

SEX, [DRUGS], AND ENTREPRENEURIAL PASSION?: AN EXPLORATORY STUDY

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ABSTRACT

Passion is oft-described as the *sine qua non* for the successful entrepreneur. Also, one could readily argue that passion should be a significant predictor of entrepreneurial intentions (cf. Shapero's propensity to act). However, passion for what? For example, misdirected or otherwise dysfunctional passion might well be a negative for entrepreneurs. We need theory-driven measures of passion, both healthy and obsessive. This study takes the premise that passion is a testable component of the intentions model and proposes to test the folk wisdom that passion is reflected in one's avocation. Results suggest much more complexity than anticipated.

INTRODUCTION

Anyone who observes entrepreneurs finds their passion inescapable. Indeed, practitioners scoff at entrepreneurship academics for ignoring passion. The question of entrepreneurial risk taking has been frustrating to address, in large part because entrepreneurial behavior is less a function of some innate propensity to take/accept risk or uncertainty and more a function of situation-specific "human spirits." Here we use the lens of entrepreneurial intentions (and the closely related construct of opportunity perceptions) to understand the central role of passion in the entrepreneurial event. We begin analyzing whether entrepreneurial optimism (or passion) – **human spirits** - is the tipping point for whether an opportunity is acted on. We argue here and empirically test whether passion is the 'missing link' in entrepreneurial intentions.

The two giants of modern economic thought, Joseph Schumpeter and John Maynard Keynes, were born the same year, yet took dramatically different directions. While Schumpeter is usually thought of as the champion of entrepreneurship and bottom-up economic development, Keynes is known for championing a top-down macro approach toward economic development. One championed free enterprise, the other championed the centrality of governmental intervention. Yet, despite these stark differences, there is one thing that paradoxically connects them: **Passion**.

In his *magnum opus*, The General Theory of Employment, Keynes mapped out a careful, rational model of human economic activity that hinged seemingly upon powerful public policy levers to maximize an economy's potential. However, hundreds of pages deep into this he makes a startling confession: That all the rational decision making in the world cannot explain human agency (1935, 161-162):

"Most probably, of our decisions to do something positive, the full consequences of which will be drawn out over many days to come, can only be taken as the result of animal spirits -- of a spontaneous urge to action and not as the outcome of a weighted average of quantitative benefits multiplied by quantitative probabilities. Enterprise only pretends to be mainly actuated by the statement in its own prospectus. Only little more than an expedition to the South Pole, is it based on an exact calculation of benefits to come. Thus **if the animal spirits are dimmed and the spontaneous optimism falters, leaving us to depend on nothing but a mathematical expectation, enterprise will fade and die**; though fears of loss may have a basis no more reasonable than the hopes of profit had before."--John Maynard Keynes *[emphasis added]*

While Keynes' "animal spirits" merits deeper consideration, few economists have analyzed this. Nor have psychologists, despite Shapero's calls to understand what drives the human propensity to act on credible opportunities (Shapero, 1982). What is that spark, and from whence does it arise? Is it passion? If it is passion how does it link to entrepreneurial intentions?

As a quasi-replication of both the Vallerand, et al. (2003) definitional study of passion and the Krueger, Reilly & Carsrud (2000) intentionality study, a total of 238 students were given the well-validated 14-item Vallerand scale and asked to respond to it based on their favorite activity and to estimate how likely they would be to build a business around this activity, along with a broad battery of surveys adapted from Krueger, et al. that assess intentions and their other key antecedents and related measures (and possible sources of alternate explanations) such as entrepreneurial self-efficacy.

The aim was to empirically test if passion indeed is the "missing link" in entrepreneurial intentions (Krueger 2005); to find in what way passion is linked to entrepreneurial intentions, above and beyond perceived desirability and perceived feasibility (controlling for other possible influences). We also examine other intriguing relationships between entrepreneurial phenomena and the two key facets of entrepreneurial passion. For example, where strong intentions are nonetheless accompanied by low self-efficacy, is that associated with obsessive passion?

Entrepreneurial Optimism and Optimistic Entrepreneurs

Shaver and Scott (1991) argue persuasively that to understand entrepreneurial managers we should look at their decisions and the antecedent social cognitive processes. Consider Keynes' famous argument about "animal spirits" noted above: Human choices need not reflect purely rational processes in the sense of mechanically weighing the brute facts. Choice more likely reflects what the decision maker is passionate about –and is thus optimistic about?

Entrepreneurs tend to believe that they have an above-average likelihood of surviving and succeeding in their chosen new venture, a remarkable level of optimism in entrepreneurs that seems independent of 'rational' predictors such as experience (Cooper, Dunkleberg, & Woo, 1988).

The entrepreneurial intentions model has identified two critical antecedents to behavioral intentions, the same two critical antecedents of opportunity perceptions: Perceptions of desirability and perceptions of feasibility (Krueger & Brazeal 1994; Krueger 2000). Yet, we also know that a perceived opportunity need not lead to action, thus we need to step back and look at whether an opportunity gets acted upon. Is Shapero's "propensity to act" what converts opportunity into initiative-taking? This study tested whether "human spirits" are critical to converting a perceived opportunity into intention.

The Concept of Passion

This research begins exploring the role that "passion" has in the entrepreneurial process as an emotional or energizing component and its relationship to intentionality towards entrepreneurship as a career alternative. Passion as a concept has a long intellectual history (e.g., Spinoza) and is typically conceptualized as either being positive and/or negative. Several hundred years ago passion was seen as negative as enslaving the passionate, controlling the passionate. A more positive view saw them as more active (Vallerand et al, 2003). Descartes defined passions as strong emotions with inherent behavioral tendencies that can be positive as long as reason

underlays the behavior. Seligman and Csikszentmihalyi's (2000) "positive psychology" suggests passion reflects how "people's lives can be worth living." Passion can fuel motivation, enhance mental activity, and provide meaning to everyday work. Baum and Locke (2004) analyses passion from the perspective of 'love of one's work in relation to entrepreneurial growth. Passion has frequently been expressed in the mythology of entrepreneurship as the "fire-in-the-belly", but the empirical research to support the concept as an important variable remains lacking (Cardon, et al. 2005).

Vallerand, et al (2003) developed a measurement tool of the negative and positive forms of passion, Obsessive and Harmonious. For example, passion without planning tends to be obsessive while passion with planning tends to be harmonious. The interesting issue here is in what way passion influences intentions, personally perceived desirability and feasibility. Baum and Locke (2004) found a significant link between passion and ability to communicate venture growth content to vision, to goals and self-efficacy about growth, but no significant link between passion and actual venture growth.

Entrepreneurial Intentions and Self-Efficacy

Entrepreneurial intentions is a well researched area and the model holds that antecedents of intentions are personally perceived desirability and personally perceived feasibility (Krueger et al, 2000). It has been shown that action is preceded by intention and intentions are consistently the single best predictor of subsequent behavior. However, there are antecedents to perceived desirability and feasibility and self-efficacy appears to be a particularly critical one (Krueger, 2000; Krueger, et al., 2000, Krueger & Kickul 2006).

Self-efficacy is our sense of competence, belief that we can do something specific (Bandura, 1997, 2001) and that self-efficacy is a strong driver of goal-oriented behavior (Baum and Locke, 2004, Bandura, 1997, 2001). Self-efficacy is related to one's choice of activities and one's tenacity, one's emotional reactions when failing (Bandura, 1997, 2001). Self-efficacy is concerned with *one's judgment of what one can do with whatever skills one possesses* not with the actual skills one has. Krueger and Brazeal (1994) have suggested that self-efficacy should thus predict entrepreneurial potential.

The Model

According to Ajzen's Theory of Planned Behavior (Ajzen, 1987) intentions are driven by perceived feasibility, subjective norm, and attitude towards the act. Antecedent to feasibility is self-efficacy. The Shapero-Krueger (Krueger et al 2000) model shows that intentions are dependent on perceived desirability and feasibility and self-efficacy is again an antecedent to perceived feasibility. In comparing the Shapero (1982) model and Ajzen's TPB model, Krueger et al (2000) found no link between social norm and intentions.

In order to study in what ways passion is linked to intentions we have conducted a quasi-replication of both the Vallerand, et al. (2003) definitional study and the Krueger, Reilly & Carsrud (2000) intentionality study. Following the Vallerand et al, 2003 study we used hobbies as a proxy measure for passion along with a broad battery of surveys adapted from Krueger, et al. 2000, that assess intentions and their other key antecedents and related measures (and possible sources of alternate explanations) such as entrepreneurial self-efficacy.

The aim was to empirically test if passion indeed is the "missing link" in entrepreneurial intentions; to find in what way passion is linked to entrepreneurial intentions, above and beyond

perceived desirability and perceived feasibility (controlling for other possible influences). We also expected to examine other intriguing relationships between entrepreneurial phenomena and the two key facets of entrepreneurial passion. For example, where strong intentions are nonetheless accompanied by low self-efficacy, is that associated with obsessive passion?

METHODOLOGY

Participants

A total of 235 students participated in the study: 168 under-graduate students from Åbo Akademi University in South West Finland (64 female, 104 male), 48 undergraduate who were in their final year in a polytechnic college in South West Finland (8 female, 40 male), and 19 undergraduate public relations students enrolled in a creative entrepreneurship class at Florida International university (16 female, 3 male). An extensive survey was given as part of class work and immediately collected.

Measures

Entrepreneurial Intentions, Perceived Desirability and Feasibility

Following the Krueger et al study participants were asked to indicate on a scale from 0 to 100 “how likely it was for them to start a firm within the next 5 years”, “how attractive starting a firm for the average person was”, “how attractive it was for them”, “how feasible for the average person it was to start a firm”, and “how feasible it was for them”. Additionally, an 18-item battery on intentions and attitudes measure of what drove their potentially positive or negative perceptions of desirability and feasibility by using a 5-point Likert scale where 1 represents “completely agree” and 5 “completely disagree”. Items included measures like: “I have enough industry knowledge”, “Entrepreneurship as a lifestyle appeals”, “Role model by friends encourages”, “Family role-model encourages”. Cronbach’s alpha for this scale was 0.89.

Self- Efficacy

We used a 21-item self-efficacy measure (adpted from DeNoble, et al.) -5-point Likert scales where 1 represents “completely agree” and 5 “completely disagree”. Items included measures like: “I am exactly the type of person who would be a successful entrepreneur”, “I know that I am an entrepreneur at heart”, “As an entrepreneur I would reach my goals in life”, “I am convinced I would succeed if I would start my own business”. Cronbach’s alpha for this scale was 0.73.

Hobby as Passion

We used an 18-item scale based on the well-validated 14-item scale Vallerand scale (we had to add a few items due to issues depending on translation) using a 5-point Likert scale where 1 represents “completely agree” and 5 “completely disagree” was used. Participants were asked to respond to it by considering their favorite hobby activity. Items included measures like: “This activity is very important to me”, “This activity allows me to live memorable experiences”, “For me it is a passion that still manage to control”, “I am emotionally dependent on this activity”. Cronbach’s alpha for this scale was 0.87. Additionally the respondents were asked to estimate on a scale between 0 and 100 how likely it could be to build a business around this activity.

Analyses

The data was analyzed using principal component analysis (PCA) and linear regression analysis. First using PCA we wanted to find out what other factors were driving intentions, self-efficacy and in what respect hobbies were driven by harmonious or obsessive passion. We then performed a linear regression analysis as to find which of these remaining factors have a significant link to intentions, desirability and feasibility.

RESULTS

Results show a high likelihood for all three groups to start a firm among 11.6% of the respondents; 4.8% for Åbo Akademi university students (AAU), 20% for polytechnic students and 36.8% for FIU students. Likelihood among women (13.8%) was higher than among men (10.3%) although the difference was not significant. Results show that there are significant differences between the three groups.

Regression analysis showed a significant link between intentions ($R^2 = .505$), perceived desirability ($\beta = .553$, $p = .000$), and feasibility ($\beta = .238$, $p = .000$) as was expected. The PCA, with Varimax rotation and Keiser normalization extracted 4 items driving intentions (lifestyle appealing, business knowledge, social norm, and a mean to achieve some other goal in life). Repeating the performance for self-efficacy gave 5 items (entrepreneurial passion, social norm, a way to get a job, making use of education, difficulty) (see, Table 1).

For hobbies, results followed the Vallerand et al (2003) study and two items were extracted; harmonious passion and obsessive passion. However, there is no significant link between harmonious or obsessive passion to intentions, perceived desirability or perceived feasibility. This result is somewhat surprising as the conventional wisdom would have anticipated that passion would have had a direct impact on one of the three perceptions.

DISCUSSION

We set out to identify in what way passion should or would impact the intentions of would-be entrepreneurs. Intuitively, we took Confucius's quote: "Choose a job that you like and you will never have to work a day in your life" as the starting point. This is similar to Baum and Locke (2004) who framed passion from the perspective of love of one's work. Also, in a recently published undergraduate textbook's instructor's edition (Bamford and Bruton, 2006) teachers are advised to do exercises on idea generation with students using hobbies. The text reads as follows (p.44): "Hobbies are those pursuits that an individual does as an avocation. Since the individual does these things as an avocation, **typically great passion is associated with them that can help encourage the success of the small business.**" [emphasis added by authors]

Combining this with Vallerand's (2003) study presents us with an intriguing research design where intentions to build a business on something that the person is passionate about – a hobby – becomes the vehicle for studying the role of passion in starting a venture. Results are very surprising.

There is no significant link between passion either harmonious or obsessive, to intentions or their antecedents' perceived desirability and perceived feasibility! While the current study did demonstrate many of the results found in previous studies on intentions, it failed to demonstrate where passion fits within the equation. Is passion yet another myth in entrepreneurship despite numerous accounts for the presence of passion in the entrepreneurial process (Bird, 1989, Smilor, 1997, Baum and Locke, 2004 Cardon et al, 2005)? And, we have all 'felt' the presence of passion when talking to entrepreneurs, but probably we would testify that the passion we have 'felt' is

different, i.e. passion is not a homogeneous construct. For example, we have recently finished interviewing 17 entrepreneurs for another study on the topic, but found that all but one was passionate. The contrarian had a passion but it was not his business: He had 5 kids! Or is the secret about entrepreneurial passion that entrepreneurs are passionate about more than one thing? Like math and music. (Perhaps the true passion is for delivering value to customers and stakeholders?)

If we still insist arguing that passion is an important ingredient in entrepreneurship – and we are certainly not ready to write off passion after this study – hobbies may not be the proper proxy to approach this issue with, despite the instructions. Moreover, maybe it is wrong to assume that passion triggers intentions? What if passion is what anyone will need when confronted with rejection and still persisting (Cardon et al, 2005). Then we are more likely talking about tenacity or a certain degree of stubbornness. The study by Baum and Locke show a significant link between tenacity and venture growth, but not between passion and venture growth. Passion is indeed in the literature described as goal oriented (Bandura, 1997) and a key to venture survival (Carsrud and Krueger, 1995, Cardon et al 2005) the study by Baum and Locke (2004) supports goal orientation but finds no link to growth orientation and ability to grow a venture. While our results would lead us to ask whether it is possible that the effect of passion comes **after** the identification of an opportunity and is not directed in the discovery of that opportunity, i.e. entrepreneurial intentionality, the results from Baum and Locke would indicate that passion plays a role in the process of setting goals but not in realizing those goals. On the other hand, Gollwitzer's (1999) work on implementation intentions suggests that we might think of passion as goal commitment.

There is an indirect link between items that can be identified as passionate and self-efficacy, which then is significantly linked to intentions, perceived desirability and perceived feasibility. This again corresponds with the study by Baum and Locke (2004 who also found a significant link between passion and self-efficacy and between self-efficacy and venture growth. What is clear is that the role of “passion” or “human spirits” is far more complex than researchers or practitioners realize. It is certainly possible that while individuals might feel passionate about their hobbies, they may not feel sufficiently passionate about them to turn them into businesses despite the fact they have the desire, ability, and see its feasibility (and instructions).

There is a possibility here to raise normative consideration: Where should an entrepreneur focus her/his passion? But, this is immediately followed by: can one focus one's passion? Isn't passion partially spontaneous – or at least when obsessive somewhat beyond control? Is cognitive style a moderator of passion? If so, how? Krueger and Kickul (2006) found that Pistrui's measure (e.g., 2000) of entrepreneurial intensity was important to intent for an intuitive cognitive style, but not for rational/analytics.

Finally, we used students facing an imminent career choice. Students may well have hobbies, but they may well be anything but decided on what to do after graduation and that may not be driven by a passion for hobbies. Some of them may have an idea of where to start looking for a job, but the ultimate result of that search process is anything but certain. Only a few may have made a ‘passionate’ decision. The students' lack of hobbies may reflect a deficit in passion or channel it elsewhere: Many may find themselves confronted with another type of passion – perhaps more in line with Keynes' Animal Spirits – sex in the cape of the partner of their lives, i.e., **love**. Or, somewhat provocatively: business school students simply have no passion!

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