

Psychology of entrepreneurship



- Entrepreneur
- Author
- UN Women's Representative 2013
- Founder ENPower Foundation
- Founder Selling Strength

"Only when I sleep I do not dream..."



Agenda

Science:

topics in psychology of entrepreneurship and relationship to entrepreneurial performance

Practice:

unusual suspects

Why psychology of entrepreneurship?

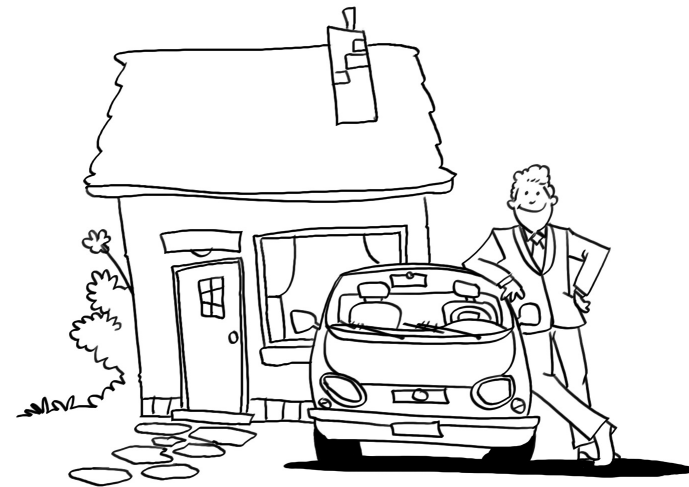
- Entrepreneurs are important for the economy and society.
- The 'entrepreneur' is the driving force!
- Gaps in our knowledge about stress, well-being and (subjective) success.



Entrepreneurial performance

- Objective success
 - Turnover, profit
 - Employment
- Subjective financial success
 - Personal financial success
 - Business financial success
- Subjective personal success
 - Social factors
 - Relationship with clients
 - Personal development
 - Personal goals

(Dijkhuizen, Gorgievski, Van Veldhoven & Schalk, 2016)



Topics

- Passion
- Personal resources
- Well-being
- Stress
- Et cetera





Passion

Entrepreneurial passion

Based on a review of entrepreneurship literature, entrepreneurial passion is defined as (Cardon et al, 2008):

- An intense **positive emotion**,
- about entrepreneurial opportunities, tasks or activities,
- which **motivates to overcome obstacles** and remain engaged.

harmonious passion
flow and engagement

obsessive passion
oops... workaholism



Link to performance

- Entrepreneurs and the self-employed are more passionate about their work than paid employees (e.g. Shane, Locke & Collins, 2003)
- Passion for work is a prerequisite for successful entrepreneurial performance (e.g. Shane, Locke & Collins, 2003)

Personal resources

Personal resources

- *Personality traits*: need for achievement, self-efficacy, innovativeness, stress tolerance, need for autonomy, proactive personality (Rauch & Frese, 2007)
- *Personality*: entrepreneurs score higher on conscientiousness and openness to experience than managers (Zhao & Seibert, 2006)
- *Psychological capital*: optimism, hope, self-efficacy, resilience (Luthans, Youssef & Avolio, 2007)

Link to performance

- Business owners' personality traits are positively related to business creation and business success (Rauch & Frese 2007)
- Psychological capital is positively related to performance (Luthans, Avolio, Avey & Norman 2007)

“The strength of a business is within the entrepreneur”



Well-being

Well-being

- Happiness
- Work engagement
- Life and job satisfaction
- Positive and negative affect

Link to performance

- Positive relationship between work engagement and performance, also for entrepreneurs (Gorgievski, Bakker & Schaufeli, 2010)
- Work engagement is related to higher personal, not financial subjective business success (Dijkhuizen, Gorgievski, Van Veldhoven & Schalk, 2016)
- General well-being (defined as absence of health complaints) predicts farmers' business success in a 10-year follow- up study (Gorgievski, Bakker & Giesen, 2000)

Well-being is very much needed....



Work-related strain



Work-related strain

Stressors

Workload

24/7

Responsibility

Uncertainty & risk

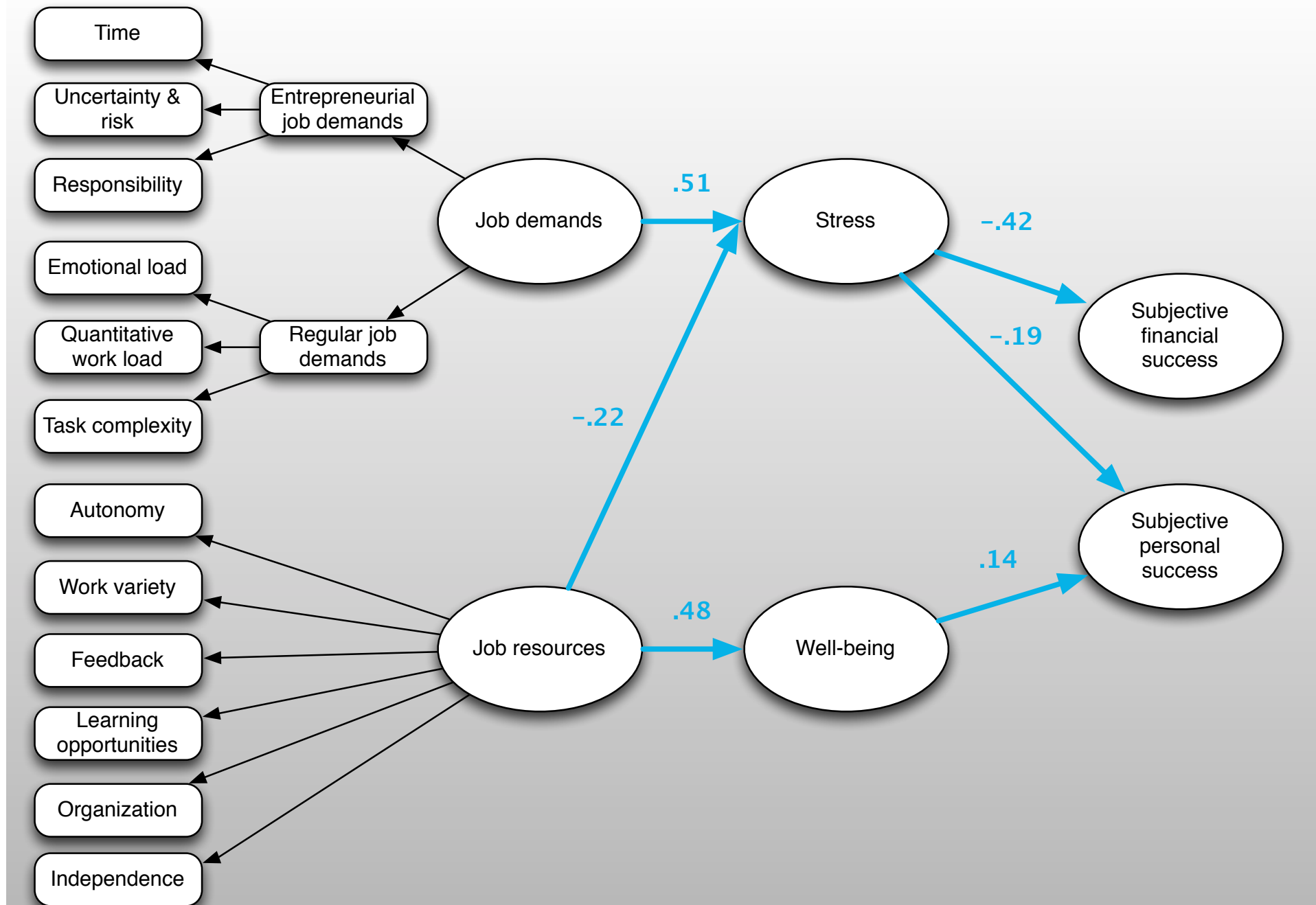
(Dijkhuizen, Van Veldhoven & Schalk, 2014)



Link to performance

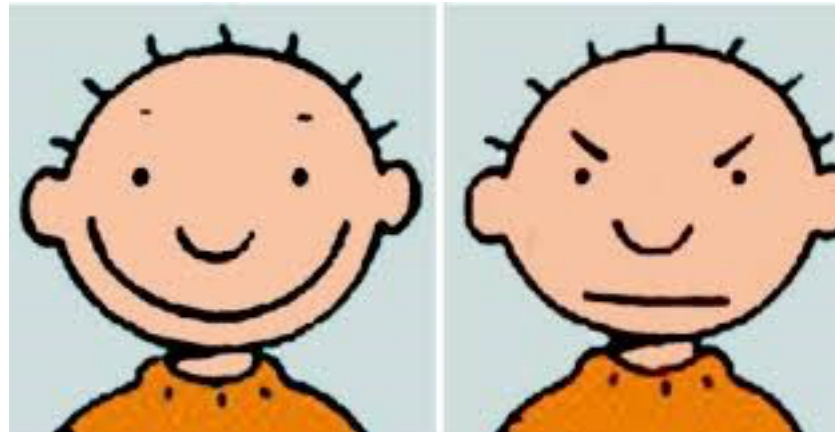
Work-related strain has more impact on subjective personal and financial success than work engagement

(Dijkhuizen, Gorgievski, Van Veldhoven & Schalk, 2016)



What predicts entrepreneurial performance?

- Passion
 - Personal resources
 - Well-being
 - Stress
-
- Other factors....





Call to action!

Entrepreneurs

- Prevention and elimination of stressors:
mind and body work, time management, risk management, etc...
- Increasing personal resources and well-being:
coaching, building personal ecosystem, etc...

Business schools

- Personal development programmes
- Professional business mentoring
- Games and simulations
- More research....



Unusual suspects

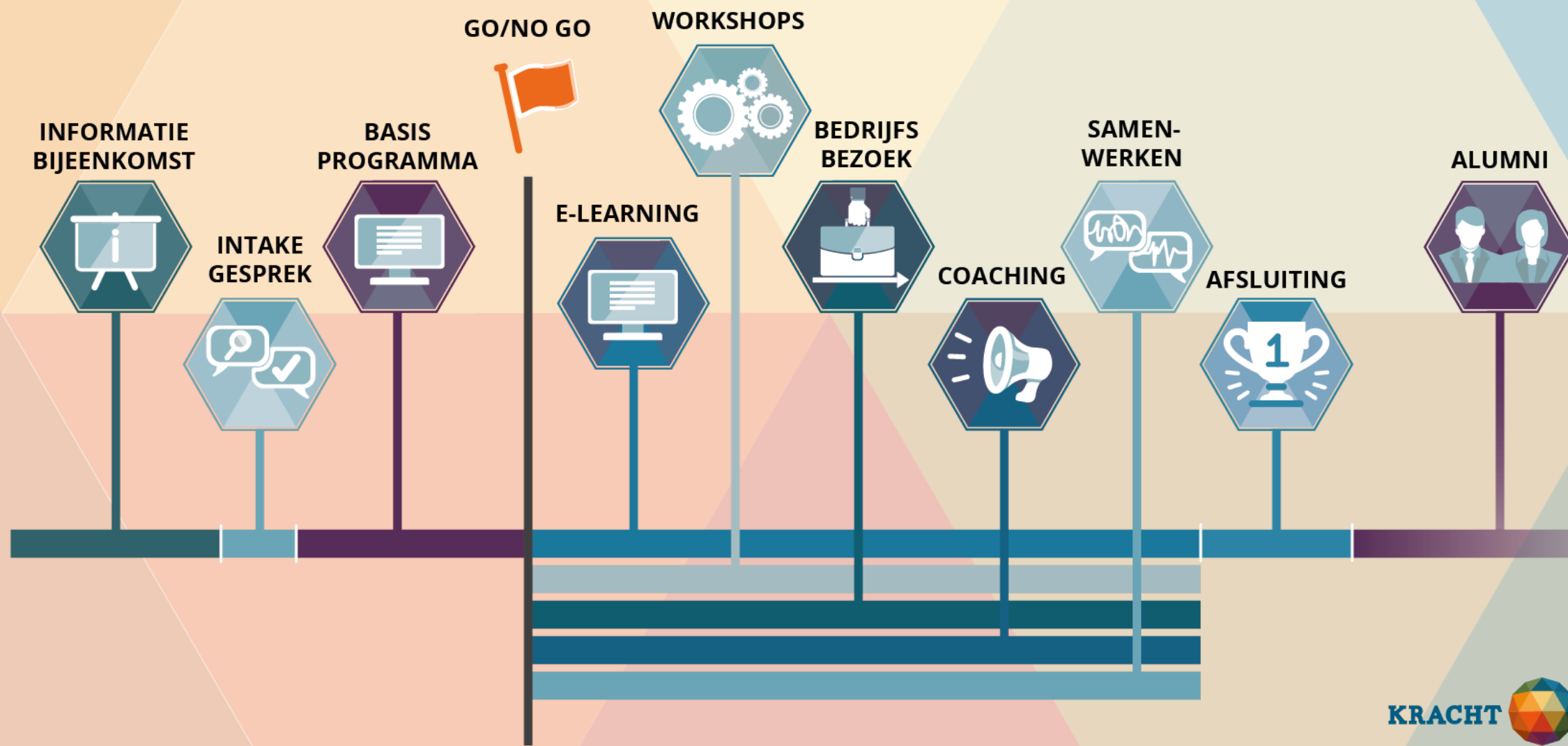
survivors of violence
as
potential entrepreneurs!



Empowerment

Economic independence

Elimination of taboos



What do we see?

- Perseverance
- Resilience
- Self-esteem
- Self-confidence
- Strive for independence



“According to the World Bank, women invest 60% more of their earnings than men in ‘social capital’ – food, education and health care for their families. 60% more! This benefits whole societies.”

Josette Dijkhuizen
October 2013





















Women are the agents of change

Personal development



Business development (start-ups and scale-ups)

Ambition



If you think you are too small to have an impact,

Go to bed with a mosquito in your room...



Thanks

and see you again!



