WHY DO LIFE-GOALS AND ENTREPRENEURIAL MOTIVES MATTER FOR PEOPLE PURSUING THE ESTABLISHMENT OF NEW VENTURES?

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WHY DO LIFE-GOALS AND ENTREPRENEURIAL MOTIVES MATTER FOR PEOPLE PURSUING THE ESTABLISHMENT OF NEW VENTURES?

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Abstract

Despite the observation that initial motives for launching a business vary greatly among entrepreneurs, the implications of this variation has received virtually no scholarly attention. In this paper we examine how differences in entrepreneurial motives, and the extent to which they are congruous with qualitatively different life-goals, affect people pursuing the establishment of new ventures. This is an important complement to prior entrepreneurial motivation studies, which have studied a limited set of motives and a small range of outcomes. Our research allows for the full range of people's life-goals and motives for pursuing entrepreneurship to be studied.

Introduction

People pursue entrepreneurship for a myriad of reasons. For example, the PSED data show enormous heterogeneity in nascent entrepreneurs' stated motives for engaging in the entrepreneurial process. Some start businesses because they dream of becoming rich and famous while others wish to be independent and work with the things that interest them the most in life. The question we ask in this paper is if it matters. Does the life goals and reasons that people have for pursuing entrepreneurship influence the commitment to the venture, the propensity to persist despite facing hardships, and the extent to which entrepreneurship leads to joy and contentment? It seems that this would be one of the basic psychological questions asked in entrepreneurship research. Surprisingly enough, however, it is not. To the best of our knowledge these types of questions have not been previously explored. Prior research has examined how the strength of various specific motives influence outcomes (e.g., growth motivation influencing growth) but has not considered broad life-goals and general motives for engaging in entrepreneurship, and the extent to which these are congruous with each other. In fact, the extent to which entrepreneurial motives reflect important life-goals varies substantially but we know nothing about its implications.

We build on self-determination theory (henceforth SDT) according to which motivation can be broadly categorized as intrinsic or extrinsic (Deci & Ryan, 2000). When extrinsically motivated, people engage in entrepreneurship because it offers a means to an end. For example, it may lead to wealth and status. When intrinsically motivated entrepreneurship provides an end in itself. It may be associated with personal growth or building relationship in the community. In line with SDT, we hypothesize that the strengths of extrinsic vs. intrinsic motivation will influence the commitment to the venture, the propensity to persist despite facing hardships, and the extent to which entrepreneurship brings joy and contentment. We also examine the extent to which these motives (extrinsic or intrinsic) are congruent with the broader life-goals of the entrepreneurs and how that influences the same outcomes.
We believe that the entrepreneurship context is particularly relevant and interesting for testing such hypotheses because it offers interesting tensions between empirical realities and theoretical predications. The start-up of a business is an act of volition, and the prospective entrepreneur has substantial leeway in setting the goals and designing the activities of the venture. In that respect, entrepreneurship seems to offers much greater opportunities to pursue intrinsic goals than most employment. At the same time, however, the venture is launched in a competitive market place, and has to play by the institutional rules in order to gain legitimacy and survive (e.g., Aldrich, 1999). In order to do so, it must be financially viable and provide sufficient financial returns. Consequently, the topic of entrepreneurship is typically taught at business schools emphasizing the business side of entrepreneurship. Moreover, media certainly portrays entrepreneurship as a vehicle for reaching fame and fortune rather than as a vehicle for reaching important intrinsic life-goals such as personal growth. At the same time, SDT predicts that intrinsically motivated actions are associated with greater tenacity, performance, and psychological well-being.

In carrying out this research, we make several contributions to the literature. The most important among them is that we are the first to address the important question of how the types of life-goals and motives for engaging in entrepreneurship influences subsequent outcomes. Our research allows for the full range of entrepreneurs’ life-goals and their motives for pursuing entrepreneurship to be studied. Furthermore, we extend previous work within SDT on the match perspective (Kasser & Ahuvia, 2002; Sagiv & Schwartz, 2000; Vansteenkiste, Duriez, Simons, & Soenens, 2006) by advancing an under-theorized aspect of the match hypothesis; namely the discrepancy between life goals and motives for engaging in entrepreneurship.

**Self-Determination Theory**

**Intrinsic and Extrinsic Motivation (The “Why” of Goal Pursuit)**

The most important theoretical and empirical motivational constructs within SDT and other motivational frameworks are extrinsic and intrinsic motivation (Deci & Ryan, 1985, 2000). While extrinsic motivation refers to engaging in an activity for instrumental purposes in order to obtain an outcome or a reward that is contingent upon but separable from the activity itself, intrinsic motivation refers to engaging in an activity for its own sake, simply because it is challenging, interesting, enjoyable, satisfying, and meaningful. For instance, starting up a venture in order to create personal wealth or obligation to one’s family exemplifies extrinsic motivation, while starting a venture because it provides personal growth is a case of intrinsic motivation. Intrinsic motivation represents an autonomous or self-determined type of motivation, whereas extrinsic motivation is non-autonomous, controlled by the constraints or the reward associated with the behavior. Theorizing on intrinsic and extrinsic motivation proposes that the two motivations work in opposition to one another (e.g., as when extrinsic motivation crowds out intrinsic motivation or when the imposition of external control on an activity generates intrinsic motivation for the activity); although it is conceivable for the two motivations to work in a parallel fashion (Amabile, 1993, 1997). A broad array of evidence from various fields of research has indicated over the past four decades that across domains, intrinsic motivation is associated with several beneficial outcomes such as creativity, pro-activity, well-being, and more persistence and effective (Amabile, 1996; Deci & Ryan, 1991, 2000, 2008; Nix, Ryan, Manly, & Deci, 1999; Shalley, 1991). In SDT intrinsic motivation causally determines these beneficial outcomes.
Effects of Intrinsic and Extrinsic Motivation on Entrepreneurship

Building on SDT, the self-concordance model (Sheldon & Elliot, 1998, 1999) focuses on the motives underlying goal pursuit. Motives that reflect individuals’ basic psychological needs (i.e., intrinsic motives) are more likely to match individuals’ core values and enduring interests and hence positively affect the processes and outcomes of the goal striving process. Entrepreneurship is typically a process that requires substantial work and devotion in order to lead to successful outcomes. People are likely to encounter both opportunities and obstacles in the process of establishing their ventures. Their ability and interest to synthesize emerging values and demands, and to incorporate them into the self is likely to the success of their entrepreneurial endeavors. The more intrinsic their motives for establishing their ventures, the more intrinsically engaged people will be and the higher the degree to which they internalize and integrate the entrepreneurial role and the values and activities associated with entrepreneurship into the self. This has consequences for how they experience entrepreneurship and how strongly motivated they are to continue pursuing entrepreneurship.

When people have intrinsic reasons for starting-up their ventures, or are otherwise more intrinsically motivated, they are likely to be more focused on what interests them and act congruently by internalizing and integrating entrepreneurship (or the goal of venture establishment) into their psyche. Consequently, they are likely to be more committed, show greater persistence, and further experience need satisfying experiences along the process that enhances their well-being. On the other hand, when people hold more extrinsic reasons for establishing their ventures, such as when they engage in entrepreneurship for the sake of prestige, fame or material gains, they primarily regulate their behavior by orienting themselves toward social controls and reward contingencies and thus achieve lower degree of integration with their core self (Sheldon & Elliot, 1999). The effects of this should thus be negative for their well-being, motivation, and persistence in entrepreneurship. Thus, when people are more intrinsically motivated in their goal pursuit they are likely to (a) experience higher well-being (Sheldon & Houser-Marko, 2001), (b) show greater motivation in their goal pursuit, show more sustained effort in their goal pursuit (Sheldon & Elliot, 1999), and (d) be more likely to actually attain their goals (Judge, Bono, Erez, & Locke, 2005). The opposite applies to extrinsic motivation. This has consequences throughout the entrepreneurial process. We therefore pose hypotheses about the influence of intrinsic and extrinsic motivation at important junctions of the entrepreneurial process as well as on wellbeing. That leads to the following hypotheses:

**Hypothesis 1:** Intrinsic entrepreneurial motivation is positively associated with (a) the intention to engage in entrepreneurship, (b) the commitment to the entrepreneurial process, (c) the propensity to not disengage from the entrepreneurial process and (d) psychological wellbeing.

**Hypothesis 2:** Extrinsic entrepreneurial motivation is negatively associated with (a) the intention to engage in entrepreneurship, (b) the commitment to the entrepreneurial process, (c) the propensity to not disengage from the entrepreneurial process and (d) psychological wellbeing.

**Hypothesis 3:** The more positive the difference between the strength of intrinsic and extrinsic motives (the goal self-concordance) the stronger (a) the intention to engage in entrepreneurship, (b) the commitment to the entrepreneurial process, (c) the propensity to not disengage from the entrepreneurial process and (d) psychological wellbeing.
Apart from the nature of motivation (intrinsic or extrinsic) people's life-goals or aspirations (Kasser & Ryan, 1993) have received attention. (Kasser & Ryan, 1993; Ryan, Sheldon, Kasser, & Deci, 1996). It is possible to differentiate between extrinsic life goals, such as wealth, image, and public recognition, and intrinsic life goals, such as relatedness, personal growth, and community contribution. In line with these theories, intrinsic goals are assumed to reflect people's innate tendencies towards growth and well-being and are characterized by an inwardly orientation towards one's "true self", and are considered self-concordant in that respect (Sheldon & Elliot, 1999). On the other hand, when people pursue extrinsic goals, they tend to adopt an outward orientation (Williams, Hedberg, Cox, & Deci, 2000) —that is, they are focused on impressing others by garnering external signs of self-worth (Vansteenkiste, et al., 2008).

Emphasis on extrinsic life goals such as wealth, fame or image, is related to poorer task performance, poor subjective well-being, anxiety and depression (Kasser & Ryan, 1993, 1996; Ryan et al., 1996). In contrast, intrinsic life goals such as intimate relationships and personal growth are associated with greater task performance, intrinsic motivation, vitality, and well-being (Kasser & Ryan, 1996, 1999). Further, a broad range of studies have shown that the fulfillment or thwarting of the different types of life-goals result in the enhancement or diminishment of growth and well-being (Kasser & Ryan, 1996; Niemiec, Ryan, & Deci, 2009). Specifically, progressing towards and attaining intrinsic goals has a positive and enduring effects on well-being while the attainment of extrinsic goals does not (Kasser & Ryan, 1996), and can in fact lead to negative affective experiences even if these goals were successfully attained (Easterlin, 2010; Kasser & Ryan, 1996; Niemiec et al., 2009). Apparently, although extrinsic goal pursuit might provide some satisfaction, this type of satisfaction is likely to be derivative and short lived, because extrinsic goal pursuits do not directly satisfy individuals' basic psychological needs (Deci & Ryan, 2000; Kasser, 2002; Kasser, Ryan, Couchman, & Sheldon, 2004). Overall, because of their differential linkage to the satisfaction of basic psychological needs, intrinsic versus extrinsic goals differentially predict psychological well-being.

Recent research on SDT further suggests that the type of life-goals that people hold, and/or their overall life-goal orientation, impacts various motivational processes and outcomes that are particularly important in entrepreneurship. For example, intrinsic goal-oriented individuals have been observed to more strongly adhere to their goals than those focused on extrinsic outcomes (Vansteenkiste et al., 2006) which otherwise approach activities in a restricted and rigid manner (Vansteenkiste, Simons, Lens, Soenens, & Matos, 2005), exerting effort only to the extent that this will help them in achieving their extrinsic ambitions. Thus, they are less intrinsically motivated and not as deeply involved in learning tasks because engagement in such tasks is only valued to the extent that they are instrumental for reaching extrinsic goals (Vansteenkiste et al., 2004; Vansteenkiste et al., 2008). However, while previous research and theory is supportive of these predictions in entrepreneurship we believe that the picture is less clear for the effects on life-goals on motivational processes in entrepreneurship. To begin with, life-goals are more distal than motives and hence less likely to exert their impact on the goal setting process in entrepreneurship. Secondly, since entrepreneurship entails acting in a markedly extrinsic context, intrinsic oriented individuals might have problems committing to the process while those who are more extrinsically oriented might find entrepreneurship as more conducive for pursuing their life-goals. Thus, even if entrepreneurship offers important intrinsic returns (Frey & Benz, 2003; Frey, 2008) and is largely pursued for intrinsic motives such as being independent, those with extrinsic aspirations might still be more likely to be attracted by its potential rewards.
The Match Perspective

The study of match or congruence is represented in a broad array of fields in psychological research (e.g., Edwards, 1991; Higgins, 1987, 2000). However, little attention has been paid to life-goal – motive discrepancy. Discrepancy between life-goals and motives for entrepreneurship captures the internal tensions between what people aspire to in life and the reasons they hold for starting-up a business. For instance, an entrepreneur can value altruism and friendship (i.e., have an intrinsic life-goal) at the same time, s/he can engage in entrepreneurship for extrinsic reasons such as impressing friends or creating wealth. Such incongruences may be common. The survival of a business depends on meeting the demands of the market, which promotes extrinsic goal setting. This is the case completely independent of the entrepreneur's life-goals.

The degree of incongruence has important outcomes. Sagiv and Schwartz (2000) showed that business students who valued extrinsic goals over intrinsic goals reported higher psychological well-being, while psychology students reported more optimal functioning when they valued intrinsic goals over extrinsic goals. A business student is more likely to pursue education for extrinsic rewards while a psychology student is more likely to pursue education for more intrinsic reasons and hence is more likely to exhibit intrinsic motivational direction in education. Thus, holding higher extrinsic life aspirations is likely to reduce the internal conflict of the business student who is more extrinsically motivated in his education or otherwise generate a positive sense of fit.

The match perspective suggests that the impact on one's well-being and motivation should not depend only on the types of life-goals and motives that people hold but also on the discrepancy between the two. As such, individuals may experience overall detraction in psychology when their life-goals are in opposition to their motives to engage in entrepreneurship. We suggest two related mechanisms to explain the potential effects of life-goal – motive discrepancies. First, peoples' motives for engagement in entrepreneurship that matches their life-goals afford better opportunities to translate goals into plans, to carry out plans, and, hence, to attain goals. Second, the internal discrepancy that entrepreneurs experience when their life goals are in conflict with the motives they hold for engagement in entrepreneurship are also likely to forestall well-being and motivation to commit and pursue goals in entrepreneurship. Although these two mechanisms are primarily relevant for the issue of well-being, the second mechanism (i.e., internal conflict) might also help us to understand the effects of match or discrepancy on people's motivation to commit and strive to attain their goals. That is, the second mechanism suggests that when people experience a discrepancy, they face an internal conflict because their own personal goal orientation does not fit with the motives they have for engaging in entrepreneurship. In return, this may lead to stress and negative affect from engagement, a less concentrated and less task-involved approach to entrepreneurship, and hence help to explain why the discrepancy, versus the match, conditions should undermine people's goal pursuit in entrepreneurship. Therefore we suggest the following hypotheses:

Hypothesis 4: The higher the life-goal – motive discrepancy, (a) the lower their entrepreneurial intention, (b) the lower their commitment to entrepreneurship, (c) the higher their propensity to disengage from entrepreneurship and (d) the lower their psychological well-being.
A Combined View

Life-goal – motive discrepancies can take one of three possible forms: intrinsic discrepancy (i.e., the difference between stated intrinsic life-goals and stated intrinsic motives), extrinsic discrepancy (i.e., the difference between stated extrinsic life-goals and stated extrinsic motives), and a general life-goal – motive discrepancy (i.e., the difference between people's predominance life goal orientation and their predominance motivational direction). We identify two groups of people that are likely to face two types of life-goal – motive discrepancies in entrepreneurship and, hence, to experience an internal conflict: (a) people who personally value extrinsic goals over intrinsic goals but are nevertheless primarily intrinsically oriented in their stated motives for engagement in entrepreneurship, and (b) people who personally value intrinsic goals over extrinsic goals but are nonetheless controlled in their motivation for engaging in entrepreneurship. This is where SDT and the match perspective complement one another. On the basis of SDT, those in the second group are more likely to suffer from the mismatch. That is, although experiencing a life-goal – motive discrepancy might be generally bad the negative effects of experiencing the discrepancy are partially contingent on the type of mismatch. Accordingly, when one's intrinsic life aspirations are not met with intrinsic reasons for engagement we should expect stronger negative effects than when one's extrinsic life aspirations are not met with extrinsic reasons for engagement. The reason is that intrinsic life goals are more in line with organismic valuing or with the concept of “true self” (Sheldon and Elliot, 1999). Similarly, we should also expect the match between intrinsic life goal orientation and one's intrinsic reasons for engagement to produce greater well-being and motivational strength.

Hypothesis 5: Relative to extrinsic discrepancy, intrinsic discrepancy results in greater (a) negative effects for the intention to engage in entrepreneurship, (b) negative effect on the commitment to entrepreneurship, (c) positive effect on the propensity to disengage from entrepreneurship and (d) negative effect on psychological wellbeing.

METHODS

Sample

The data source used for analyzing the stated hypothesis is the Swedish GEM study of 2011. The GEM Project is an ongoing study that started in 1999 with the aim of measuring entrepreneurial activity across the globe (Reynolds, Hay, & Camp, 1999). The GEM respondents in each country are randomly selected from the general population of their countries and interviewed about their attitudes and current entrepreneurial activities. A total of 3,101 respondents answered the Swedish GEM-survey in 2011. In the same survey, we had the chance to pose a question to potential (N=198) and nascent entrepreneurs (N=175, classified as SUB) regarding their willingness to participate in a longitudinal study designed by the first author. Both potential and nascent entrepreneurs, who were either in their planning or early establishment phase of a new venture, were included in this project for a more comprehensive investigation of the goal striving process in entrepreneurship. Altogether, 160 respondents gave their consent (N potential=114, N nascent=53, while 7 fell into both categories because they were planning to start a venture while actively engaged in the start-up of another). The follow up containing the variables presented in this paper was conducted approximately 18 months later. 137 of the original 160 responded to the survey. Three respondents displayed seriously unstable response patterns and were excluded from
the analysis. Another seventeen no longer met the criteria of potential or nascent entrepreneur and were excluded, leaving us with a total number of 117 potential and nascent entrepreneur (65 males and 52 females; mean age = 47).

**Variables and Measures**

We rely on four different dependent variables across our analyses. *Well-being* was assessed in three different ways relying on established and validated scales and measures: (a) the Satisfaction With Life Scale (Diener, Emmons, Larsen, & Griffin, 1985), a five-item scale measuring the cognitive aspect of subjective well-being as a measure of hedonic well-being (Alpha = 0.77, (b) the Subjective Vitality Scale (Ryan & Frederick, 1997), a seven-item scale measuring participants feelings of being alive and alert as a measure of eudemonic well-being (Alpha = 0.89), and (c) a single item of global happiness as an affective measure of subjective well-being (Lyubomirsky, King, & Diener, 2005). All variables were measured on 1-7 Likert scales. Building on previous work on motivation in entrepreneurship (Bird, 1988; Krueger, 1993; Shane, Locke, & Collins, 2003), we assessed participants’ *Entrepreneurial intention* using two single-item variables. First, participants’ two-year expectations were assessed using the item: “on a scale from 0 to 100 what is the likelihood that you will run or establish this business within two years”. Second, participants responded to the item: “I prefer to have my own company than having a career as an employed” (measured on a Likert-scale from 1-7, where 1= completely disagree, and 7= completely agree). These two items neatly corresponds to the motivational components of expectations and incentive value. Building on past empirical research in entrepreneurship (PSED) we developed four items to measure participants’ *Entrepreneurial commitment* (e.g., “My personal philosophy is to ‘do whatever it takes’ to establish my own business” and “There is no limit as to how long I would give maximum effort to establish this business”). Participants rated each of the four items on a 7-point Likert scale ranging from 1 (completely disagree) to 7 (completely agree). The Alpha value of the scale was 0.76.

While the general commitment scale is aimed to measure participants’ goal setting the construct of one’s *Propensity to disengage* is aimed to measure participants’ goal striving. Building on previous work in entrepreneurship and organization (Örtqvist & Wincent, 2006; Rahim & Psenicka, 1996; Veloutsou & Panigyrakis, 2004) we developed a five item measure to target participants’ propensity to discontinue/exit their current stage of involvement (e.g., “If circumstances permitted, I would accept a job in another organization instead for establishing or running my own business”; and “If I was completely free to choose, I would prefer not to continue with establishing or running my own business”). Participants rated each of the five items on a 7-point Likert scale ranging from 1 (completely disagree) to 7 (completely agree). The scale was examined and tested for construct and criterion validity (e.g., the scale correlated -.394 with the above entrepreneurial commitment score). The Alpha value of the scale was 0.82.

**Independent variables** *Personal intrinsic and extrinsic life-goal orientations:* We assessed peoples’ intrinsic and extrinsic life-goal orientations, as well as their general goal-orientation, based on Kasser and Ryan’s (1996) Aspiration Index.. We relied on a shortened version of the index examining the extrinsic aspirations of wealth, fame, and image; and the intrinsic aspirations of meaningful relationships, personal growth, and community contributions. Specifically, we sampled three items per each goal-category for a total of 18 life-goals recording how much they valued each type of goals by reporting a number on a 7-point Likert scale ranging from 1 (not important at
all) to 7 (very important). An exploratory factor analysis indicated that the six life-goal scores fall neatly into two overall factors: an extrinsic life-goal orientation factor, including wealth, fame, and image; and an intrinsic life-goal orientation factor, including personal growth, relationships, and community contribution (eigenvalues 2.2 and 1.4), explaining 61% of the variance across the six life-goal scores. On this basis, we constructed the final intrinsic and extrinsic life-goal orientation scores by averaging and summing their respective three sub-scores. Alpha values for these two scores were 0.69 and 0.61 respectively. Finally, consistent with previous research in SDT (Sheldon and Kasser, 1998, 2001), we form a general (intrinsic) composite by subtracting the extrinsic scale from the intrinsic scale. This composite reflects peoples’ overall (or relative) intrinsic life-goal or value orientation (Sheldon and Kasser, 2001).

Intrinsic and Extrinsic Motivation: Entrepreneurial motives. Consistent with SDT and previous studies on entrepreneurial motives (Carter, Tagg, & Dimitratos, 2004; Kuratko et al., 1997; Samuelsson, 2004), we asked participants to reflect on their reasons for engaging in the start-up activity by using a comprehensive list of 19 motives, or reasons, for engagement. Participants rated these reasons on a 7-point Likert scale ranging from 1 (not important at all) to 7 (very important). From an SDT perspective the items are found across the autonomous-controlled or the self-concordance continuum of motivation. An exploratory factor analysis using varimax rotation indicated that the nineteen items fall into four factors related to: personal growth, wealth, organizational, and status motives. Since we were more interested in the extremes of this continuum we retained eight items that clearly captures these extremes: four items for capturing a clear intrinsic motivation (e.g., “To grow and learn as a person”; “To have considerable freedom to adapt my own approach to work”) and four for capturing a clear extrinsic motivation (e.g., “To earn a larger personal income”; “To have a chance to build great wealth or a very high income”). An exploratory factor analysis using varimax rotation indicated that the eight items fall neatly into two factors; intrinsic and extrinsic (eigenvalues 3.5 and 1.4), explaining 63% of the variance across the items. The Alpha values for the two measures were 0.80 and 0.77 respectively. Finally, consistent with the work of Sheldon and Elliot, we form a self-concordance composite, subtracting the extrinsic scale from the intrinsic scale. This composite reflects entrepreneurs’ overall motivational direction in entrepreneurship, or the extent to which entrepreneurs’ goal pursuit in terms of starting up their ventures is self-concordant.

Life-goal – motive discrepancies: Using validated measures of intrinsic and extrinsic life-goal orientations (Kasser and Ryan 1993; 1996) and intrinsic and extrinsic entrepreneurial motivation (Carter et al., 2004; Kuratko et al., 1997; PSED) we constructed three measures of life-goal – motive discrepancies: intrinsic discrepancy (i.e., the difference between entrepreneurs’ intrinsic life-goals and autonomous motivation), extrinsic discrepancy (i.e., the difference between entrepreneurs’ extrinsic life-goals and controlled motivation), and a general life-goal – motive discrepancy (i.e., the difference between entrepreneurs’ overall life goal orientation and their overall motivational direction) . Our data analysis is informed by recommendations for difference-score predictors (Edwards, 1994; Edwards, 1994, 1995).

Control variables. We included four control variables in this study: age, gender, level of education, and household income. We have chosen these controls since previous research on both well-being and entrepreneurial motivation indicates the potential effects of these life circumstances on individuals’ well-being and motivation.
**Analyses & Results**

To conserve space, descriptive statistics are not presented but are available from the authors. OLS regressions were used to test the hypotheses. There are four dependent variables, well-being measured by three indicators and intention by two indicators. Thus, in total there are seven equations for each hypothesis. Hypothesis 1 tests the implications of intrinsic motivation. The results are presented on row 1 of Table 1. We find support for 1 out of two aspects of intentions, for commitment, propensity to disengage, and two out of three aspects of wellbeing. Thus, by and large Hypothesis 1 is supported by the data. Hypothesis 2 tests the implications of extrinsic motivation. The results are presented on row 2 of Table 1. Although results are somewhat mixed. We do not find any support for this hypothesis. Hypothesis 3 addresses the difference between intrinsic and extrinsic motivation (the goal self-concordance). Support for the hypothesis is provided in five out of eight regression analyses and for at least one dimension of each construct. Thus, we conclude that Hypothesis 3 is generally supported.

Table 2 present the results of testing Hypotheses 4 and 5. While the effects were not uniformly robust across measures, we found partial support for H4 and H5 regarding life-goal – motive discrepancies. The overall discrepancy between people's life-goal orientation and their motive orientation did not predict the measures of well-being, nor the propensity to quit (no support for H4c or d). For intention the general life-goal - motive discrepancy predicted lower expectation and did not predict preference (partial support for H4a), while commitment was predicted marginally (support for H4b). When the two different kinds of discrepancy were examined separately (H5), the more negative impact of intrinsic (than of extrinsic) discrepancy on well-being reached significance for the happiness measure of wellbeing and was otherwise n.s. (partial support for H5d). For the motivational outcomes, the discrepancies had no effect on commitment (no support for H5b), whereas there was significantly negative impact of intrinsic discrepancy on expectation, and no effects on preference (partial support for H5a) and a significantly greater tendency to quit under intrinsic discrepancy (support for H5c).

**Discussion**

Despite the observation that initial motives for launching a business vary greatly among entrepreneurs, the implications of this variation has received virtually no attention. In this paper we examine how differences in entrepreneurial motives, and the extent to which they reflect life-goals, have important implications for a wide range of important outcomes. This is an important complement to prior entrepreneurial motivation studies, which has studied a limited set of predefined motives and a small range of outcomes. Drawing on SDT, we theorize and empirically show that intrinsic life-aspirations have positive effects on entrepreneurs’ well-being and intrinsic motives while extrinsic life-aspirations have overall negative effects on these variables. In terms of intrinsic entrepreneurial motives, consistent positive effects were noted on commitment and intention, and a propensity to continue the venture. These results largely support predictions made by SDT. However, we also advanced a matching approach where we hypothesized and tested discrepancies between life-aspirations and entrepreneurial motives. Consistent with our predictions, life-aspiration – entrepreneurial motive discrepancies have significant, large, and negative effects on a large number of outcomes in psychology (well-being and motivation) and behavior (effort exerted, tenacity).
With these findings we make several important contributions to the entrepreneurship literature, and specifically the literature on entrepreneurial motivation and performance. First, because entrepreneurs design their own jobs, entrepreneurship potentially offers unique possibilities for people to reach important life-goals through work. Despite this, little attention has been paid to examining such life-goals and the extent to which they are attained in the entrepreneurial process. Second, while it is well known that people pursue entrepreneurship for various reasons, prior research has not sufficiently captured the richness of these entrepreneurial motives and how they relate to important outcomes. In dramatic contrast to the effects of extrinsic motives, we find that intrinsic entrepreneurial motives are perfectly compatible with, and even supportive of, entrepreneurship. We propose that our focus on life-aspirations, entrepreneurial motives, and their possible discrepancy, is a way to unpack the complexity of entrepreneurial motives and show how they are related to important outcomes. To date, research on motivation in entrepreneurship has focused primarily upon goal setting processes, and has largely failed to examine the motivational processes underlying goal striving in entrepreneurship. We address this gap in the literature by systematically examining the psychological and motivational effects of individuals’ stated life goals and motives in entrepreneurship. We show that, while some life-goals and motives are more or less conducive to entrepreneurship, the discrepancies between these two motivational factors have an additional effect on the psychology and motivation of people pursuing the establishment of new ventures. This suggests a range of implications for people trying to reach their important life-goals through entrepreneurship.

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Table 1(H1-H3): Effects of discrepancies on intention (2 measures), commitment, propensity to disengage, as well as effects on well-being (3 measures)

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<td>.01</td>
<td>.01</td>
<td>.04</td>
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<tr>
<td>Extrinsic discrepancy</td>
<td>.68</td>
<td>.15</td>
<td>.01</td>
<td>.01</td>
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<td>.01</td>
</tr>
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| ** ≤ p < .01, two-tailed. * p < .05, two-tailed. ** p < .01, two-tailed. Note: 1. Extraneous measures used with absolute values. Note 2. All the results have been obtained after that the components underlying each discrepancy have been controlled for (i.e., life goal components).

Table 2 (H4-H5): Effects of discrepancies on intention (2 measures), commitment, propensity to disengage, as well as effects on well-being (3 measures)

<table>
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<td></td>
<td>H4a1</td>
<td>H5a1</td>
<td>H4a2</td>
<td>H5a2</td>
<td>H4b</td>
<td>H5b</td>
<td>H4c</td>
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<td>FIT</td>
<td>55.60**</td>
<td>54.02**</td>
<td>4.33**</td>
<td>4.17**</td>
<td>46.44</td>
<td>-12</td>
<td>-17</td>
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<td></td>
<td>(14.00)</td>
<td>(14.53)</td>
<td>(.64)</td>
<td>(.66)</td>
<td>(.41)</td>
<td>(.39)</td>
<td>(.39)</td>
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<tr>
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<td>-3.10</td>
<td>-3.01</td>
<td>.11</td>
<td>.15</td>
<td>.07</td>
<td>-.01</td>
<td>-.01</td>
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<tr>
<td>Income</td>
<td>-13.29†</td>
<td>-.14</td>
<td>-.22**</td>
<td>.19</td>
<td>.39</td>
<td>.49</td>
<td>.05</td>
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<tr>
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<td>(.21)</td>
<td>(.13)</td>
<td>(.13)</td>
<td>(.59)</td>
<td>(.68)</td>
<td>(.14)</td>
</tr>
<tr>
<td>Extraneous discrepancy</td>
<td>(-1.22)</td>
<td>(.22)</td>
<td>(.14)</td>
<td>(.13)</td>
<td>(.61)</td>
<td>(.70)</td>
<td>(.14)</td>
</tr>
</tbody>
</table>
| ** ≤ p < .01, two-tailed. * p < .05, two-tailed. ** p < .01, two-tailed. Note: 1. Extraneous measures used with absolute values. Note 2. All the results have been obtained after that the components underlying each discrepancy have been controlled for (i.e., life goal components).