Dodging Burnout and Minimizing Turnover
Fred O. Walumbwa, PhD, I-Chieh Hsu, PhD, Cindy Wu, PhD, Everlyne Misati, PhD Candidate, and Amanda Christensen-Salem, PhD

Timing is Everything: A Scheduled Plan for Your Social Media Presence
Vamsi K. Kanuri, PhD, Yixing Chen, PhD Candidate, and Shrihari (Hari) Sridhar, PhD

Boosting Sales Force Morale in Highly Dynamic, Complex Markets: The Role of Job Resources
Nikolaos G. Panagopoulos, PhD, Bryan Hochstein, PhD, Thomas L. Baker, PhD, and Michael A. Pimentel, PhD Candidate

Riding the Wave: How to Make Your Videos Go Viral
Gerard J. Tellis, PhD, Deborah J. MacInnis, PhD, Seshadri Tirunillai, PhD, and Yanwei Zhang, PhD

Entrepreneurship: The Path to Well-Being
Nadav Shir, PhD, Boris N. Nikolaev, PhD, and Joakim Wincent, PhD

INSIDER: Breathe to Succeed: Increase Workplace Productivity, Creativity, and Clarity through the Power of Mindfulness
Corrie A. H. Penraat, MBA Candidate

INSIDER: Ultralearning
Brian LeCompte, MDiv/MBA Candidate
Entrepreneurship: The Path to Well-Being
Nadav Shir, PhD, Boris N. Nikolaev, PhD, and Joakim Wincent, PhD

Self-determination theory (SDT) proposes that entrepreneurs enjoy certain psychological benefits from starting and running a new business. These benefits include, for example, higher levels of job and life satisfaction due to satisfying needs for autonomy, competence, and relatedness. However, in contrast to the benefits, entrepreneurs may also experience high stress and longer working hours, while also fearing lower income. In this study, we examine how autonomy mediates the relationship between entrepreneurship and personal well-being.

Entrepreneurial Tasks are the Best Environment

A work environment that is conducive to psychological health would regularly allow individuals to organize their self-motivated behaviors. Of the three basic psychological needs, autonomy is uniquely expressed through the organization of self-motivated behaviors. Therefore, autonomy serves as a path to fulfilling competence and relatedness. The work tasks that offer the greatest amount of autonomy are entrepreneurial tasks. The term “entrepreneurship” often evokes the
idea of self-employment. However, self-employment is a subset of entrepreneurship as an increasing portion of entrepreneurial activities (the starting up of new ventures, etc.) are performed by individuals employed by medium-sized and large corporations. Moreover, some self-employed individuals spend most of their time on managerial tasks instead of entrepreneurial tasks. Our study focused on a nuanced understanding of entrepreneurial tasks, as those tasks that inherently require individuals to organize and work for their own goals. Compared with traditional wage-employment, entrepreneurial task engagement supports and stimulates psychological need-satisfying experiences. Entrepreneurship catalyzes the self-organization of one’s own approach to work-related goals (autonomy), stimulates personal growth (competence), and supports the formation of authentic relationships (relatedness). Since the three basic psychological needs are fulfilled by entrepreneurial task engagement, happiness, life-satisfaction, and subjective vitality are all positively impacted, leading to well-being.

We sampled 1,837 individuals, of whom 1,586 were non-entrepreneurial (i.e. traditional wage-employed) workers and 251 were actively engaged (i.e. involved in a start-up or owned a business 42 months or less) in entrepreneurial activities. We collected survey data from every individual in the sample and took subjective measures of the three psychological needs and the three components of well-being. Engagement in entrepreneurship was systematically associated with higher levels of well-being compared with engagement in regular employment. This relationship was still present even after adjusting for socio-economic differences such as gender, age, education, income, and the type of employment organization. These results held even after controlling for dispositional traits such as self-efficacy and optimism. This is an important finding because previous studies suggest that well-being is partly determined by individuals’ genetic profiles and stable personality traits.

Our study did not reveal that entrepreneurial task engagement was related to increased levels of competence and relatedness. However, entrepreneurial task engagement was significantly related to autonomy, and an increase in psychological autonomy was significantly related to increases in competence and relatedness. These findings suggest a model we term “multi-path mediation,” (Figure 1) wherein entrepreneurial task engagement influences competence and relatedness through autonomy and all three psychological needs—autonomy, competence, and relatedness—influence well-being. Our model and findings highlight the advantage that entrepreneurship has over traditional wage-
employment for psychological-need satisfaction that leads to well-being. Feeling free and acting in accordance with one’s own decisions is a unique benefit that entrepreneurial task engagement has in meeting the psychological needs that underlie well-being.

**Real Estate: Who’s Business is it Anyway?**

From our study, we concluded that entrepreneurship has significant benefits for psychological health. Engaging in entrepreneurial work tasks supports individuals’ basic psychological needs because such tasks allow them to organize their self-motivated behaviors at work, leading to higher levels of agency (freedom), competence (ability), and relatedness (organic relationships).

Managers in a real-estate firm could see improved performance from their agents if they incorporate practices that assist their agents’ self-organizing behaviors. Agents typically perform a variety of entrepreneurial tasks, such as finding new listings, advertising their services, and interfacing with mortgage companies and other financing sources. Entrepreneurial tasks necessarily include stressors, failure, and grief over losses. Managers may be tempted to prevent agent failure by closely monitoring agents and transactions. However, our research indicates that managers would experience better results and have a healthier workforce if they encourage self-authoring techniques. Managers who allow agents the freedom to write their own stories will see their agents ready to work each day, because those agents have a clear sense of how their job is a part of that story. There may be some failures in the beginning, but the long-term success is worth the short-term setbacks during the discovery phase. Managers who limit micromanagement and encourage freedom should witness their agents experience psychological-need satisfaction, happiness, life-satisfaction, and subjective vitality. These agents are free to be well.

The real estate broker’s role has great potential for encouraging entrepreneurial task engagement among agents. Agents must manage and build their personal book of business, which requires self-organization and self-motivation. The agent is free (autonomous) and able (competent) to make the connections in his/her community (relatedness). The agent’s business is *his/her* business. Our research suggests that the independence intrinsic to the real estate agent’s role leads to his/her well-being by meeting underlying psychological needs. It may seem daunting when an agent is just starting his/her business—every entrepreneur feels this. The long-term health benefits are worth it. Brainstorm. Try. Fail. Reorganize, and try again. Over time independence becomes empowering, self-confidence is a given, and meaningful relationships are multiplied. Where can every real-estate agent find his/her little piece of heaven? In the freedom and ability to write his/her own story the way it should be written.
Recommended Reading


References


About the Authors

**Nadav Shir, PhD**

Researcher, Course Developer, and Course Director, Stockholm School of Economics

Dr. Nadav Shir’s (PhD – Stockholm School of Economics) primary research interests concern the link between entrepreneurship and mental health. In 2010, Nadav initiated and designed the largest study in the world to date on the link between entrepreneurship and mental health. This initiative was received in 2013 by the Global Entrepreneurship Monitor (GEM) Consortium, the largest ongoing study of entrepreneurial dynamics in the world. In 2012-2013, Dr. Shir visited New York University (NYU) Stern School of Business and studied in the psychology department. After completing his thesis in 2015, his research was approved and published in the *Journal of Business Venturing* in early 2019. He is fluent in Hebrew, English, and Swedish. Dr. Shir also teaches at the Stockholm School of Economics (SSES). His courses include Personal Development, Negotiations for Startups, and Growth - Managing Your Firm. He regularly gives SSES workshops and lectures on personal development and self-regulation.

**Boris N. Nikolaev, PhD**

Assistant Professor of Entrepreneurship, Baylor University

Dr. Boris Nikolaev’s (PhD – University of South Florida) research interests include public policy, applied microeconomics, entrepreneurship, mental health and well-being, economic
Entrepreneurship: The Path to Well-Being

development, and new institutional economics. Dr. Nikolaev has published in the *Journal for Business Venturing, Entrepreneurship Theory & Practice, Strategic Entrepreneurship Journal, Journal of Economic Behavior & Organization, Small Business Economics, Economics of Education Review, Empirical Economics, Kyklos, Journal of Economic Psychology, Journal of Happiness Studies*, and others. During his previous tenure as Assistant Professor of Economics at Oxford College of Emory University, Dr. Nikolaev received the university-wide William H. Fox Award for Emerging Excellence in Teaching Award. He has also won several other university-wide awards for teaching and research such as the Provost Award for Outstanding Teaching (USF), Dissertation Completion Fellowship (USF), Research Excellence Award (USF), the Humane Studies Fellowship (IHS), and the APEE Young Scholars Award (APEE). Dr. Nikolaev teaches a variety of courses from micro- and macroeconomics to more advanced courses such as history of economic thought and happiness economics.

**Joakim Wincent, PhD**  
**Professor of Entrepreneurship, Management, and Organization, Hanken School of Economics**  
Dr. Joakim Wincent’s (PhD – Luleå University of Technology) research interests include entrepreneurship, organizational management, and business economics. Dr. Wincent has published in the *Journal of Business Venturing, Journal of Business Research, Entrepreneurship & Regional Development, Harvard Business Review*, and many others. In 2012, he was awarded the *IDEA Thought Leader* award by the entrepreneurship division of the Academy of Management. In 2015, he was awarded the *Nordea Science Prize* for building a successful research group. Dr. Wincent engages in extensive amounts of research for Hanken School of Economics, publishing nearly 130 research articles in the past ten years.