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)
Job demands

- Entrepreneurial job demands
- Quantitative workload
- Emotional load
- Task complexity

Stress

- .51
- -0.42

Job resources

- .48

Subjective personal success

- -0.19
- .14

Subjective financial success

- -0.22

Well-being

- -0.19
- .14

Entreprenurial job demands

- Time
- Uncertainty & risk
- Responsibility
- Emotional load
- Quantitative workload
- Task complexity
- Autonomy
- Work variety
- Feedback
- Learning opportunities
- Organization
- Independence
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!