ENTREPRENEURSHIP AS A DRIVER OF “PURPOSE IN LIFE” AT THE BASE OF THE PYRAMID (SUMMARY)

David Gras
University of Tennessee, dgras@utk.edu

Jorge Mejia
HEC Montreal

Micheal P. Lerman
University of Tennessee

Recommended Citation
Gras, David; Mejia, Jorge; and Lerman, Micheal P. (2017) "ENTREPRENEURSHIP AS A DRIVER OF "PURPOSE IN LIFE" AT THE BASE OF THE PYRAMID (SUMMARY)," Frontiers of Entrepreneurship Research: Vol. 37 : Iss. 4 , Article 4.
Available at: https://digitalknowledge.babson.edu/fer/vol37/iss4/4

This Summary is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized editor of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
ENTREPRENEURSHIP AS A DRIVER OF “PURPOSE IN LIFE” AT THE BASE OF THE PYRAMID

David Gras, University of Tennessee, USA
Jorge Mejia, HEC Montreal, Jorge, Canada
Michael P. Lerman, University of Tennessee, USA

Principal Topic

While ample research has demonstrated the negative psychological ramifications of entrepreneurship (e.g., Boyd & Gumpert, 1983), little work extols the potential positive outcomes that founding a venture has on an entrepreneurs’ psychological well-being. In this paper, we offer a novel outcome of starting a new business and test it within a highly relevant, yet understudied setting. Specifically, we argue that entrepreneurship can provide founders with “Purpose in Life” (PIL; Crumbaugh & Maholick, 1964), defined as the presence of meaning and goal-directedness (Ryff & Singer, 1998), and explore this relationship within a base of the pyramid context. We draw upon established work that explicates a deep emotional and prideful connection between an entrepreneur and their business (e.g., Shepherd, 2003) to develop theory arguing that entrepreneurship may be a powerful tool in gaining PIL, yet that this effect fades over time. We further hypothesize that the presence of community support moderates this relationship.

Methods

We collected survey data on roughly 1,000 individuals in Oaxaca, Mexico at different stages in their entrepreneurial journey – before, during, and after starting a business. The PIL instrument is drawn from the work of Steger and colleagues (2006) and includes 10 items, each rated on a 7-point scale, including: “I understand my life’s meaning”, and “I have discovered a satisfying life purpose”. Questions pertaining to community support are drawn from the Panel Study of Entrepreneurial Dynamics II. Analysis of covariance is employed to test our direct and moderation effects.

Results and Implications

The results of our analyses demonstrate that there is an inverse U-shaped relationship between stage of entrepreneurship and PIL, such that the highest PIL occurs during the startup phase. Community support generally influences the level of PIL after the startup phase, with higher community support corresponding to higher PIL. Thus, entrepreneurship may be a driver of sustained PIL when community support is present. In sum, we contribute to theory and practice by offering a novel outcome to established entrepreneurial models, and deepening the understanding of the psychological impact that starting a business has on entrepreneurs.

CONTACT: dgras@utk.edu; (t) +1.865.974.1667; Haslam School of Business, 417 Stokely Management Center, 916 Volunteer Boulevard, Knoxville, TN 37996.