for entrepreneurial venturing. On the one hand, markets benefit from abundant and decisive entrepreneurial action, including new market entry, but on the other hand, poor quality opportunity evaluations could be catastrophic for new ventures given their relative financial instability. We leverage a three-study research design that combines (a) two natural quasi-experiments based on daylight saving time shifts and (b) a natural experiment that leverages chronic heterogeneity in “social time” for businesses located near time zone boundaries. Overall, we demonstrate that disinhibition induced by mildly diminished sleep appears to be a “double-edged sword” for venturing, increasing the *quantity* of opportunities pursued but decreasing the *quality* of entrepreneurial action and resource allocations.

Speaker Profile:



Siddharth Vedula an associate professor and chair of the Entrepreneurship Department at the Farmers School of Business, Miami University. He teach undergraduate courses in new venture design and performance.

His research focuses on the geography of entrepreneurship, and entrepreneurship in environmentally beneficial industries. Some of the topics he have studied include spatial herding behavior by venture capital firms, regional differences in the adoption of green building practices, and how ideological differences between communities impact the emergence of renewable energy markets.

In his spare time he consult with and invest in early-stage technology ventures. Prior to his career in business academia, He worked as a biomedical engineer developing therapeutic solutions for prostate and lung cancer. He also co-founded an unmanned aerial vehicle startup during his doctorate.

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