

How are attitudes toward entrepreneurship and entrepreneurial motivation affected by meaning?

RESEARCH BRIEF

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June 2020

The Sheila and Robert Challey Institute for Global Innovation and Growth aims to advance understanding in the areas of innovation, trade and institutions to identify policies and solutions that enhance economic growth and opportunity.

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Introduction

The Sheila and Robert Challey Institute for Global Innovation and Growth conducted a survey to explore American beliefs on capitalism, socialism, and entrepreneurship. The survey of more than 1,200 Americans reveals that existential health (meaning in life, existential agency, meaningful social bonds, religious faith) has a strong association with people's views on capitalism, socialism, entrepreneurship, and their abilities to solve important problems. A previous research brief highlighted our findings related to capitalism and capitalist solutions.¹ This research brief describes our findings related to entrepreneurship's role in solving important societal problems and people's motivation to be entrepreneurs.

Research in the field of empirical existential psychology has revealed how important our perceptions of meaning are to human flourishing, strongly influencing both physical and mental wellbeing. People who believe they have meaningful roles to play in their families and communities are better able to deal with uncertainties, resist unhealthy temptations, persevere under hardship, and work toward difficult goals.

Despite the growing recognition that meaning helps people thrive, there has been little attention given to the way the need for meaning connects to people's broader economic views and aspirations.

Survey Results

Our survey asked 1,269 adult participants a series of questions to assess: participants' beliefs on whether entrepreneurship could solve important societal problems; and participants' entrepreneurial motivation. In a series of questions focused on belief in entrepreneurial solutions, participants indicated on a 7-point scale whether they strongly disagree (1), neither agree nor disagree (4), or strongly agree (7) that entrepreneurship can solve societal problems. About 56 percent of those surveyed somewhat agree (5), agree (6), or strongly agree (7) that entrepreneurship can solve important societal problems. Statements about entrepreneurial motivation, such as "I am motivated to start my own business," "the possibility of starting my own business energizes me," and "being an entrepreneur is important to me," generated responses of agree (6) or strongly agree (7) for nearly 20 percent of those surveyed. In addition to these overall results on belief in entrepreneurial solutions and entrepreneurial motivation, the survey shows important differences in existential health and other characteristics of those who do and do not believe in entrepreneurial solutions, and of those who are and are not entrepreneurially motivated.

Belief in entrepreneurial solutions to important problems. As with those who support capitalism, those who believe in entrepreneurial solutions (average response of 5 or higher to believe in entrepreneurial solutions questions) are older and have higher incomes than those who do not believe in entrepreneurial solutions (**Figure 1**). However, there is no statistically significant difference in their political views. The more interesting results, which were also shown in our survey on support for

¹ Routledge, Clay and John Bitzan (2020). Does a feeling of meaning and purpose in life affect views toward capitalism? (Challey Institute Research Brief).

capitalism, indicate that those who believe that entrepreneurial solutions can solve important societal problems have higher existential agency (perceived ability to maintain a sense of meaning or purpose in life), higher levels of perceived meaning, higher levels of family and friends social support, and more religious faith than those who have neutral or negative views on whether entrepreneurship can solve important societal problems.

Entrepreneurial motivation. We find similar differences in existential health variables when comparing those who are highly entrepreneurially motivated (average response of 6 or higher on “motivated to start business” questions) to those who are somewhat or not entrepreneurially motivated (average response of less than 6 on these questions). Entrepreneurially motivated individuals have statistically significantly higher existential agency, presence of meaning, family and friend social support, and religious faith.

These differences are even larger when comparing those who are highly entrepreneurially motivated to those who are less entrepreneurially motivated within the participants who plan to start their own business (**Figure 2**). Our survey found that approximately 23 percent of the 1,269 respondents plan to start their own business. Among this group, highly entrepreneurially motivated individuals have statistically significantly higher existential agency, presence of meaning, family and friend social support, and religious faith in comparison to those who are somewhat or less entrepreneurially motivated. Moreover, while the highly entrepreneurially motivated are significantly more politically conservative than those less motivated, there are no statistical differences in age or income among the two groups.

Statistical Tests

Examining the average differences between those who believe in entrepreneurial solutions to societal problems and those who do not, and between those who are highly entrepreneurially motivated and those who are not, is suggestive. However, the effects of individual characteristics on attitudes toward entrepreneurial solutions or entrepreneurial motivation can only be assessed by examining their impact after controlling for other influences. We know, for example, that older people and people with higher existential agency both tend to have more belief in entrepreneurial solutions. Is the higher belief in entrepreneurial solutions due to being older, due to more existential agency, or due to both? We can only make this determination by measuring the impact of existential agency on belief in entrepreneurial solutions after controlling for age and other variables.

We use regression analysis to test for the characteristics of individuals that uniquely contribute to belief in entrepreneurial solutions (after controlling for the influences of other variables). We find that existential agency, perceived presence of meaning, search for meaning, and income uniquely and significantly influence people’s belief that entrepreneurship can solve important societal problems. Individuals who believe they can maintain meaning or purpose in life (have existential agency), those who are searching for meaning, and those with higher incomes are more likely to view entrepreneurial solutions to societal problems positively.

Although the direct effect of perceived presence of meaning is to reduce belief in entrepreneurial solutions, a separate analysis reveals that the presence of meaning has a strong positive indirect effect on belief in entrepreneurial solutions through its positive impact on existential agency. In other words, as shown in **Figure 3**, a strong sense of meaning facilitates existential agency; this, in turn, increases belief in entrepreneurial solutions to important societal problems. In fact, this indirect effect is large enough to more than offset the direct negative effect, meaning that the more people perceive that their lives have meaning, the more likely they are to value entrepreneurial solutions to problems. These indirect effects are also found for age and social support from friends.

We also perform regression analysis to determine the unique influences on entrepreneurial motivation for individuals who have plans to open their own businesses. Existential agency, search for meaning, and religious faith uniquely and significantly influence the extent to which such potential entrepreneurs are motivated. Specifically, people with higher existential agency, those who are searching for meaning, and those with religious faith are more likely to be strongly motivated in their entrepreneurial aspirations. In addition, although perceived presence of meaning does not have a statistically significant direct impact on entrepreneurial motivation, it has a strong indirect effect through its impact on existential agency. As with its impact on belief in entrepreneurial solutions, the perceived presence of meaning facilitates existential agency, which then increases entrepreneurial motivation (**Figure 4**). As with belief in entrepreneurial solutions, there are also indirect effects from age and social support from friends.

These results are consistent with our previous results showing that existential health (meaning in life, perceived ability to maintain meaning or purpose in life, meaningful social relationships, religious faith) has a strong influence on belief in capitalism and capitalist solutions. Moreover, the results are consistent with laboratory experimental research on the power of meaning. Studies find that when people are prompted to reflect on meaningful life experiences, they are more confident in their own abilities, more driven to pursue important goals, and more optimistic about the future. These results are also consistent with longitudinal research indicating that the more people view their lives as purposeful, the more their households have gains in income and net worth over time. Good existential health helps people thrive in a free society and gives them the boldness and motivation needed to pursue uncertain entrepreneurial ventures. In short, presence of meaning promotes agency, which in turn promotes freedom, entrepreneurial motivation, innovation, and flourishing.

Implications for Current Societal Challenges

These results show the powerful role meaning plays in valuing economic freedom and motivating entrepreneurship. They have important implications for the future of our society and for an economic recovery from the damage created by the COVID-19 pandemic and accompanying shutdowns.

Recovering from a pandemic. When the threat of community spread of the coronavirus has diminished, an economic recovery will depend on confidence in capitalism and on the innovation and entrepreneurial solutions that only the private sector can provide. As people continue to reduce their travel, limit their retail shopping and dining out, avoid attending large events and meetings, and continue other social distancing behaviors (at least in the short term), businesses will need to find new

ways of delivering and producing goods and services. New opportunities will arise for those who are able to innovate in this environment. Moreover, for businesses to prosper, individuals will need to support them.

Consequently, a focus on meaning is especially important during this crisis. The focus may be important to speeding up an economic recovery, in addition to the more obvious role it plays in physical and mental wellbeing. Within our own communities, we can promote meaning by letting family, friends, and coworkers know their importance to us and that they make a difference.

As our society considers policy approaches to try reduce the economic damage caused by the pandemic, we should pay attention to the important role work plays in promoting meaning. Some advocates for universal basic income and other government support mechanisms argue that many jobs don't give people meaning because they are routine or uninteresting. But it isn't so much that a specific job feels meaningful as much as a job promotes meaning by giving people the ability to support themselves, contribute financially to their families, and have a role to play in society.

Regulations and policies that make it difficult to start businesses and hire workers, as well as policies that limit people's incentive to work, would directly harm the recovery. Furthermore, these policies would likely harm the recovery through their indirect negative effects on people's beliefs about their value to society, which ultimately undermines the meaning and existential agency needed for individuals and society to thrive.

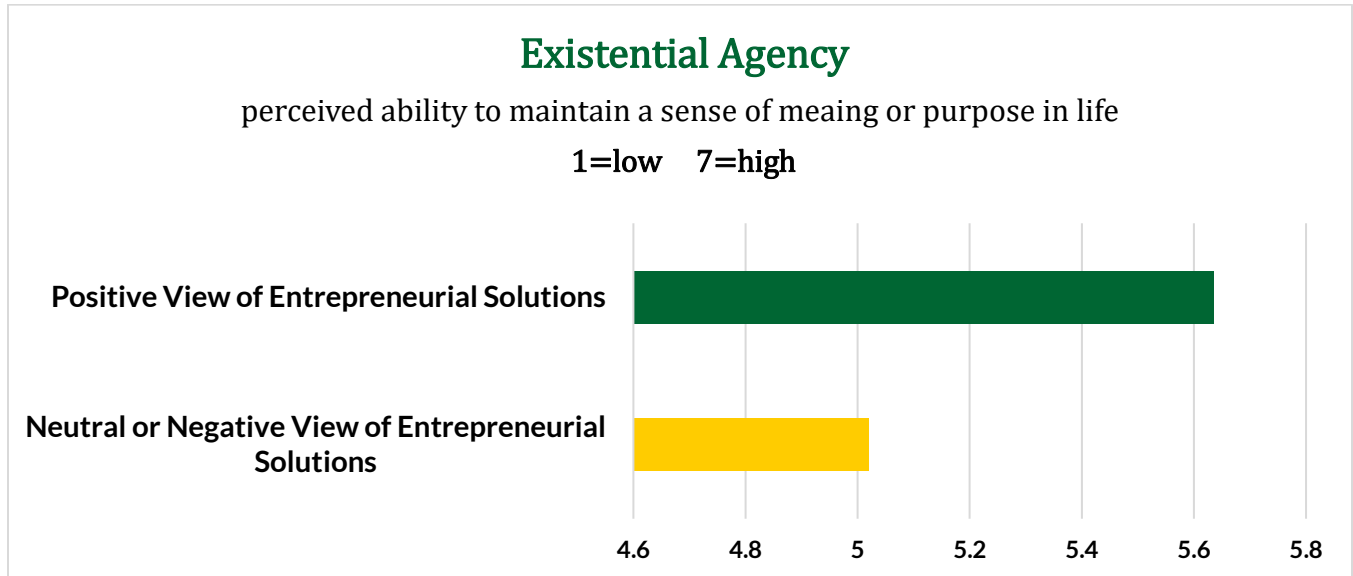
Black entrepreneurs. Our findings also have potentially important implications for racial minorities who have been disproportionately impacted by the current economic crisis. For instance, black-owned small businesses have been especially harmed by shutdowns and social distancing restrictions, and this could widen the existing wealth gap between black and white Americans. Indeed, it is estimated that the number of black-owned businesses dropped over 40 percent when a large part of the economy shut down in response to the pandemic.

Our sample includes 146 self-identified black participants. Looking just at this subsample of participants, we observe results similar to the overall sample. Specifically, black participants who are highly motivated to pursue entrepreneurial goals, compared to those who are not, are characterized by significantly higher levels of existential agency, presence of meaning, social support from friends, and religious faith. In addition, among black participants, we find effects supporting the model linking meaning to existential agency to support for entrepreneurial solutions. It is also worth noting that 46 percent of black participants, compared to 19 percent of white participants, indicate planning to start their own business. Although our sample is very small when focusing just on black participants who plan to start their own business, we find trends suggesting that meaning contributes to entrepreneurial motivation via existential agency.

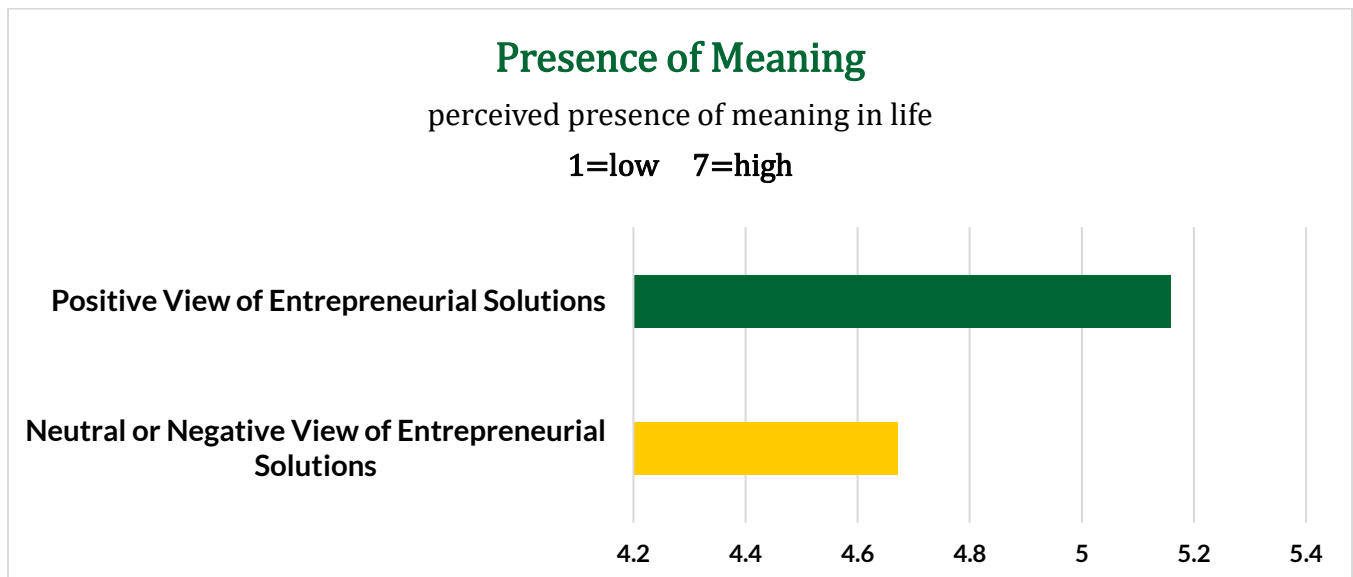
In all, racial minorities in the United States have entrepreneurial aspirations and believe entrepreneurship has an important role to play in solving societal ills. These findings further illustrate the importance of paying attention to the ways meaning helps promote economic flourishing for all Americans.

Appendix

Figure 1: How do the characteristics compare between those who believe entrepreneurship can solve important societal problems and those who do not believe entrepreneurship can solve important society problems?



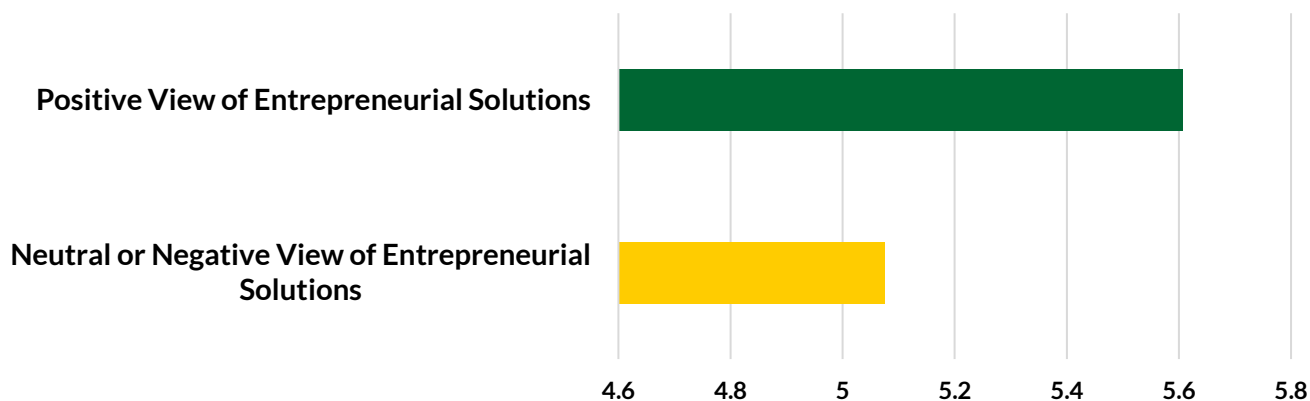
Differences between those with positive and neutral/negative views are statistically significant at $p < .0001$.



Differences between those with positive and neutral/negative views are statistically significant at $p < .0001$.

Family Social Support

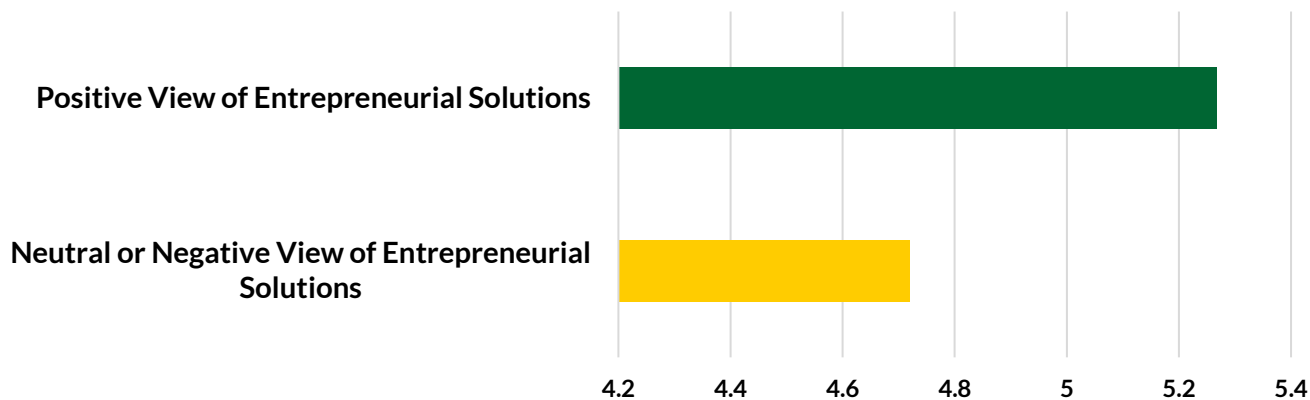
1=low 7=high



Differences between those with positive and neutral/negative views are statistically significant at $p < .0001$.

Friend Social Support

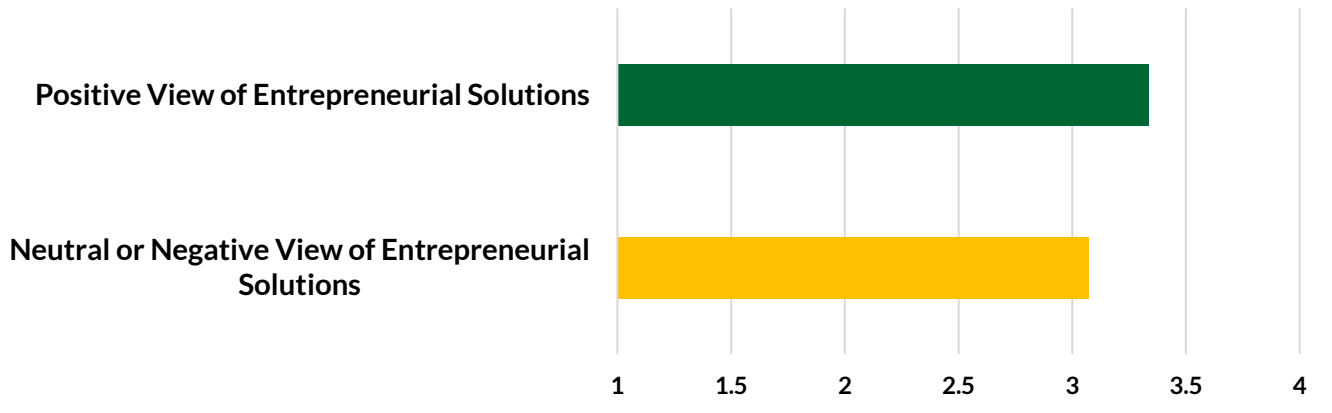
1=low 7=high



Differences between those with positive and neutral/negative views are statistically significant at $p < .0001$.

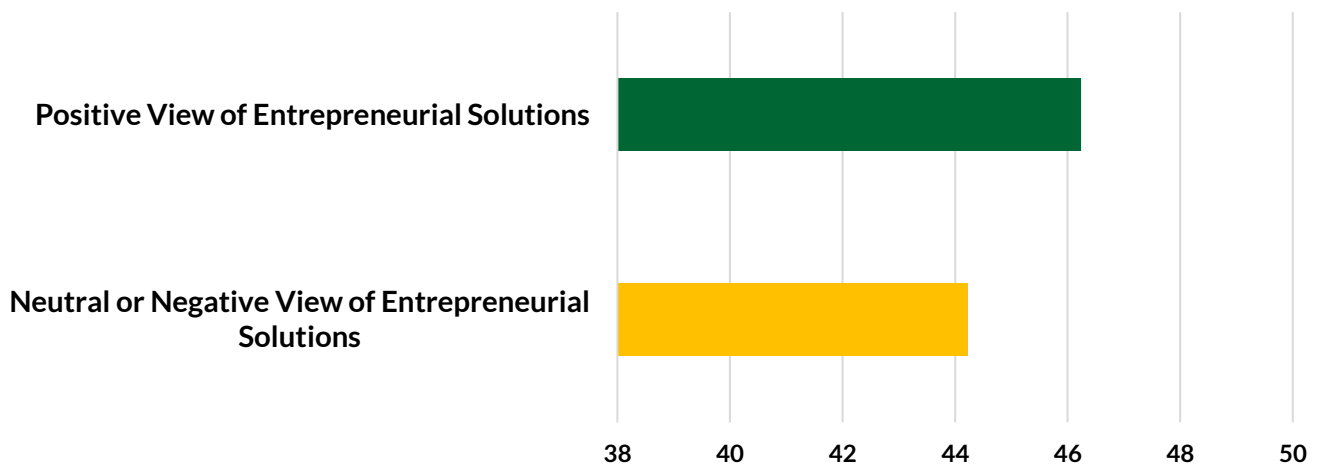
Religious Faith

1=low 5=high



Differences between those with positive and neutral/negative views are statistically significant at $p=.0007$.

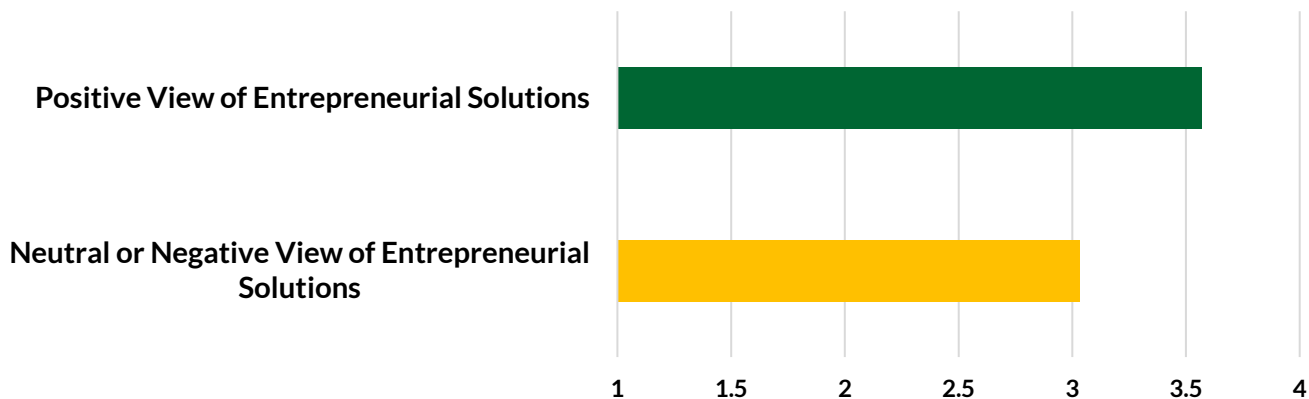
Age



Differences between those with positive and neutral/negative views are statistically significant at $p=.03$.

Annual Income

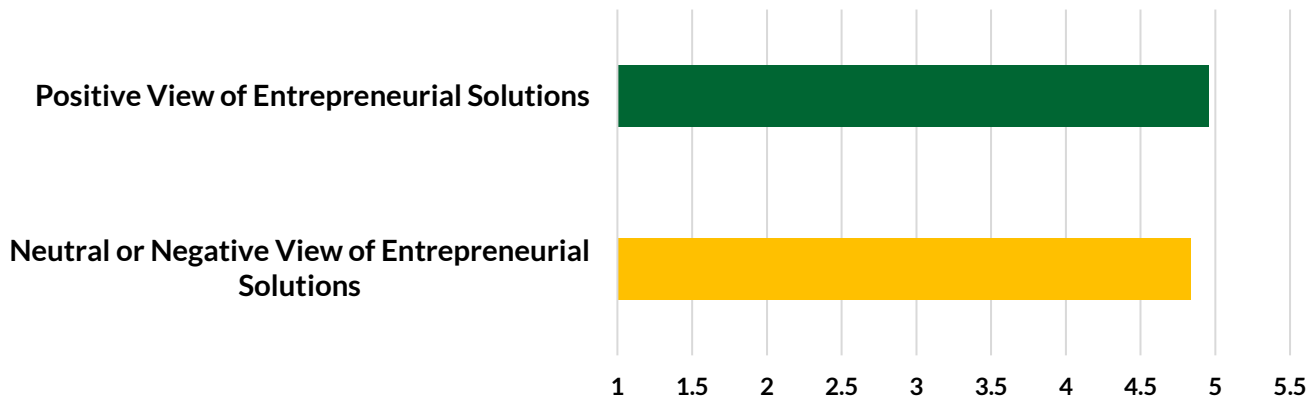
1=less than \$20,00 3=\$35,000 to \$49,999 6=greater than \$100,000



Differences between those with positive and neutral/negative views are statistically significant at $p < .0001$.

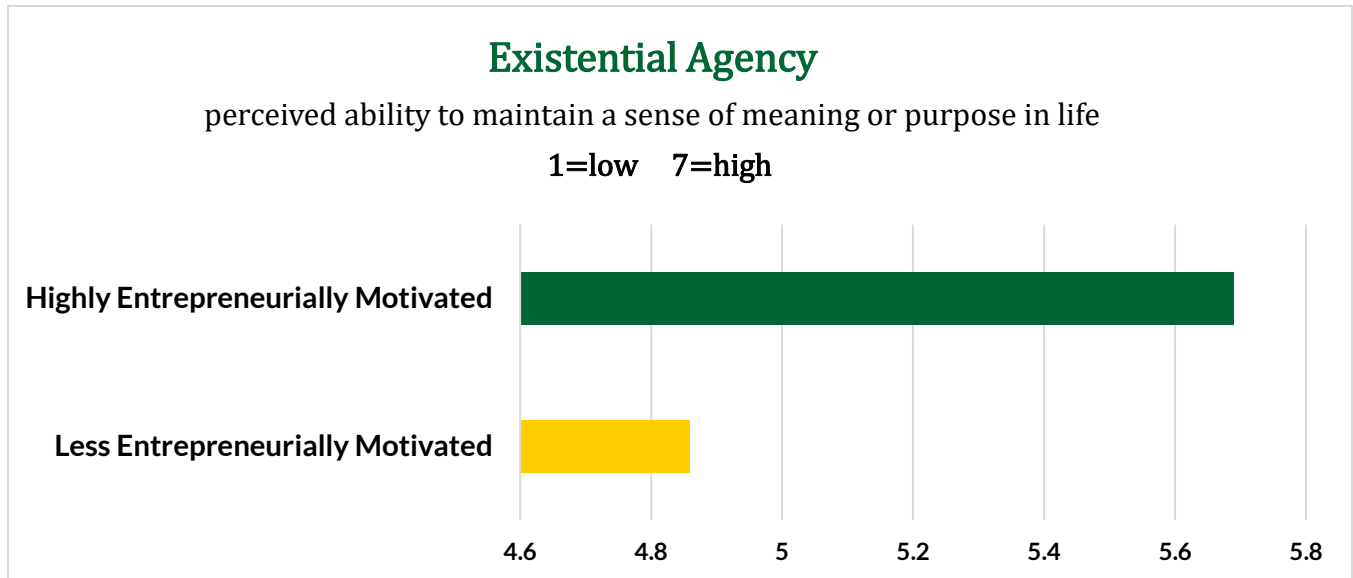
Political Orientation

1=very conservative 9=very liberal

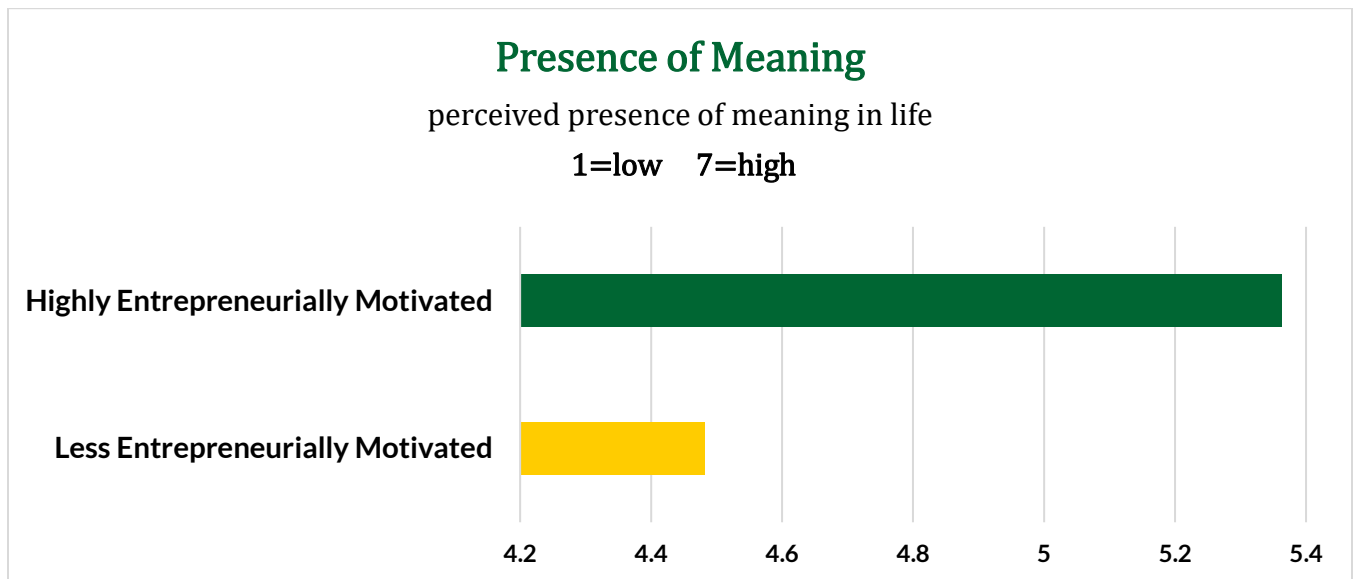


Differences between those with positive and neutral/negative views are not statistically significant.

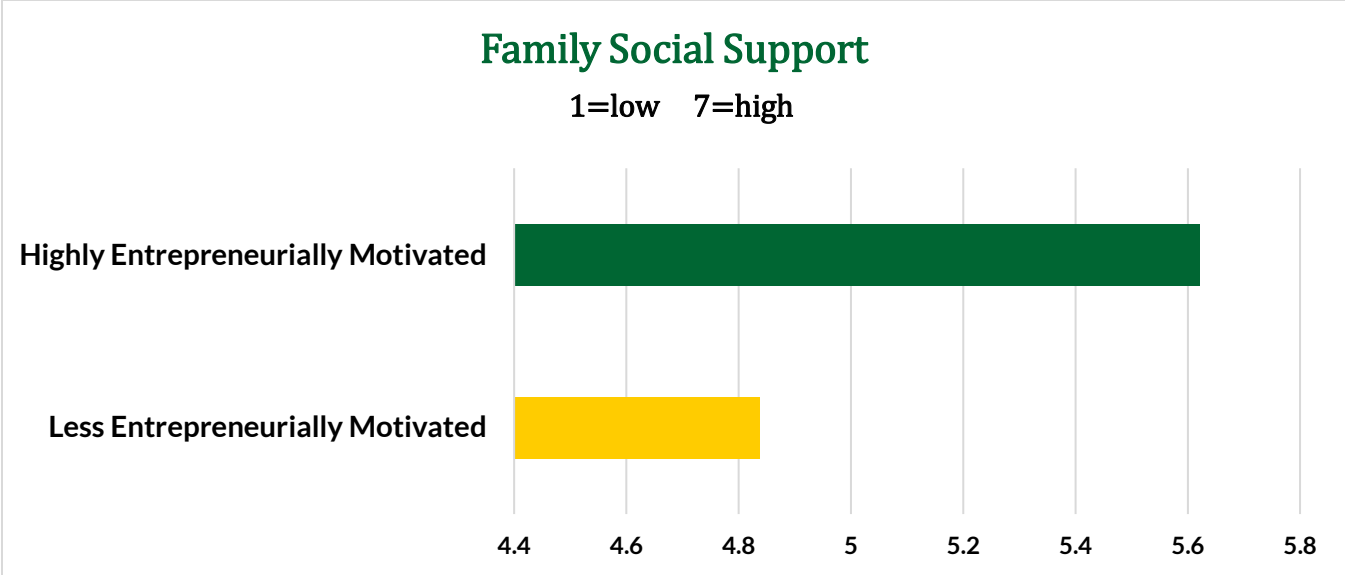
Figure 2: For those planning to start their own business, how do the characteristics differ between those who are highly motivated and those who are not highly motivated?



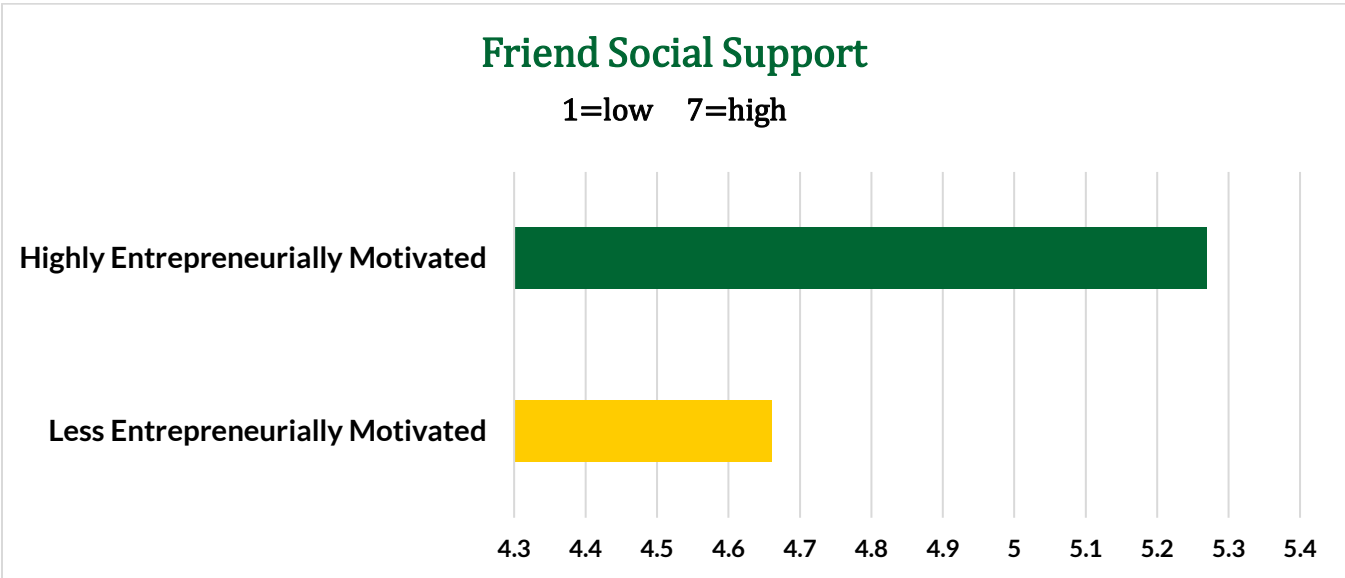
Differences between highly entrepreneurially motivated and less entrepreneurially motivated are statistically significant at $p < .0001$.



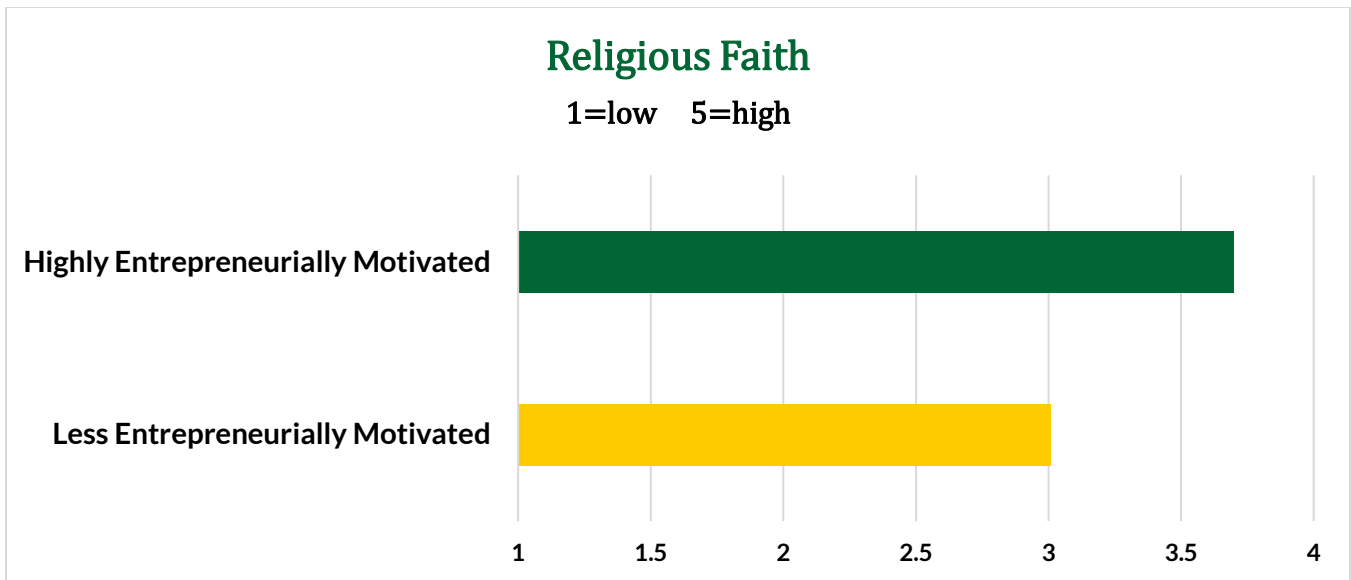
Differences between highly entrepreneurially motivated and less entrepreneurially motivated are statistically significant at $p < .0001$.



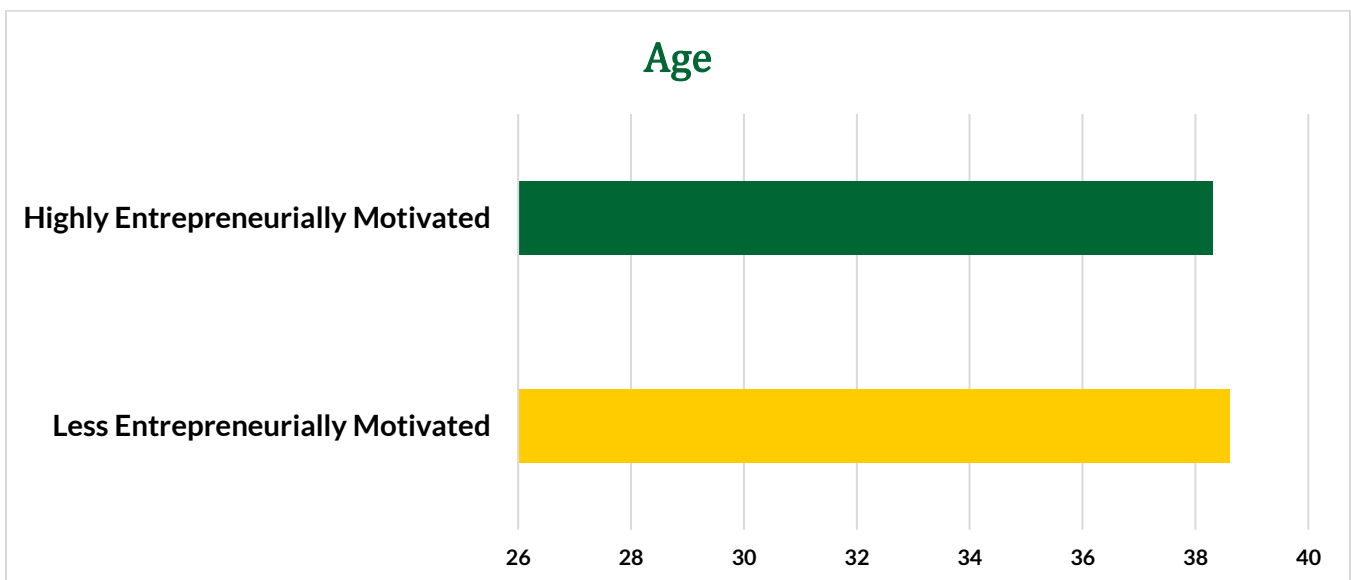
Differences between highly entrepreneurially motivated and less entrepreneurially motivated are statistically significant at $p < .0001$.



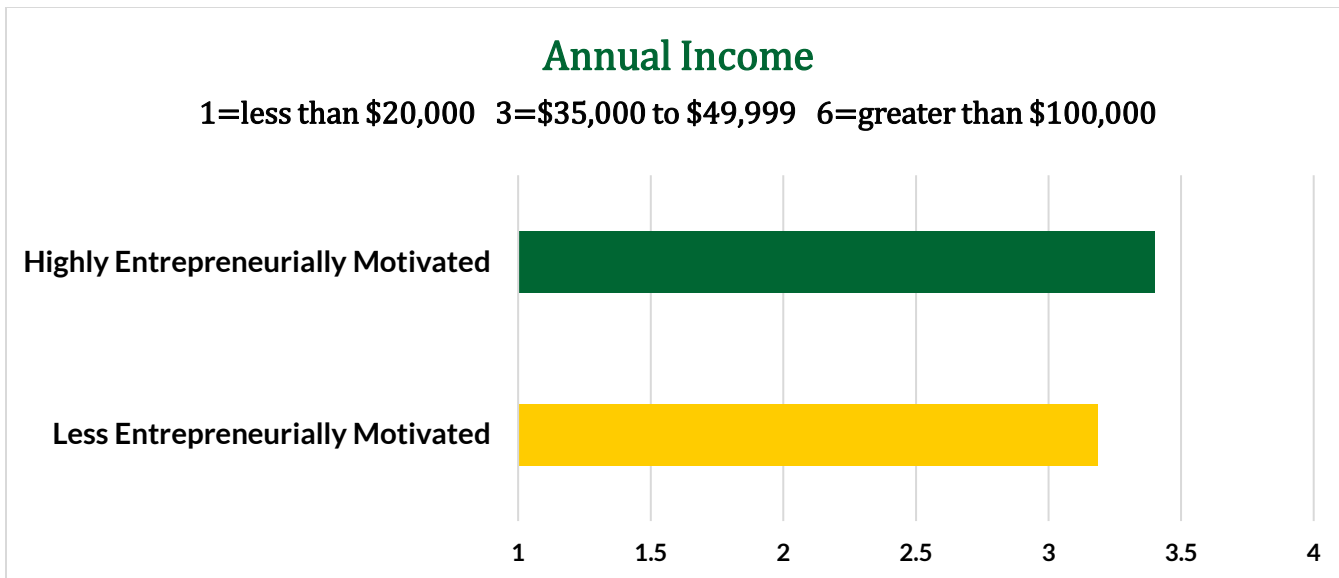
Differences between highly entrepreneurially motivated and less entrepreneurially motivated are statistically significant at $p = .0015$.



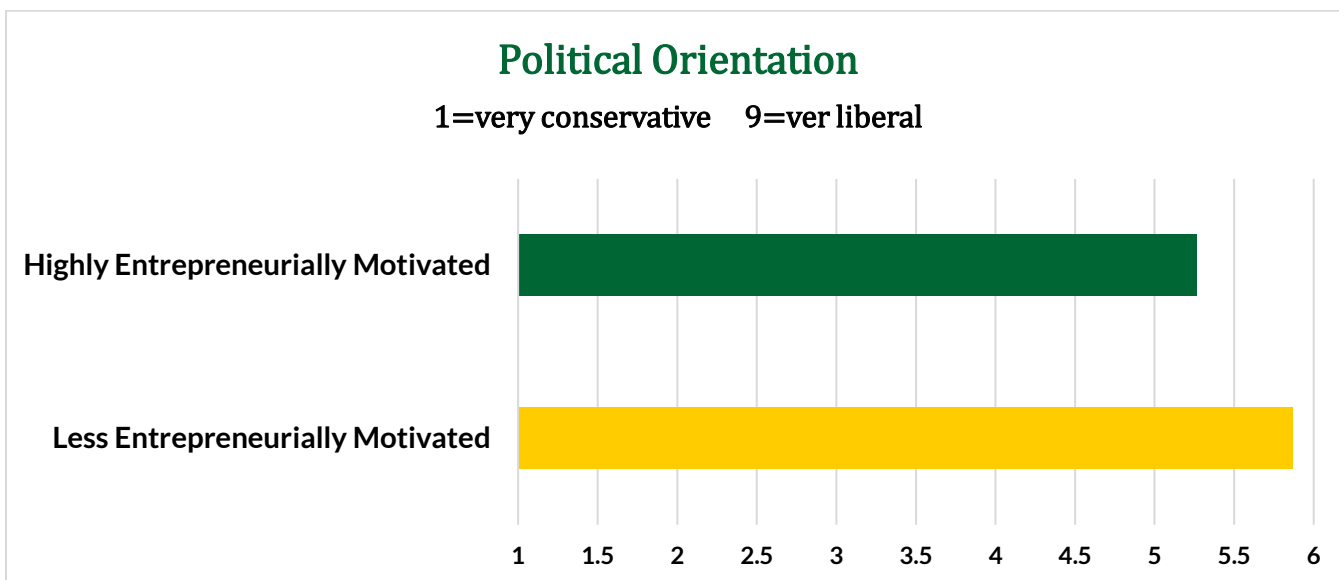
Differences between highly entrepreneurially motivated and less entrepreneurially motivated are statistically significant at $p < .0001$.



Differences between highly entrepreneurially motivated and less entrepreneurially motivated are not statistically significant.



Differences between highly entrepreneurially motivated and less entrepreneurially motivated are not statistically significant.



Differences between highly entrepreneurially motivated and less entrepreneurially motivated are statistically significant at $p=.05$.

Figure 3: The Indirect Effect of Meaning on Support for Entrepreneurial Solutions to Problems

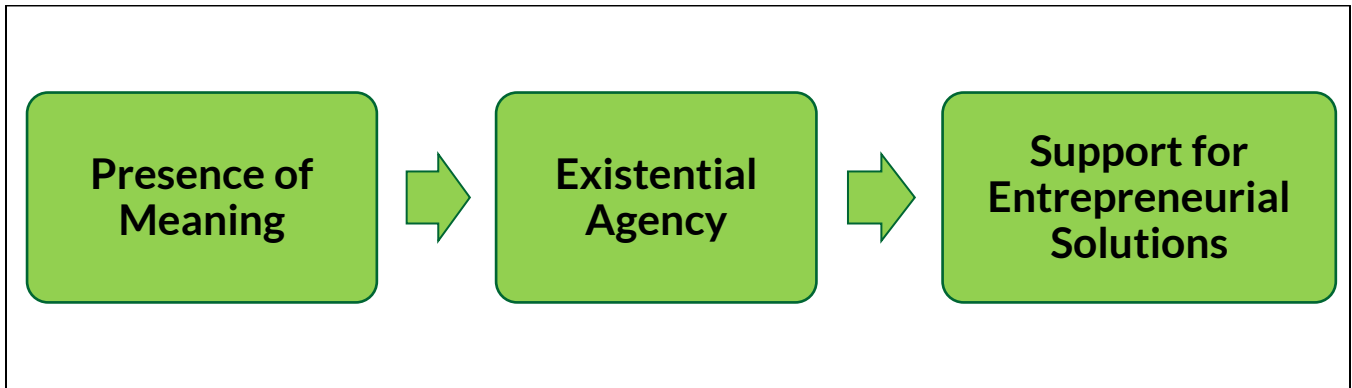


Figure 4: The Indirect Effect of Meaning on Entrepreneurial Motivation

