



Habitual entrepreneurs: Possible cases of entrepreneurship addiction?



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ABSTRACT

We examine the underlying psychological processes that may motivate habitual entrepreneurs to engage in entrepreneurship repeatedly. By drawing on the psychology literature on behavioral addictions, such as workaholism and Internet use, we develop a framework that defines the symptomatology of what we identify as a “behavioral addiction to entrepreneurship.” Through interviews with two habitual entrepreneurs, we demonstrate how these addiction symptoms manifest in the entrepreneurial context. We also demonstrate how psychological, emotional, and physiological aspects of the entrepreneurial experience reinforce a behavioral addiction to entrepreneurship. Our theorizing offers insights into the psychological origins of repeated engagement in venture creation activities and yields insights into possible “dark side” of entrepreneurship outcomes.

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1. Executive summary

Habitual entrepreneurs—namely, those entrepreneurs that launch multiple start-ups throughout their careers—are an important category of entrepreneur both in terms of the large number of new firms that they create and the unique way that they participate in venture-creation activities. Not surprisingly, researchers have studied what differentiates habitual entrepreneurs from other entrepreneurs, such as their backgrounds, behaviors, motivations, and performance. They have also explored how habitual entrepreneurs' prior knowledge, experience, and social networks may enhance their performance. However, all these studies have addressed the phenomenon of habitual entrepreneurship from a perspective of being uniquely *able* to engage in entrepreneurial activity, and they convey an implicit assumption that engagement in entrepreneurial activity is highly desirable, leading to a variety of positive outcomes for society, the venture, and the entrepreneur. In this paper, we do not challenge this approach or these assumptions; rather, we attempt to extend our understanding of habitual entrepreneurship by adopting a potentially provocative lens of behavioral addiction to suggest that some habitual entrepreneurs develop a “need” to engage in repeated entrepreneurial activity. In doing so, we call attention to the possibility that this behavioral addiction to entrepreneurship may have negative consequences, thus addressing the less-studied root causes of the “dark side” of entrepreneurship.

Through interviews with two habitual entrepreneurs, we demonstrate that it is possible for some habitual entrepreneurs to exhibit addictive tendencies based on similar models of behavioral addiction. We identify that “addicted” habitual entrepreneurs may experience symptoms typical of other behavioral addictions manifesting as *obsessive thoughts*, *withdrawal/engagement cycles*, tight ties of the behavior to feelings of *self-worth*, *tolerance*, *neglect* of previously important friends and activities; and *negative*

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outcomes—emotional outcomes (e.g., guilt, lying, and withholding information about the behavior from others), increased or high levels of strain, and negative physiological/health outcomes. We identify aspects of the experience of being an entrepreneur that can act as reinforcers of an addiction to entrepreneurship among some habitual entrepreneurs. Some of these aspects include the physiological arousal from operating within a context of uncertainty and ambiguity, the intensity and range of emotions that can be tied to various on-going entrepreneurship activities and outcomes, and the close identity ties between the entrepreneur and his/her venture. Together, these findings offer some explanation to a previous finding that entrepreneuring activities may come at the expense of other life activities, leading to strained relationships, health, etc., as well as an increased frequency of entrepreneuring activities over time, thereby offering a potential psychological explanation for the dark side of entrepreneurship.

2. Introduction

Habitual entrepreneurs are defined as individuals who have established, inherited, and/or purchased more than one business (Westhead and Wright, 1998). Habitual entrepreneurs are a large and exceedingly important segment of the population of entrepreneurs in developed nations (i.e., Westhead et al., 2005a). Scholars have investigated many individual differences associated with this group, such as differences based on cognitive styles (Baron and Ensley, 2006; Westhead et al., 2005c), behavior (Westhead et al., 2005b), motivations (Rosa and Scott, 1999; Wright et al., 1998), strategies (Rosa and Scott, 1999), success (Rosa, 1998), and past entrepreneurial experience (e.g., Baron and Ensley, 2006; Birley and Westhead, 1993; Shepherd, 2003; Ucbasaran et al., 2009). Additionally, researchers have examined the nature of these individuals' endeavors and the distinctive outcomes tied to this group. For example, researchers have found that compared to other groups, habitual entrepreneurs develop intellectual capital through repeated venture-creation experiences (Hsu, 2007), secure funding with better terms (e.g., Kaplan and Stromberg, 2003), and experience feelings of comparative optimism despite previous venture failures (Ucbasaran et al., 2010). Some work has also examined the rationale for pursuing entrepreneurship: namely, using it as a means to realize vocational flexibility and independence (Carroll and Mosakowski, 1987; Douglas and Shepherd, 2002; Haynie and Shepherd, 2011), extrinsic rewards (Boyd and Gumpert, 1983), and enhanced psychological well-being (Shepherd and Haynie, 2009). However, while research has provided a strong general understanding of what motivates individuals to pursue entrepreneurship, the psychological antecedents responsible for habitual entrepreneurs *repeatedly engaging in* entrepreneurial behaviors and the consequences of that desire are less understood. Such insight is the aim of this article.

To that end, we adopt a potentially provocative theoretical lens and suggest that for some individuals, habitual entrepreneuring behaviors may stem from less intuitive and arguably “insidious” origins. We draw from theory and findings from the literature on behavioral addictions to advance the logic that for some individuals, entrepreneurship represents a need that is only satisfied by experiencing repeated venture-creation activities and outcomes. Importantly, given the negative stigma commonly ascribed to the term “addiction,” it is necessary to make clear from the outset the boundary conditions that apply to our conceptual development. First, we do not assume a normative position relative to the consequences of a behavioral addiction in an entrepreneurship context. In fact, we acknowledge that those consequences may contribute both positive and negative outcomes. Our emphasis on negative outcomes is motivated only by the fact that these outcomes are less understood by scholars. Furthermore, the bounds of our theorizing are constrained to habitual entrepreneuring behaviors, which necessarily include the *repeated* creation of a new venture in either a concurrent or sequential manner (Wright et al., 1997). We are therefore focusing on a subset of entrepreneurs, not the population of entrepreneurs more broadly. In sum, the research we present here aims to answer whether some habitual entrepreneurs demonstrate addictive tendencies drawing from similar models of behavioral addiction, which symptoms can be found in entrepreneurship addiction, and what elements of the entrepreneurial experience reinforce an entrepreneurship addiction.

Our primary contribution is the presentation of a theoretical conceptualization of drivers that cause individuals to repeatedly engage in entrepreneurship, which is informed by a lens of behavioral addiction and is illustrated by two cases of habitual entrepreneurs. The entrepreneurship literature has focused almost exclusively on the rewards associated with entrepreneurship, such as job creation, wealth distribution, and innovation (e.g., Kirchoff, 1994; Newbert, 2003; Rogers, 2003). Further, psychologists suggest that entrepreneurship is a means through which individuals can realize a sense of control in their lives (Longenecker et al., 1988), increase autonomy (Boyd and Gumpert, 1983), and have feelings of distinctiveness (Naman and Slevin, 1993; Shepherd and Haynie, 2009), which ultimately lead to a higher level of psychological well-being (Snyder and Fromkin, 1980). As a counterweight to this perspective, we consider that the less positive outcomes that may be associated with repeated entrepreneurship.

Second, examining habitual entrepreneurship through the lens of behavioral addiction requires the concomitant consideration of specific attributes of the *entrepreneurial experience* that make engaging in entrepreneurship potentially addictive. We develop a dynamic conceptualization of behavioral addiction to entrepreneurship (which we call entrepreneurship addiction) using an experiential lens to confer insights into the behaviors of habitual entrepreneurs over time. This framework allows for the consideration of entrepreneurship as a system of interrelated steps, stages, and actors, which is consistent with contemporary perspectives applied to entrepreneurship (Phan, 2006).

In the following section, we present an overview of the literature on behavioral addiction and synthesize existing models to develop a theoretical framework highlighting the core symptoms and characteristics of addictive behaviors. We then identify elements that define an addictive experience that lead to and reinforce these behaviors. Third, we present two cases of habitual entrepreneurs to demonstrate how their patterns of engagement with entrepreneurship coincide with those expected in behavioral addiction. From these cases, we extract addictive elements of the entrepreneurial experience and propose a theoretical

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