

Self-control is key to starting a business

JKU academics produce new study on character traits of entrepreneurs. Individuals with a high level of self-control are more likely to get their business idea off the ground, according to a new study published by the Journal of Business Venturing.

Professor Matthias Fink, head of the Institut for Innovation Management at JKU, Professor Teemu Kautonen of Aalto University and Marco van Gelderen of Vrije Universiteit Amsterdam, carried out the research – the first to investigate the role of self-control in entrepreneurship.

Of the 161 people surveyed who expressed an intention to engage in entrepreneurial activities within a year, over two thirds (69%) took few or no steps towards doing so in the following 12 months.

However, the researchers found that self-control is an important factor contributing to taking entrepreneurial action.

Matthias Fink, Professor of Innovation Management at JKU, said: “A moderate level of self-control is essential for a start-up intention to develop into concrete activity. The higher the level of self-control, the more likely it is for a person intending to become an entrepreneur to put their money where their mouth is.”

A further benefit of a moderate to high level of self-control is that such people are less likely to experience emotional states that hinder entrepreneurial behaviour. This study analysed three such emotional states: doubt, fear and aversion felt towards certain activities that may be encountered when establishing a business.

In particular, it was found that doubt concerning the inadequacy of one’s skills related to entrepreneurship significantly reduces the likelihood of that person turning their business start-up intentions into actions.

However, the higher the level of self-control, the less likely it is that the person encounters these emotions or, if they do, they are better at managing them than people with low levels of self-control.

Executive summary

Many people form intentions to start their own business but do little to translate those intentions into actions. Acting upon intentions may be postponed or abandoned because new constraints emerge or the person’s preferences change. However, if an aspiring entrepreneur does not take action despite ongoing intentions, potentially fruitful entrepreneurial ventures are not realized. For this reason it is important to understand the so-called intention–action gap and to investigate under what conditions people turn their start-up intentions into actions or fail to do so.

This study builds on the theory of planned behavior (Ajzen, 1991; 2011/2014) and prior entrepreneurial intentions research (Schlaegel and Koenig, 2014) by drawing on the Rubicon model

of action phases (Gollwitzer, 1990; 2012; Heckhausen and Gollwitzer, 1987) to study the actions, or lack of actions, that follow the formation of entrepreneurial intentions. The starting point for the analysis is that forming a strong intention is only a preliminary stage of successful goal attainment, because a host of subsequent implementation issues remain to be resolved (Gollwitzer and Sheeran, 2006). In this study we focus on volition: how individuals exercise willpower to obtain what they desire plays a key role in dealing with these implementation issues. This analysis focuses on two sets of constructs related to volition: (1) action-related emotions (doubt, fear, and aversion) may cause people to avoid action and willpower will then be required to overcome their stifling effects; (2) self-control is a personality disposition that reflects an individual's capacity to exercise willpower.

The empirical analysis is based on longitudinal survey data from a random sample of the Finnish population. Intentions to engage in start-up activities in the following 12 months and self-control were measured in the first wave. The second survey was administered one year later and inquired about the start-up activities undertaken and the action-related emotions encountered from those 161 individuals who reported a positive (non-zero) intention in the first wave. The results show that self-control positively moderates the relationship between intention and action, and that it counters the rise of action-related fear, doubt, and aversion. In other words, an intention to engage in start-up activity is more likely to lead to subsequent action when an individual has a high level of self-control. Having a high level of self-control also makes it less likely that the person will experience high levels of any of the avoidance-oriented action-related emotions.

These findings offer an insight into when and why entrepreneurial intentions are followed by actions. They also extend intention research by providing new insights into the behavioral processes that follow the formation of an intention to start a business. In practical terms our research highlights the essential role of self-control in the implementation of entrepreneurial intentions, and the importance of applying action knowledge and action planning to avoid action doubt stifling entrepreneurial action.

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