Abstract

**Purpose:** Being encouraged by positive scholars I make an attempt to use positive way of thinking to further explore the process of entrepreneurship. More specifically, I aim at looking for positive antecedents of entrepreneurship and its positive consequences. The purpose of the paper is to formulate propositions for further empirical research.

**Methodology/approach:** I use literature review as a method to identify those of positive antecedents and consequences of entrepreneurship that were theoretically considered and/or empirically researched before.

**Findings:** The propositions can be summed up in a preliminary conceptual framework. It draws attention to most plausible relationships within positive phenomena and entrepreneurship. Moreover, the exact nature of the type (possible mediations and moderations), direction and strength of relationships is a subject for further theoretical considerations and empirical investigations.

**Implications/limitations:** The paper opens a new area of the research that has not been explored before. Potentially, it will bring new understanding to the processes of entrepreneurship from positive perspective.

**Originality/value:** Some of the relationships presented in the paper have not been researched yet. The main value of the paper is taking the next step in uncovering the positive antecedents and consequences of entrepreneurship.

**Keywords:** positive organizational scholarship, entrepreneurship, well-being, work-life balance, psychological capital

**Paper type:** Conceptual paper

1. Introduction

Over the last decade the notion of positive organizational scholarship (POS) has gained a lot of attention. It offers a new way of looking at things that potentially brings new understanding of phenomena and processes. So far, the application of positive perspective in entrepreneurship research has been very limited and
fragmented. Being encouraged by positive scholars I therefore make an attempt to use positive way of thinking to further explore the process of entrepreneurship. More specifically, I aim at looking for positive antecedents of entrepreneurship and its positive consequences. The purpose of the paper is to formulate propositions for further empirical research. They will concern the most possible relations between phenomena considered as positive and entrepreneurship. Further, the overall aim is to propose a framework of positive entrepreneurship. Just like authors of previous papers in the area (e.g. Stephan and Roesler, 2010). I use self-employment and business ownership as being equivalent to entrepreneurship. I also use the occupational definition of entrepreneurs as entrepreneurs are people working for their own account and risk.

The list of possible positive antecedents and outcomes of entrepreneurship is quite long. Therefore, I use literature review as a method to identify those of them that were theoretically considered and/or empirically researched before. The list of most plausible antecedents of entrepreneurship comprises of: the need for autonomy, intrinsic motivation, psychological capital, positive values, virtues and positive states. Positive consequences of entrepreneurship include: job and life satisfaction, work-life balance, health and feeling of mastery. Well-being is considered as both antecedent and consequence of entrepreneurship. The research was carried out within research project 2014/13/B/HS4/01618 funded by National Science Centre, Poland.

2. Theoretical foundations
Surprisingly, little is known about the consequences of entrepreneurship for entrepreneurs. Most of the research in entrepreneurship domain tends to focus on the antecedents of start-up activity or the process itself. Carter (2010) states that the financial consequences of entrepreneurship are underexplored, along with non-financial consequences. Moreover, she points out that there is also insufficient empirical evidence on non-financial consequences. Particularly interesting is the phenomenon of “compensating differential” which is the reward that entrepreneurs receive in independence, flexibility and job satisfaction for lower median of earnings.

Miller and Collier (2010) in their considerations on entrepreneurial success state that focusing just on wealth creation is very narrow. They raise the question of ethical well-being of entrepreneurs and emphasizing virtue as an important element of successful entrepreneurship propose a new definition of entrepreneurship that is about creating value more than creating wealth. I follow this kind of approach and consider the impact of entrepreneurial activity on lives of people – entrepreneurs and their closest environment.

Many of the research investigations into well-being or health of entrepreneurs are based on job-demand-control model (JDCM, Karasek, 1979). Job demands
refer to experienced work intensity such as time pressure and conflicting demands. Job control refers to the decision-making authority that managers/employees/entrepreneurs have in their job over when and how to do their tasks as being able to use and develop their skills. Most of the scholars associate job control positively and job demands negatively with well-being and good health. Moreover, it is the combination of job control and job demands that is the strongest determinant of health and well-being (Table 1).

<table>
<thead>
<tr>
<th>Low job control</th>
<th>High job control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passive job</td>
<td>Low strain job</td>
</tr>
<tr>
<td>Health risks</td>
<td>Low health risk</td>
</tr>
<tr>
<td>Stress reactions to monotony and meaningless work</td>
<td></td>
</tr>
<tr>
<td>High strain</td>
<td>Development of active coping patterns</td>
</tr>
<tr>
<td>Psychological strain</td>
<td>Increased feelings of mastery</td>
</tr>
<tr>
<td>Ill health</td>
<td>Good health</td>
</tr>
<tr>
<td>Allostatic load</td>
<td>Higher well-being</td>
</tr>
<tr>
<td></td>
<td>More active political and leisure time</td>
</tr>
<tr>
<td></td>
<td>Engagement</td>
</tr>
<tr>
<td></td>
<td>Allostasis</td>
</tr>
</tbody>
</table>

A situation of high job demands and low job control leads to the overload with no control of the employee over the task structure and schedule. An employee experiences allostatic load caused by long-term stress, which, in turn, harms his health and reduces well-being. The job of entrepreneurs is a classic example of active job. They are overloaded with various tasks but at the same time they have full control over what, when and how they are coping with them. In this kind of situation tasks are subjectively more challenging and more interesting. That leads to the state of allostasis – “a healthy dynamic balance of bodily responses, rather than chronic stress responses and allostatic load” (Stephan and Roesler, 2010).

Block and Koellinger (2009) following Benz and Frey (2008) and Frey, Benz and Stutzer (2004) provide different explanation for higher satisfaction of entrepreneurs using procedural utility. It says that entrepreneurs value not only outcomes, but also the conditions and processes leading to these outcomes. Procedural utility refers to the non-instrumental pleasures and displeasures of process, in contrast to the more standard view of economic utility, which is concerned only with instrumental outcomes such as monetary gains or market transactions. In the case of entrepreneurship, factors contributing towards this procedural utility beyond monetary income include autonomy, flexibility, and the actual work itself.
3. **Positive consequences of entrepreneurship**

Some scholars argue that well-being is critical for cognitive and emotional elements of overall human functioning (Aldwin and Revenson, 1987). Shepherd and Haynie argue that well-being “is a valuable dependent variable in its own right” (2009) because the entrepreneur’s well-being could positively impact firm performance, a view echoed by Baron (2007; 2008).

In terms of the impact of entrepreneurial activity on well-being the empirical evidence is rather scarce and fragmented. For instance, Sankelo and Åkerblad (2009) state that most of the researched nurse entrepreneurs reported being content with their well-being at work and that most of the respondents rated their physical, mental, financial and social situation and working capacity as good. However, they treat well-being mostly as work-related phenomenon and closely associate it with coping capability and lack of stress. Moreover, they do not present the exact measure that was used to investigate well-being.

Well-being was also part of the research conducted by Stephan and Roesler (2010). They found, among other results presented in the section devoted to health of entrepreneurs, that well-being of business owners is higher than of employees. It is important to notice that while the authors use objective measures of entrepreneurs and non-entrepreneur’s health, well-being is measured using subjective, self-reported measure that consisted only of one item.

The impact of entrepreneurial activity on well-being is found to be moderated by the type of coping that entrepreneurs use. Uy, Foo and Song (2013) found that the use of avoidance coping positively predicted immediate well-being for entrepreneurs with more start-up experience. However, this relationship was negative for entrepreneurs with less start-up experience. Over the extended period, entrepreneurs who used avoidance coping had improved well-being only if they also used active coping.

Well-being of entrepreneurs was a special topic in Global Entrepreneurship Monitor 2013 research. The research revealed that well-being of non-entrepreneurs is significantly lower than both of early-stage entrepreneurs and owners of established businesses (Zbierowski, 2014). Moreover, the well-being of owners of established business is higher than of early-stage entrepreneurs and well-being of ‘opportunity entrepreneurs’ is higher than that of ‘necessity entrepreneurs’.

Taking all the above into consideration I propose that:

*Proposition 1. Entrepreneurial activity positively influences entrepreneur’s well-being.*

Additionally to proposition 1 I suggest that well-being of entrepreneurs should be approached with more comprehension. What it means in practice is that various kinds of well-being should be taken into consideration. I also propose the
introduction of the term “family well-being” that is explained in the conclusions of this paper.

Most of the studies in satisfaction of entrepreneurs focus on job satisfaction and there is evidence that despite lower incomes, the self-employed consistently report higher satisfaction with their jobs (Binder and Coad, 2013). However, some authors point out that high job satisfaction might cause entrepreneurs to neglect other domains of life. The important question is therefore: what is the overall life satisfaction of entrepreneurs and can they balance their jobs and family life?

Binder and Coad (2013) found that individuals who move from regular employment into self-employment experience an increase in life satisfaction (up to 2 years later), while individuals moving from unemployment to self-employment are not more satisfied than their counterparts moving from unemployment to regular employment. They argue that these groups correspond to ‘opportunity’ and ‘necessity’ entrepreneurship.

Studies that have considered the nonfinancial dimensions of work highlight four core job characteristics that contribute toward job satisfaction: autonomy, task identity, task variety, and performance feedback (Schjoedt, 2009).

I argue that performing an active job (as understood in job-demand-control model) is beneficial for entrepreneurs’ health and well-being it might not contribute to good work-life balance. As many researchers point out, entrepreneur’s job bears high demands. It is also known that the number of weekly working hours is higher for entrepreneurs compared with employees (Paoli and Merllie, 2001). I argue that high control over way of performing tasks lets entrepreneurs spend more time at work without the feeling of fatigue and might even lead to the feeling of flow (Csikszentmihalyi, 1996; Quinn, 2002). That, in turn, might lead to reduced work-life balance.

Parasuraman and Simmers (2001) in their study found out that self-employed people enjoy greater autonomy and schedule flexibility at work (more control), and report higher levels of job involvement and job satisfaction than those employed in organizations. However, they also experience higher levels of work-family conflict, and lower family satisfaction than organizational employees.

Job satisfaction and work-life balance might be also under strong influence of the type of passion that drives an entrepreneur (Vallerand et al., 2003). Harmonious passion will lead to positive outcomes and good balance between work and personal life while obsessive passion will cause conflict between work and other life activities, burnout and psychological distress at work (Vallerand et al., 2010).

Some other authors claim that ownership of the enterprise and being one’s own boss provide individuals the freedom and flexibility to structure the workday according to their preferences, and thereby added control over the work situation.
(Loscocco, 1997). Such latitude can reduce the level of work-family conflict experienced (Greenhaus et al., 1989), enabling self-employed persons to manage the conflicts between work and home more effectively and increase psychological well-being (Greenhaus et al., 1989; Loscocco, 1997; Loscocco and Leicht, 1993).

Taking above into consideration I argue that:

**Proposition 2. Entrepreneurial activity negatively influences entrepreneur’s work-life balance.**

and

**Proposition 3. Work-life balance increases along with the life-cycle of the business.**

Perhaps the most comprehensive attempt to investigate the impact of entrepreneurship on health was undertaken by Stephan and Roesler (2010). They found that entrepreneurs presented significantly lower overall somatic and mental morbidity, lower blood pressure, lower prevalence rates of hypertension, and somatoform disorders, as well as higher well-being and more favorable behavioral health indicators. They attribute positive impact on health to favourable job characteristics compared to employees such as almost unlimited decision autonomy, freedom of choice in the task structure, time schedule flexibility, utilization and development of skills. It is important to notice that in the research objective measures of health have been used (clinically examined blood pressure, physician-diagnosed somatic diseases, diagnosis of mental disorders based on a standardized clinical interview) which is a rarity. Moreover, Stephan and Roesler used matching procedure to ensure that every entrepreneur is compared to an employee in the same occupational class. Therefore, I propose that:

**Proposition 4. Health of entrepreneurs is higher than of non-entrepreneurs.**

Feeling of mastery according to job-demand-control model (Karasek, 1979; Stephan and Roesler, 2010) is the consequence of active job that is performed by the entrepreneurs and is characterized by both high job demands and high job control. Active job situation positively challenges the entrepreneur and leads to learning, the development of active coping patterns and finally to feelings of mastery, therefore:

**Proposition 5. Entrepreneurial activity leads to feeling of mastery.**
4. Positive antecedents of entrepreneurship

From the long list of potential positive antecedents of entrepreneurship, I have chosen those that were at least mentioned by other scholars. The list comprises: psychological capital, need for autonomy, intrinsic and prosocial motivation, positive values, virtues, positive states and well-being that by some scholars is treated both as an antecedent and an outcome of entrepreneurial activity.

One of the most important determinants of start-up is the need for autonomy (Birley and Westhead, 2004). I argue that need for autonomy is a positive phenomenon. This is because it allows the entrepreneur to achieve higher self-fulfillment. It also means that entrepreneurs are motivated by needs that are higher in hierarchy than the need of safety that is fulfilled by the salary and stability of employment. Some authors refer to that need as “need for satisfaction and achievement through skilled and autonomous work” (Warr et al., 1979), ‘growth need strength’ (Hackman and Oldham, 1975), “self-actualization need strength” (Sims and Szilagyi, 1976) and ‘higher order need strength’ (Hackman and Lawler, 1971). Therefore, I argue that:

**Proposition 6. Need for autonomy positively influences the decision to start-up a business.**

That relations has been proved in previous research, however, in my opinion putting it in positive point of view allows to address the configuration of entrepreneurship and positive variables, including need for autonomy.

Regarding the motivation to start-up a business it can be stated that most of the entrepreneur’s motivation is intrinsic motivation (Palmer, 1971). It is defined as ‘the degree to which a job holder is motivated to perform well because of some subjective rewards or feelings that he expects to receive or experience as a result of performing well’. Intrinsic motivation is positively associated with some other variables characteristic for entrepreneurship, such as responsibility and knowledge of results, but also with job satisfaction (Hackman and Oldham, 1975). Moreover intrinsically motivated people have better mental health (Wall et al., 1978). I therefore propose:

**Proposition 7. Intrinsically motivated people are more likely to start a business.**

and

**Proposition 8. Intrinsically motivated entrepreneurs achieve higher satisfaction.**
Despite most scholars focus on well-being as an outcome of entrepreneurship there are some who hypothesize that it is also an antecedent of the decision to start-up a business. Zhang, Wang and Owen (2015) tested that hypothesis and found that high level of well-being is actually negatively associated with entrepreneurial intention. That result is a bit surprising and might be context specific, therefore it might be fruitful to further investigate that relationship, therefore:

Proposition 9. Well-being is negatively associated with the decision to start a business.

Psychological capital (PsyCap) comprises four dimensions: (1) hope, (2) self-efficacy, (3) resilience and (4) optimism (Luthans et al., 2007). The core of PsyCap is therefore positive assessment of conditions and feasibility of achieving success based on motivation for effort and persistence. I argue that resilience is an important trait that is necessary for coping with active job. High level of resilience makes the job of entrepreneur more interesting and more satisfactory, as it allows to additionally bounce-forward from the high demands and recuperate from the stress. Long-term stress that in the case of high-strain job (high demands, low control) leads to allostatic load in case of active job supported by high resilience of the entrepreneur might lead to treating stress as positive motivator. POS scholars present new view on stress and pressure at the workplace (Biron et al., 2012). Traditional ways of organizational coping with stress focus on eliminating the source of stress and include changes in compensation systems, physical and psychological barriers, job design etc. Positive ways are more focused on creating mechanisms of coping to increase performance and satisfaction.

There is no research that implicitly associates the level of PsyCap and entrepreneurship, however Ziyae, Mobaraki and Saeediyou (2015) showed a significant effect of psychological capital on innovation in IT. In addition, more specific analysis on each of the PsyCap dimensions revealed that except resilience, none of them enhanced innovation in IT.

Hayek (2012) on the other hand argues that too much of psychological capital might lead to improper assessment of business opportunity, and more specifically to misqualifying an idea as an opportunity due to improper assessment of its feasibility or overconfidence in entrepreneur’s own abilities in relation to the opportunity (Koellinger et al., 2007). Hayek (2012) attributes an important role in that process to control beliefs that might be higher among people with high level of psychological capital. It might cause misqualification of phenomena that are under and beyond one’s control.

Taking all of the above into consideration I argue that:


**Proposition 10. Psychological capital and its dimensions positively influence entrepreneurial activity.**

I propose to use instrumental and terminal values as understood by Rokeach (1973) and identify which of them are positive and possibly positively related to entrepreneurial propensity. Those would include self-respect, a sense of accomplishment among terminal values and courage, politeness, honesty, imagination, independence, helpfulness and responsibility among instrumental values. Therefore, apart from positive traits and positive emotional states I argue that positive values also play an important role in start-up process:

**Proposition 11. Positive values increase the likelihood of becoming an entrepreneur.**

Miller and Collier (2010) in their approach to entrepreneurship as a value creating activity rather than wealth creating activity highlight the pursuit of the cardinal virtues of prudence, justice, courage (fortitude) and temperance, within the context of the entrepreneurial venture. Such a venture provides a dynamic and exciting milieu within which individuals exercise intellectual, creative, theoretical and applied expertise/passions, while at the same time growing spiritually. The core of Miller’s and Coller’s (2010) reasoning is using the virtue ethic perspective that places the agent and who s/he is becoming as the starting point of moral discernment and decision-making. Therefore:

**Proposition 12. Virtues positively influence entrepreneurship.**

The idea of positive states is relatively less defined and difficult to capture comparing to positive traits or positive values. Shein, Crous and Schepers (2010) associate positive states with appreciative ability. They also found strong relationship between appreciative ability and entrepreneurial orientation, therefore:

**Proposition 13. Positive states support entrepreneurial activity.**

5. The step forward – family well-being
The above propositions can be summed up in a preliminary conceptual framework (Figure 1). It is not complete, but draws attention to most plausible relationships within positive phenomena and entrepreneurship. Moreover, the exact nature of the type (possible mediations and moderations), direction and strength of relationships is a subject for further theoretical considerations and empirical investigations.
The economic well-being of the entrepreneur is influenced by the changing financial needs of the entrepreneur’s household (Carter, 2010). If we also take into consideration entrepreneur’s work-life balance than we come to a conclusion that family plays an important part in assessing the personal outcomes of entrepreneurship process. Therefore, I propose to introduce a term of “family well-being” that captures on one hand the economic well-being of the family created by the entrepreneur and on the other work-life balance that is manifested in the availability of the entrepreneur to his family. I assume that it is a contradiction that every entrepreneur must attempt to reconcile. Moreover, I think that without taking into consideration the picture of entrepreneur’s well-being is not complete.

An important argument that encourages to take family into consideration while talking about personal well-being of entrepreneurs is the influence of the entrepreneur’s spouse. Analogically to economic well-being for which the regular earnings of the entrepreneur’s spouse are important as they reduce risk (Carter, 2010) the type of occupation of the spouse is important for family well-being of an entrepreneur as it builds or reduces the stability.

In the same manner that economic well-being comprises various measures of income, assets, savings etc. I argue that the measure of well-being of entrepreneurs should comprise various measures of personal well-being, such as satisfaction, feeling of autonomy and independence, health etc. Moreover, just like proposed measures of economic well-being, personal well-being should be treated in the dynamic way which will allow to capture its dependence on the business life cycle. Therefore, considering research directions, I call for methodological development of more sophisticated and better adjusted measures, especially of well-being. Moreover, taking into consideration the dependence of positive outcomes on business life cycle, longitudinal research design should be employed in the form of panel study, such as Panel Study for Entrepreneurship Dynamics.
References


