

Cognitive misfit and firm growth in technology-oriented SMEs

Abstract: In this study, we examine how the founding owner-managers' cognitive style, formalization within their firms, and the interaction of these two variables (termed cognitive misfit) influence firm growth in technology-oriented SMEs. We found that intuitive decision-making style, higher levels of formalization, and their interaction were significantly associated with firm growth over a five year period. These findings confirm the key role the founding owner-manager plays in the subsequent growth of firms, suggesting further exploration of Person-Organization fit as a positive influence in their future.