

POSITIVITY MAKES FOR POOR PITCHES: AFFECTIVE TONE CONVEYED BY ENTREPRENEURS SHAPES SUPPORT FOR CREATIVE IDEAS

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ABSTRACT

People with creative ideas often find themselves in the position of trying to convey the novelty and viability of their idea to others. Four experiments examined evidence of how and why idea evaluations are affected when the idea is pitched in a positive or negative affective tone.

INTRODUCTION

The study of creativity has long been concerned with the question of how to assess creative ideas. This has been a challenge because the distinction between creative and non-creative ideas is socially constructed among a field of judges that reside within a particular time and place (Amabile, 1982; Csikszentmihalyi, 1988; Royce, 1898). To address these constraints, Amabile (1982), followed by subsequent research have relied on an empirical approach where an idea is deemed creative to the extent that *appropriate* evaluators independently agree it is creative. The emphasis on the appropriateness of the evaluators is brought to relief when we differentiate casual third-party evaluators of an idea from evaluators that could have a vested interest in the idea being brought to fruition. The latter situation more richly contextualizes the evaluation process such that it raises the stakes of judging not only the novelty of an idea but its potential viability. For example, evaluating a new transportation business venture versus a study participant's ideas about novel modes of transportation entails a goal of understanding how an idea compares with existing ideas and how likely the creator could turn it into a successful reality. Our focus in this research on how potential supporters evaluate entrepreneurial ideas is consistent with Rich's (2009) call for complementing our understanding of "little c" creative processes—for example, the generation and evaluation of solutions to paper and pencil creative tasks—with a richer understanding of "big C" creative processes, specifically those that involve novel solutions intended to address real world challenges.

An increasingly public and common social context in which "big C" creative ideas are judged is the entrepreneurial pitch. Traditionally, these involved high-level meetings where entrepreneurs attempt to convey the novelty and viability of their ideas to wealthy individuals (i.e., angel investors) and venture capitalists (De Clercq, Fried, Lehtonen, & Sapienza, 2006). However, the introduction of online crowd funding platforms such as kickstarter.com and as community and university campus sponsored events has democratized the process. Today, there are multiple platforms where ideas to address real world problems (for profit or for social impact) provide virtually anyone with the opportunity to materially support the process of moving their idea to a

functioning venture. This new landscape provides a timely opportunity into that part of the creative process that resides between ideation and implementation.

A central task in evaluating the viability of an idea involves making inferences about the entrepreneur's competence, dedication and analytical scrutiny because "one cannot move beyond where a field is if one doesn't know where it is" (Sternberg & Lubart, 1999, p. 11). Thus, entrepreneurs need to signal analytical scrutiny to convince others to believe they will be able to realize the viability of their novel idea. Prior research suggests that judgments of creative ideas can be influenced not only by the idea itself but also by various social cues (e.g., Goncalo, Flynn, & Kim, 2010). An important source of information about others' personality, goals and motivation is the creator's affective tone (de Melo, Carnevale, Read, & Gratch, 2014; Hareli & Hess, 2010; Van Kleef, 2009). Indeed, affective tone has an important influence on impressions in social interactions (e.g., Amabile & Glazebrook, 1982; Friedman & Miller-Herringer, 1991; Kraut & Johnston, 1979; Riggio & Friedman, 1986). Not surprisingly, inventors and entrepreneurs are encouraged to put much thought into striking the right tone when presenting their ideas to potential supporters. However, anecdotes aside, there remains no empirical evidence for how and why a positively or negatively valenced pitch might influence evaluations.

Existing research provides much support for the notion that displays of positive affect lead to more favorable impressions. For example, research on social persuasion suggests that positivity is a useful form of interpersonal influence because people are more likely to comply with someone's request when they like the person (for a review see Cialdini & Goldstein, 2004). Displays of positive affect increase likability, motivate observers to reciprocate with a favor (Newcomb, 1963), and increase observers' tendency to adopt positive attitudes towards objects that the likable individual likes (Cialdini & Insko, 1969; Heider, 1958; Insko & Cialdini, 1969). In addition, studies have shown that displays of positive affect lead to halo effects because positive affective evaluations trigger global positive evaluations of individuals (Cardy & Dobbins, 1986; Smither, Collins, & Buda, 1989). Consistent with these effects, performance evaluations are high for those who tend to display positive affect (Staw, Sutton, & Pelled, 1994), and people generally believe that happiness promotes productivity (Fisher, 2003). Together, these streams of research lead to the hypothesis that creative ideas that are pitched in a positive affective tone will lead to favorable evaluations and high idea support compared to those pitched with a negative affective tone.

However, there is also a much research to suggest the opposite is true. This may be particularly relevant in situations where judgments focus on analytical thinking abilities (Staw, Bell, & Clausen, 1986; Staw et al., 1994). The task of judging whether a novel idea could be developed and implemented over time entails making inferences about the entrepreneur's attunement to a myriad of details. Only negatively valenced affective tone has been empirically linked to detailed focused analytical thought.

Negative affect, in particular, elicits cognitive processing of information that is characterized by attention to detail (Schwarz & Bless, 1991), high accuracy and task focus (Sinclair & Mark, 1995; Storbeck & Clore, 2005), and persistence in information search (Wong & Weiner, 1981). There is also some tentative evidence that people have an intuitive understanding of the relationship between negative affect and analytical scrutiny. In a seminal study on impressions of negative and positive reviewers, Amabile (1983b) found that reviewers who wrote a negative book review were perceived as more intelligent and competent than reviewers who wrote a positive one. This important yet isolated finding could support our proposition about the role of affective tone in idea pitches.

In this research, we aim to understand whether people are moved more by creative ideas pitched in a positive or negative affective tone. We suggest that entrepreneurs' negative affect leads to increased perceptions of entrepreneurs' competency, dedication and analytical scrutiny. As a result, we expect that people will be more prepared to invest in ideas that are pitched in a negative as opposed to a positive affective tone.

THE SOCIAL PSYCHOLOGY OF CREATIVE IDEA EVALUATION

The criteria for what constitutes a creative idea are socially constructed (Amabile, 1982; Royce, 1898). The judgment of both dimensions of creative ideas, their novelty and usefulness dimension (Amabile, 1983a), vary depending on the evaluators' choice of criteria (Rietzschel et al., 2010) that may be shaped by knowledge background and individual interests. Potential investors should be motivated to pay attention to entrepreneur's goals and motivation because long-term financial decisions such as investing in someone's skills involve high risk (Cable, Gino, & Staats, 2013). The distinction between an uninvolved evaluator and an evaluator who is potentially invested in an idea is therefore crucial; whereas the former may rely on superficial cues for evaluating the idea, the latter will analyze and scrutinize to what extent the idea can be successfully launched by the person. When individuals need to rely on others to control their outcomes, they engage in deep information processing (Berscheid et al., 1976). Such motivational factors have a powerful and systematic influence on the unfolding of the evaluation process. For instance, social expectations such as anticipated future interaction (Berscheid, Graziano, Monson, & Dermer, 1976; Darley & Berscheid, 1967; Mirels & Mills, 1964) and type of expected relationship (Clark & Mills, 1979) lead to different levels of attention to the interaction partner that influence evaluation of the person. Note that systematic inferences do not imply that potential investors are more rational, but rather that they are motivated to understand the entrepreneur's goals and motivation (Gilbert, 1998).

Despite the likely depth of potential investors' information processing, the evaluation process is a fast process. Evaluators make accurate judgments on the basis of thin slices of behavior when they have no opportunity to interact with the person (Albright, Kenny, & Malloy, 1988) and when they see the person for less than ten seconds (Ambady & Rosenthal, 1993). The convergence of such snap judgments with other observer ratings or self-reports is high (e.g., Rule, Ambady, & Hallett, 2009; Watson, 1989) and extends to competence-relevant judgments (Rule & Ambady, 2008; Todorov, Mandisodza, Goren, & Hall, 2005).

The above mentioned outcome dependency enhances the need for potential investors to use entrepreneurs' affect as social information. Research on emotional expression and person perception has demonstrated a variety of cognitive inferences about personality characteristics on the basis of observed emotions such as inferences about dominance (Knutson, 1996), status and power (Tiedens, Ellsworth, & Mesquita, 2002; Tiedens, 2001), and leadership potential (Melwani, Mueller, & Overbeck, 2012). Others' emotional reactions also allow observers to make inferences about others' goals and intentions (de Melo et al., 2014; Hareli & Hess, 2010). These findings are in line with the Emotions as Social Information Model (EASI; Van Kleef, 2009) that posits that rather than having an affective reaction to others' emotions, a motivated observer draws inferences from others' emotions, which influence the observer's behavior. When emotional expressions are processed analytically, emotions can lead to asymmetrical effects, such that negative emotions lead to positive outcomes for the expresser (Van Kleef, 2014). An example is Van Kleef and colleagues' (2009) finding that a leader's emotional display of anger

enhances team performance if teams are motivated to use the leader's emotions as task-relevant information to guide their performance. In contrast, when teams are not motivated to understand the leader's anger expression, they respond in an affective way that is counterproductive to performance. As potential investors are motivated to understand the entrepreneur's ability to execute the idea, potential investors should use entrepreneurs' affect as social information.

Research in the tradition of affect-as-information has shown that positive affect and negative affect lead to different cognitive processing styles. The affect-as-information model (Schwarz & Clore, 1983) proposes that affect informs individuals about the current state of their environment, which, in turn influences individuals' processing style. Because affect is caused by the appraisal of events (Frijda, Kuipers, & Ter Schure, 1989; Roseman, 1984; Smith & Ellsworth, 1985), positive affect signals that the environment is safe, whereas negative affect signals that the environment is problematic (Schwarz & Clore, 1983). Negative affect therefore leads to systematic elaboration of information (Schwarz & Bless, 1991), accuracy and task focus (Sinclair & Mark, 1995; Storbeck & Clore, 2005), and persistence in information search (Wong & Weiner, 1981).

In contrast, the experience of positive affect elicits perceptions of a safe environment that allows people to disregard details of the situation and instead focus the big picture. People in positive moods tend to be more lenient and optimistic (Forgas & East, 2008) because they engage in global processing, rather than local processing, thus focusing on the "forest" at the expense of the "trees" (Basso, Scheff, Ris, & Dember, 1996; Gasper & Clore, 2002; Gasper, 2004; Reeves & Bergum, 1972; Tyler & Tucker, 1982; Weltman, Smith, & Egstrom, 1971). People in a positive mood process information in a holistic way (Gasper & Clore, 2002) and rely on heuristics (Bless, Schwarz, & Wieland, 1996; Park & Banaji, 2000). Because positive mood can be mistaken for a confirmation that a goal has been attained (Johnson & Tversky, 1983; Martin, Ward, Achee, & Wyer, 1993), it leads to less effortful information processing and confidence with little information (Bless, Bohner, Schwarz, & Strack, 1990; Carnevale & Isen, 1986; Isen & Means, 1983).

The way in which an entrepreneur communicates an idea is an indicator for how the entrepreneur will execute the idea (Swann, 1984). Thus, when entrepreneurs' negative affect leads to positive evaluations, evaluators trust the entrepreneur to be competent and dedicated about the idea in general. Investors trust that the entrepreneur is competent, dedicated and understands the potential discrepancy between the skills and information required for future tasks on the one hand, and current skills and level of information on the other hand (Galbraith, 1973; Sapienza & Gupta, 1994). Cognition-based trust taps into these dimensions as it represents trust in a person's competence and dedication (Chua, Ingram, & Morris, 2008; Colquitt, Scott, & LePine, 2007).

Overall, entrepreneurs that signal competency, dedication, and scrutinized thinking by displaying negative affect are more likely to turn their creative idea into a major innovation. We predict that entrepreneurs' negative as opposed to positive affect increases evaluators' preparedness to invest in the idea. Further, we predict that cognition-based trust in entrepreneurs' competency and dedication, and inferences about entrepreneurs' analytical scrutiny mediate the relationship between entrepreneurs' affect and evaluators' preparedness to invest. Finally, we expect ratings of idea usefulness and idea novelty to converge more strongly when an idea is pitched in a negative affective tone.

STUDY 1

In this study we examine female and male entrepreneurs and cognition-based trust as a mediator. One hundred twenty-two participants were randomly assigned to watch one of four video clips showing a short segment extracted from a business pitch and filled out a questionnaire hosted by Amazon Mechanical Turk. Two video clips were extracted from a video clip showing a female entrepreneur pitching an idea about a new form of travel provider that addresses the social aspect of travel; and two video clips were extracted from a video clip showing a male entrepreneur pitching his idea about a subscription service that provides parents with a curated selection of baby clothing. We chose the segments of the business pitches on the basis of expressed positive or negative affect. All participants read the spoken text of the whole business pitch. Then participants were asked how much of their compensation they would invest in the pitched business idea (USD \$0 to \$0.20).

In addition, participants rated their trust in the entrepreneur on a scale from 1 (extremely unlikely) to 5 (extremely likely). We adapted two items from the Interpersonal Trust Measure (McAllister, 1995) that had the highest factor loadings and were appropriate for our context. The items were “I could rely on the entrepreneur to approach tasks with professionalism and dedication” and “I see no reason to doubt the entrepreneur's competence” ($\alpha = .71$).

A manipulation study with an independent sample revealed that the two positive conditions did not differ in perceived positivity, and the two negative affect conditions did not differ in perceived negativity, and therefore we collapsed positive and negative conditions into a single positive and a single negative condition. Consistent with the manipulation, negativity was rated significantly higher in the negative condition ($t(95) = 2.93, p < .01$), and positivity was rated significantly higher in the positive condition ($t(95) = 2.67, p < .01$). We did not find differences in passion and authenticity between conditions. A pilot study with another independent sample showed that watching the videos did not change participants' positive or negative affect as reported on the Positive and Negative Affectivity scale (PANAS; Watson, Clark, & Tellegen, 1988) or arousal.

The main study supported our hypotheses. Observing entrepreneurs expressing negative affect led to significantly more investment in ideas ($M = 11.50, s.d. = 8.45$) than observing entrepreneurs expressing positive affect ($M = 8.58, s.d. = 6.10; t(120) = 2.21, p = .03, d = .40$). This effect was mediated by cognition-based trust ($LL = .154, UL = 1.805$). Even though the idea pitch was the same in both conditions and participants received the same information about the idea, entrepreneurs' expression of affect was tied to semantic content. Therefore, we designed Study 2 with content-free stimuli.

STUDY 2

To make the semantic content in the video clips imperceptible but vocal tones audible, we followed Sanchez-Burks (2002) and Knoll and colleagues (2009) and low-pass filtered the audio of the two video clip segments at 68 Hz. The new video stimuli were imperceptible utterances making the semantic content indiscernible but allowing participants to discern the pitch of voice in the negative and positive condition. The procedures are the same as in Study 1 except that participants were not given any information on the idea and did not read the text of the business pitch. One hundred and one participants watched one of the two video segments showing the female entrepreneur. We measured participants' liking of the entrepreneur on a scale from 1 (strongly disagree) to 5 (strongly agree).

Consistent with Study 1, participants in the negative condition invested more money in the idea ($M = 9.88, s.d. = 10.22$) than participants in the positive condition ($M = 6.07, s.d. = 8.48$;

$t(99) = 2.04, p < .05, d = .41$) and cognition-based trust mediated the relationship when controlling for liking of entrepreneur ($LL = .230, UL = 2.740$).

STUDY 3

Study 3 tested whether inferences about analytical processing mediate the effect of entrepreneurs' affect on influence investment. One hundred nineteen participants were recruited. The procedure is the same as in Study 1 except that we only showed the videos of the female entrepreneur. Analytical thinking was measured with four items that were adapted from Zenhausern's (1978) Preference Test. The items were "the entrepreneur is detail-oriented", "the entrepreneur uses a serious, all business approach to solving problems", "the entrepreneur thinks in a logical way" and "the entrepreneur makes decisions based on objective facts" and were rated on a scale from 1 (strongly disagree) to 5 (strongly agree) ($\alpha = .80$).

Consistent with Study 1 and Study 2, participants in the negative condition invested more money in the pitched idea ($M = 12.72, s.d. = 8.99$) than participants in the positive condition ($M = 8.79, s.d. = 8.30; t(117) = 2.43, p = .02, d = .45$). Inferred analytical thinking mediated the relationship between observed affect and investment when controlling for attractiveness of entrepreneur and participant gender ($LL = .188, UL = 3.105$). Study 3 renders direct support for our proposition that negative affect is associated with analytical scrutiny.

STUDY 4

In Study 4, we investigated the influence of observed affect on idea perception to test whether the association between negative versus positive affect and different levels of scrutiny generalizes to evaluations of the idea. We used the same procedure as in Study 3. Eighty participants were given USD \$0.50 as compensation. Participants indicated their ratings of the idea's viability and novelty on a scale from 1 (not at all) to 5 (substantially).

Supporting our prediction, the correlation between rated usefulness and rated novelty was marginally higher in the negative condition ($r = .67, p = .001$) than in the positive condition ($r = .39, p < .01; z = 1.65, p < .10$; two-tailed test).

REFERENCES AVAILABLE FROM THE AUTHORS