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Does It Take Courage to Start a Business?

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DOES IT TAKE COURAGE TO START A BUSINESS?

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Presented to
the Graduate School of
Clemson University

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Master of Science
Applied Psychology

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ABSTRACT

Courage is defined by Rate (2010) as an intentional behavior toward worthy goals involving risk. Previous research examining courage has emphasized the risk component of courage, but in large part neglected the worthy goals component. Furthermore, previous courage research has primarily examined courage as a prevention-focused behavior as a singular event. This study sought to explore courage as the pursuit of a promotion-focused goal over a long period of time. Specifically, this study examined courage in the context of starting a business. Latent/nascent entrepreneurs and actual entrepreneurs were interviewed to investigate courage and other constructs, including goal commitment and a novel concept called in this study, "the point of no return," which seems to reflect a pivotal experience involving complete commitment to one's goals and a heightened sense of self-efficacy. Specifically, this study compared differences between latent/nascent entrepreneurs and actual entrepreneurs regarding their perceptions of the importance of courage in starting a business, how committed they were to their entrepreneurial goals, and if they had experienced a point of no return related to starting a business. Results indicated that there was no significant difference between latent/nascent entrepreneurs and actual entrepreneurs regarding their perception of courage being important in starting a business; nearly every interviewee regarded courage as important in starting a business. Additionally, actual entrepreneurs reported significantly higher levels of commitment to their entrepreneurial goals than latent/nascent entrepreneurs. Lastly, actual entrepreneurs reported having experienced a point of no return significantly

more often than did latent/nascent entrepreneurs. Limitations to this study and proposed

future research is discussed.

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CHAPTER ONE

INTRODUCTION

Entrepreneurship seems to require many attributes studied by positive
psychologists such as courage, hope, and individual flourishing. Many individuals desire
to be self-employed but remain employed by someone else (i.e., latent entrepreneurs;
Blanchflower, 2004). This does not seem surprising; indeed, entrepreneurship is often
considered a risky endeavor (Kan & WeiDer, 2006). Consequently, a strong theoretical
bridge between individuals merely wishing to be entrepreneurs and actual entrepreneurs
might be courage, defined here as intentional behavior in pursuit of a subjectively worthy
goal despite subjectively perceived risks (Rate, 2010; Pury & Starkey, 2010).

The of Current Study

This study seeks to determine the extent to which courage may be involved while
starting a business. Types of intentions, goals and risks specific to entrepreneurship will
be explored. Implications for entrepreneurship as well as for courage will be discussed.

CHAPTER TWO

COURAGE

Defining and measuring courage has been a challenge for researchers over past decades because courage is an ambiguous term (Rate, Clarke, Lindsay, & Sternberg, 2007; Woodard & Pury, 2007). Most of the previous courage definitions argue the emotion of fear as a requirement for something to be courageous. For instance, Rachman (1990), whose well-cited definition served as the basis for many other researchers defined courage as, "willing and able to approach a fearful situation despite the presence of subjective fear and psychophysiological disturbances" (p. 12).

Rachman also explained that courage in its purest form is perseverance despite fear (1982). Hallam and Rachman (1983) performed multiple studies examining courageous behavior among military bomb-disposal operators. During these operators training, Hallam and Rachman found that most operators reported either 1) feeling calm for much of the program, 2) feeling no fear at any time (labeled as fearless operators), or 3) feeling significant amount of fear during the training (labeled as courageous operators). The courageous operators were the smallest group of the three. This study was later replicated using a sample of operators decorated for bravery compared to non-decorated and inexperienced operators. Similar to the previous study, the original result, showing reduced cardiac activity under stress among decorated operators, was reproduced. With minimal exceptions, no group differences in behavioral performance or in subjective activity were found (O'Connor, Hallam, & Rachman, 1985).

Another study on military individuals highlights Rachman's focus on fear. Macmillan and Rachman (1988) found many were distinguished as fearless during their training program. These fearless trainees reported being highly confident in their ability to jump satisfactorily, while the courageous trainees (those who experienced fear) had lower confidence in their ability to perform satisfactorily before training and increased in confidence after training. In light of these findings, Rachman (2010) distinguished courage and fearlessness, theorizing that distinctions are associated with quality of performance of a demanding and dangerous task. According to his analysis, successfully practicing courageous behaviors can lead to a decrease in subjective fear and ultimately to a state of fearlessness. In response to Rachman's (1990) work, Norton and Weiss (2009) created a measure operationally defining courage as 'persistence or perseverance despite having fear' (p. 3).

Despite wide use of Rachman's fear-based definitions, it has been debated that courage measures in the past such as Norton and Weiss's (2009) do not accurately measure courage (Howard & Alipour, 2014). Indeed, two theoretical issues occur with previous courage definitions, namely 1) an overt focus on risk-taking, and 2) an unnecessary prerequisite of fear. Recent courage research addresses these issues.

The first theoretical dilemma of previous courage definitions and measures is a primacy for risk. For instance, Howard and Alipour (2014) argue Norton and Weiss's (2009) definition more accurately describes risk taking, which does not fully encapsulate the construct of courage. Indeed, simply taking risks, such as jumping in front of an oncoming car for the thrill of risk-taking, does not necessarily make the act courageous.

Consequently, a more accurate definition of courage must move beyond mere risk taking. For instance, some have defined courage as a radical expression of motivation and obligation frequently related with self-determination, faith, hopefulness, and perseverance when endeavoring toward something of intrinsic value while experiencing the emotion of fear (Baumann, 2007; Jablin, 2006). The previous definition, although reflecting Rachman's definition of perseverance despite fear (1982), also seems to include the valued goal component as well.

The second theoretical quandary of previous courage definitions and measures is an unnecessary prerequisite of fear. This predicament is highlighted in Cox et al.'s (1983) research which found that individuals recognized for bravery displayed less fear in lab settings than those not recognized for bravery. Thus, were the brave individuals less courageous than those not recognized for bravery because they displayed less fear? These findings are indicative of the problem with requiring fear for an act to be considered courageous. In response to the problem of fear, Woodard and Pury (2007) created a minor revision of Woodard's (2004) courage scaled, focusing instead on willingness to act in threatening situations for a worthy end. They drew on other definitions of courage such as Shelp's (1984), which proposed that fear may or may not be present in courageous acts. Likewise, Rate et al. (2007) noted the presence of fear as non-essential in categorizing courageous acts; and that individuals who experience fear during a certain act are no more courageous than those who do not experience fear. Similarly, Muris (2009) found that children reported courageous behavior but found no relation between fear and courage reported for the courageous action.

Definitions of courage previous to Rate et al.'s (2007) were primarily theoretically-derived. However, Rate et al. (2007) empirically tested and devised a definition of courage distinguishing it from other constructs—defining courage as "1) a willful, intentional act, 2) performed after mindful deliberation, 3) involving objective substantial risk to the actor, 4) primarily motivated to bring about a noble good or worthy end, 5) despite, perhaps, the presence of the emotion of fear" (p. 95). In 2010, Rate refined his definition to 1) an intentional act, 2) primarily motivated to bring about a noble or worthy outcome, 3) involving substantial risk to the actor. Thus, a combination of Rate's and other theorist's recent work distinguishes courage as an intentional act toward a personally meaningful goal with an emphasis on the presence of risk rather than fear. Indeed, risk commonly, but not always, leads to fear.

Pury and Starkey's (2010) recent work contributes to Rate's (2010) definition of courage. They emphasize the subjectivity of both the worthiness of the goal being pursued, as well as the subjectivity of the perceived risks involved in pursuing that goal. For instance, an individual may perceive starting a business as a worthy goal. Another individual may perceive traveling the world as a worthy goal. Even though others may disagree that starting a business or traveling the world are worthy endeavors, according to Pury and Starkey (2010), overcoming perceived risks in pursuit of a goal can still be considered courageous because the goal is deemed worthy and meaningful to the one pursuing it. Similarly, Hannah, Sweeney, and Lester, (2007) have argued that the entire experience of courage is subjective.

Variations of Courage

Pury and Starkey (2010) differentiate two perceptions of courage, *courage as an accolade* and *courage as a process.* Courage as an accolade involves the judgement that an action is courageous, typically made by an outside observer but sometimes made by the actor themselves about a previous action. From this perspective, courage is objective from all view points and the internal state of the actor is of little or no relevance.

Similarly Pury, Kowalski, and Spearman (2007) distinguish *general courage* (similar to courage as an accolade), as actions considered courageous for anyone with *personal courage* (similar to courage as a process), as actions considered courageous only for the specific individual. Pury et al. (2007) found certain distinctions between these two forms of courage. For instance, they found that general courage actions were taken with higher levels of confidence, as well as lower levels of fear and personal constraints; whereas personal courage actions were taken with higher levels of fear and increased difficulty.

These two forms of courage could overlap. For instance, publically taking a personal stand on social issues may require personal courage, while simultaneously be recognized as general courage. Another example of possible overlap could be a fire-fighter running into a burning building to save someone trapped inside. Both cases, 1) publically taking a personal stand on social issues, as well as 2) running into a burning building in attempts to save someone could be personally courageous and considered courageous by most people.

An example distinguishing general and personal courage is an individual who acts in a personally courageous way to conquer their perceived risk of going to the dentist.

Although for this particular individual, going to the dentist required personal courage, going to the dentist in and of itself does not constitute general courage because such an act would not require courage for everyone.

The Current Study

Although there has not been a clear consensus among courage researchers, Rate's (2010) definition, coupled with Pury and Stakey's (2010) contributions, generate the definition of courage that will be used in this thesis. Specifically, courage will be defined as 1) an intentional behavior, 2) in pursuit of a subjectively perceived worthy and noble goal, 3) involving subjectively perceived risks to the actor.

Expanding the Focus of Courage Research

Often, courage research has emphasized the aspect of overcoming fear or perceived risks, underemphasizing other crucial components of the construct (i.e., pursuing a worthy and noble goal). Furthermore, most of the courage research focuses on prevention outcomes and has neglected the pursuit of promotion outcomes. Consequently, this thesis seeks to expand the focus of courage research on 1) the pursuit of a worthy and noble goal in addition to facing perceived risks, as well as 2) the pursuit of promotion outcomes in addition to preventing negative outcomes. It seems that entrepreneurship (i.e., the courage to start a business) is a relevant means for exploring these ideas.

The pursuit of a worthy and noble goal. Most research on courage emphasizes overcoming fear or perceived risks. However, overcoming fear or risk is not the only component of courageous behaviors, as has been stated previously. Indeed, according to

this study's definition (Rate, 2010; Pury & Stakey, 2010), courage is an intentional act towards a subjectively perceived worthy goal in spite of subjectively perceived risks. Thus, this thesis seeks to expand the emphasis by highlighting that courageous behaviors are a pursuit of subjectively perceived worthy goals (i.e., promotion outcomes).

The pursuit of promotion outcome. The study of courage in the entrepreneurial context seeks to highlight characteristics of courage in pursuing promotion outcomes as well as preventing negative outcomes. Previous courage research seems to focus primarily on preventing a negative outcome (e.g., a heroic act to save an innocent life) as opposed to promoting a positive outcome (e.g., overcoming risks to start a business one believes will positively impact the world). This may be due in part to the pervasive perception of prevention goals in these types of courage. However, Pury et al.'s (2007) findings on personal courage in addition to Pury and Starkey's (2010) findings on courage as a process allow me to examine the subjective experience of the actor, which often entail promotion-based actions less likely to be perceived as courageous by the masses.

The following section reviews relevant literature on prevention and promotion goals as they relate to courage and entrepreneurship.

Prevention and promotion goals. Goals can be understood as mental images of desired or undesired end states, which motivate an individual to either approach or avoid them. According to Higgins' (1997) regulatory focus theory, desired end states can be divided into two types: 1) ideals, which reflect individuals' hopes (e.g., things an

individual would like to achieve), and 2) duties, which reflect individuals' perceived responsibilities (e.g., things an individual must achieve).

Aspirational end states (i.e., promotion goals) tend to involve a focus on opportunities to realize desired outcomes. Conversely, end states interpreted as duties (i.e., prevention goals) tend to involve a focus on potential obstacles to achievement (Shah, Higgins, & Friedman, 1998). Hardin and Lakin (2009) have found that perceived inability to reach promotion goals produces feelings of dysphoria; whereas perceived inability to reach prevention goals produces feelings of anxiety and stress.

As has been stated, the majority of research related to courage is focused on prevention goals. For instance, in a recent study on organizational courage, Schilpzand, Hekman, and Mitchell (2014) found that the most likely instances where courageous actions at work would occur were prevention of a negative outcome (e.g., corrupt leadership, misguided policy, bullying, negligence, hidden danger, ignorance, crisis, vulnerable people, potential exploitation, and lack of concern for others). Similarly, among actual reported courageous behaviors in the workplace, most were prevention focused (e.g., finding danger, private confession, public confession, attack an enemy, defending one's morals, private confrontation, public confrontation, and protecting people in need of safety or rescue). Of all the reported challenging events and courageous instances, the only promotion oriented workplace courage seemed focused on resolving ambiguity (e.g., resolving uncertainty or inaction) as well as structuring uncertainty (e.g., clarify ambiguity, create a vision, and lead).

The emphasis on prevention focused courage in workplace settings seems to

highlight a general perception that acts of courage arise in order to prevent a negative outcome. Indeed, this emphasis on prevention may also reveal that the study was framed by scholars, who, themselves perceive courage in a prevention way. Schilpzand et al.'s (2014) study also highlights another reason that courage is often perceived as a preventative phenomenon, specifically, the idea that courageous behavior happens in an instant and is generally associated with a particular event; as opposed to a process or series of events. Hence, participants in their study were asked to describe an individual incident rather than courage as a potentially extended experience.

Indeed, it seems logical that prevention courage is related to particular events (e.g., resolving a workplace argument). However, this study seeks to examine the possibility of courage focused on promoting a positive outcome by further exploring courageous intentions. Unlike most instances where courage is employed to prevent a negative outcome, promotion focused courage does not seem to occur in a single instant; but rather, over a larger span of time, as a process.

Entrepreneurship seems to be a good avenue to explore the idea of courageous intentions toward promotion goals because many entrepreneurs overcome risks in order to pursue promotion goals such as achievement and independence (Tyszka, Ciélik, Domurat, & Macko, 2011), as well as wealth, power, and prestige (Baumol, 1990) . In the following sections, I will explore prevention and promotion goals in the context of entrepreneurship.

Push and pull entrepreneur. Previous research has been done concerning factors that encourage entrepreneurial pursuits (Greene & Saridakis, 2007; Souitaris, Zerbinati,

& AlLaham, 2007; Stephen, Urbano, & Hemmen, 2005), as well as regarding the constraints to starting a business (Robertson, Collins, Medeira, & Slater, 2003). Yet, motivations for business ownership are often categorized in two ways: pull and push (Bates, 1997).

Pull entrepreneurs are those focused on the positive aspects of starting a business, and are thus lured and enticed by the business idea and its personal implications (Fairlie & Meyer, 1996). Conversely, push entrepreneurs are those who enter self-employment as a last resort due to discontentment with their employment or instigated by one's lack of employment (Block, Sandner, & Spiegel, 2015). Thus, pull entrepreneurs seem to be focused on promotion goals, while push entrepreneurs seem to be focused on prevention goals.

Other research has found that among young male entrepreneurs pushed to self-employment due to unemployed have higher tendencies to abandon this state at any moment (e.g., Meager, 1992; Praag, 2003). Conversely, young male entrepreneurs who already started their business (part-time) while they were employees are more likely to stand firm (Praag, 2003). Indeed, pull factors produce far higher survival chances than push factors (Praag, 2003). This may be due to motivational factors. For instance, one study found that intrinsic motivation was a component of happier and more satisfied entrepreneurs (Carree & Verheul, 2012).

Pull entrepreneurs not only differ in motivation from push entrepreneurs, but also differ in motivation in many respects from non-entrepreneurs (Tyszka et al.,2011). For instance, Tyszka et al. (2011) found the *need for independence* and the *need for*

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achievement was of higher importance to entrepreneurs than to non-entrepreneurs; but only of opportunity-driven entrepreneurs, while not of necessity-driven entrepreneurs. Tyszka et al. (2011) further found that the most significant motive for non-entrepreneurs as well as necessity-driven entrepreneurs was job security. The goal of job security seems to be prevention focused, whereas need for independence and need for achievement seem to be promotion focused.

I will now examine the literature of psychological courage as it relates to promotion and prevention goals, as well as entrepreneurship.

Psychological courage. Psychological courage is described as "the psychological energy involved in confronting destructive habits, irrational anxieties and fears, and hearing the truth in daily life" (Putman, 1997, p. 2). Psychological courage is a concept that was originally established to illustrate the courage needed by psychotherapy patients to pursue treatment and deal with the psychological challenges associated with completing that treatment (Putman, 2004). One study found that life coaching supported participants' expression of psychological courage and enabled a change toward autonomous motivation (Curtis & Kelly, 2013).

Psychological courage has been examined as the pursuit of promotional as well as prevention goals. For instance, Pury et al.(2007) explain that psychological courage can cover a range of behaviors, from an individual working up the courage to move away from home to accomplish their goal of getting a college education (promotion goal), to working up the courage to deal with a family health emergency (prevention goal).

Thus, psychological courage may be involved in the process of entrepreneurship in both cases of promotion or prevention focused. Indeed, an individual may have to face certain psychological risks associated with starting a new business.

Why Entrepreneurship?

The study of courage in the context of entrepreneurship seems to fill several research gaps in the courage literature. As stated above, this study seeks to add supplementary understanding to 1) courage as a pursuit of subjectively perceived worthy goals, as well as 2) courage as a pursuit of promotional outcomes. Entrepreneurship seems to highlight both of these. For instance, starting a new business may transcend mere risk-taking because it is often done in the pursuit of a perceived promotion or worthy goal. Furthermore, entrepreneurship may highlight courage as a process and accolade (Pury & Starkey, 2010), as well as general and personal courage (Pury, Kowalski, & Spearman (2007), in additional to psychological courage (Pury et al., 2007). Hypotheses for these various forms of courage in the context of entrepreneurship are in the next chapter where I will focus in on the inquiries of this study.

The following will be a literature review of the entrepreneurship research. Specifically, this review will examine the three elements of entrepreneurship as they relate to this study's definition of courage: 1) entrepreneurial intention, 2) entrepreneurial motivation, and 3) entrepreneurial risk. I will start this review on entrepreneurship by defining entrepreneurship and distinguishing relevant entrepreneurial stages.

CHAPTER THREE

ENTREPRENEURSHIP

In recent years, the encouragement of entrepreneurship has become a societal priority. This movement is due to acknowledgment of business creation as the impetus for economic progress, job creation and innovation (Parker, 2004; Audretsch, Keilbach, & Lehmann, 2006; Guzman and Santos, 2001). Indeed, the creation of new businesses is fundamental for regional progress and for the vitality of national economies (Dahlstrand, 2007; Saarenketo et al., 2009).

Defining the Entrepreneur

An entrepreneur has been classified as 1) an innovator or agent of change (Schumpeter, 1950; Schumpeter, 1961), 2) an individual who recognizes profitable opportunities (Kirzner, 1973), and 3) an individual who manages production by paying employees and assuming the associated risks and uncertainties of production (Kanbur, 1979). Some scholars have perceived hedonistic characteristics as comprising entrepreneurs. For instance, Baumol (1990) defined entrepreneurs as individuals who ingeniously and creatively concoct ways that add to their own wealth, power, and prestige.

From an economic perspective, entrepreneurship is what an individual does, such as starting a new business or firm; but entrepreneurship can also be described as an individual's occupational choice to be self-employed (Bruck, Naude, & Verwimp, 2013). Consequently, an entrepreneur is a self-employed individual who starts-up and often manages a business (Schoon & Duckworth, 2012; Hamilton, 2000).

A major reproach of research in the area of entrepreneurship is that researchers have not consistently defined and operationalized what they mean by "entrepreneurs" (Kaufmann & Dant, 1998). However, Stewart and Roth (2001) performed a meta-analytic study in which they sought to understand the risk-propensity of entrepreneurs. In that meta-analysis, they chose the most widely used definition of an entrepreneur, which is an individual who independently owns and actively manages a small business (Garland et al., 1984). This definition, they state, removes branch managers and salesmen (Stewart & Roth, 2001). Stewart and Roth's (2001) definition of entrepreneur, what I will call, *actual entrepreneur,* will be used as the definition in this thesis.

Entrepreneurial Stages

Entrepreneurship has multiple stages. The beginning entrepreneurial stage is *latent entrepreneurship,* defined as non-entrepreneurs who merely state that they would prefer being self-employed over being an employee (Blanchflower, 2004; Blanchflower, Oswald, & Stutzer, 2001; Masuda, 2006; Grilo & Irigoyen, 2006; Grilo & Thurik, 2005). One step beyond latent entrepreneurship in the entrepreneurial process is *nascent entrepreneurship,* defined as individuals who are "taking active steps to start a business" (van Stel, Storey, & Thurik, 2007, p. 173) or have "initiated some entrepreneurial start-up activities—and are doing more than just talking about it . . . moving from conception into the gestation or start-up process" (Reynolds et al., 2005, p. 210; Reynolds, 2000; Gartner & Carter, 2003; Gartner, Carter, & Reynolds, 2004; Reynolds et al., 2004a; Acs et al., 2005). Beyond latent and nascent entrepreneurship is *habitual entrepreneurship,* defined as launching numerous new businesses in a serial or portfolio manner (Barnir, 2014).

Regarding the various stages of entrepreneurship, Grilo and Thurik (2008) have developed a seven-stage process of the level of entrepreneurial engagement. The first stage is the outsider stage which includes 1) individuals who have never considered entrepreneurship. Beyond this first stage are two nascent stages which include 2) individuals who are thinking about entrepreneurship and 3) individuals who are taking active steps to start a business. Following the nascent stages are two business stages which include 4) individuals who have a young business, and 5) individuals who have an older business. The last two are the exit stages which include 6) individuals who gave up, and 7) individuals who are no longer entrepreneurs for other reasons than giving up. These stages of the entrepreneurial process are distinguished by levels of engagement and thus an individual can enter the nascent stages and then give up before actually starting a business.

Aside from individuals who have never considered entrepreneurship (i.e., stage one above), individuals in each of the former six stages will be examined in this study. Individuals in the two nascent stages, whether latent entrepreneurs or nascent entrepreneurs will constitute one group being studied. Additionally, individuals in the business stages and exit stages will constitute the other group being studied. Thus, this study will be a comparative study of latent/nascent entrepreneurs vs. actual entrepreneurs. Specifically, this study seeks to understand the difference between individuals who prefer entrepreneurship and those who become actual entrepreneurs.

Perhaps latent and nascent entrepreneurs lack to the courage to confront perceived risks involved in their entrepreneurial desires. Perhaps these individuals lack commitment

to their goals. Hypotheses comparing individuals in various entrepreneurial stages as they relate to courage and commitment will occur in the next chapter. At this point, I will explore the literature in greater detail on latent and nascent entrepreneurship.

Latent and Nascent Entrepreneurs

Starting a business is not generally an immediate decision; rather, it seems to be a process that could be short or long. Indeed, Carter, Gartner, and Reynolds (1996) argued that the entrepreneurship dream is a complex process that takes time to fulfil. Furthermore, although many individuals dream of starting a business, few actually take action and achieve their dreams, and even fewer endure long-term (Timmons, 1992; Wu, 2007). Indeed, many latent entrepreneurs likely fail to ever take action toward starting a business, while many nascent entrepreneurs likely fail to endure long enough to become actual entrepreneurs.

Latent entrepreneurship. A latent entrepreneur is an individual who would prefer self-employed over wage employment (Blanchflower et al., 2001; Grilo & Irigoyen, 2006; Grilo & Thurik, 2005). Bönte and Piegeler (2013) examined data from a recent large-scale survey conducted in 36 countries, and found that individuals who enjoy competition with others are more likely to prefer self-employed (i.e., latent entrepreneurs) and are also more likely to take steps toward starting a new business (i.e., nascent entrepreneurs). Masuda (2006) argued that because latent entrepreneurs have an instrinsic desire to become self-employed, they are more likely to be pull rather than push entrepreneurs. Other research has found that an increase in a latent entrepreneur's assets encourages entrepreneurial activity (Harada & Kijima, 2005).

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One study compared latent and nascent entrepreneurs and found that nascent entrepreneurs expressed a greater emphasize on self-confidence, learning from failure, communication abilities and network participation than did latent entrepreneurs (Agapitou et al., 2010). Moreover, they found that nascent entrepreneurs are less inclined to correlate entrepreneurship with large companies than are latent entrepreneurs. Lastly, nascent entrepreneurs usually had more working experience (90%) and had participated in more entrepreneurial courses than did latent entrepreneurs (Agapitou et al., 2010).

Unfortunately, there is very little research beyond what has been cited thus far regarding latent entrepreneurs. Indeed, little research if any has examined the psychological constraints as well as goals of latent entrepreneurs. Consequently, the current study seeks to examine the constructs of courage and commitment among individuals at this stage of entrepreneurship

Perceived costs and risks. The decision to switch from one occupation to another is negatively associated to the percieved costs of leaving that state (Gimeno et al., 2000; Gohmann, 2010). Self-employed individuals desiring to switch to wage employment take into account the efforts and costs related with job searches and retraining (Gimeno et al. 2000) and employees seeking transition to self-employment take into account start-up costs (Blanchflower et al., 2001), learning costs (Gimeno et al., 2000), and psychological costs (Hundley, 2000). Thus, as an indivdiual percieves greater cost involved in becoming an entrepreneur, they are less likely to make the career shift to entrepreneurship. Relatedly, the perceived risks involved may also influence the decision to switch from wage employment to self-employment (Parker, 1997).

It seems likely that latent entrepreneurs may percieve high cost and risk associated with leaving their current employment to pursue their entrepreneurial desires. This highlights an idea that has yet to be fully examined in the courage literature: focused attention. It seems indidivudals that focus more attention on risks associated with goals will be less likely to act courageously than individuals who focus more attention on the goals themselves. Hypotheses comparing latent/nascent entrepeneurs vs. actual entrepenurs focus on risks and goals will be discussed later.

Nascent entrepreneurship. A nascent entrepreneur is an individual who is doing more than just talking about entrepreneurship (Reynolds et al., 2005), but is taking active steps toward starting a business (van Stel et al., 2007). These individuals meet the screening criteria to be considered entrepreneurs; yet interviews by many nascent entrepreneurs show low levels of activity and do not seem to be very serious about taking their start-up attempts to the market—or to termination (Davidsson & Gordon, 2012).

The perceived lack of seriousness by many nascent entrepreneurs has resulted in certain researchers dubbing them as ''dilettante dreamers'' or ''hobbyists'' (Parker & Belghitar, 2006; Reynolds, 2009; Reynolds & Curtin, 2008). Due to this perceived lack of seriousness, this study will cluster latent and nascent entrepreneurs into one category and compare them with actual entrepreneurs (i.e., individuals who have started up and are actively managing a business). Indeed, there seems to be a much larger gap between nascent and actual entrepreneurs than there is between latent and nascent entrepreneurs.

I will now examine the literature on the active steps that nascent entrepreneurs often take.

Active steps. There have been several studies performed examining and identifying the active steps nascent entrepreneurs take. Although not exhaustive, the following were reported as active behaviors performed by many nascent entrepreneurs: 1) either searched for or already purchased facilities and equipment; 3) either started saving money to invest or had already invested personal funds in the new business; 4) organized a team; 5) composed a business plan; 6) sought financial aid; and 7) applied for a license, patent, or permits (Reynolds, 1997; Reynolds & White, 1997; Diochon et al., 2001).

These activities and similar others (e.g., deciding on a location, creating a website) have been called gestation activities (Gartner, Carter, & Reynolds, 2004). Other research has found that the amount of time spent on these activities has enormous implications regarding the budding business venture's development. Gatewood, Shaver, and Gartner (1995) found that new businesses that became operational spent 18 times more hours to these types of activities than did other start-ups; thus, highlighting the importance of committing to the endeavor as opposed to simply being a hobbyist.

As a result of these findings, commitment will be examined as it relates to these entrepreneurial stages. It seems latent and nascent entrepreneurs are less committed to their entrepreneurial goals and interests than actual entrepreneurs. Furthermore, this study will examine the extent to which commitment relates to an individual's ability to act courageously. Greater detail of these ideas will come later in this literature review. At this point, we will examine the first active often steps taken by nascent entrepreneurs.

First active step. Interviews conducted by the Panel Study of Entrepreneurial Dynamics (PSED) reported many nascent entrepreneurs engaging in similar first active

behaviors towards starting a business. Among those behaviors, 57% of the 715 nascent entrepreneurs reported that their first active behavior was spending a considerable amount of time thinking about starting a business; 16% reported that their first activity was taking either classes or workshops on starting a business; 15% reported that their first activity was saving money to invest in business; 14% reported that their first activity was actually investing their own money in their business; and 12% reported that their first activity was developing a model or procedures for their product or services (Gartner & Carter, 2003).

These findings highlight discrepancy among definitions of latent and nascent entrepreneurs. As stated above, merely thinking about or even talking about entrepreneurship is not considered nascent entrepreneurship (Reynolds et al., 2005). On the contrary, nascent entrepreneurship requires the taking of active steps toward starting a business (van Stel et al., 2007). This hazy line of distinction between latent and nascent entrepreneurs is further reason for combining the two groups into one in the current study.

Personal characteristics and attributes. The following are the personal characteristics and attributes found among nascent entrepreneurs in 29 by the Global Entrepreneurship Monitor (GEM) in 2001. These individuals are 1) more likely to be men than women; 2) more likely to personally know an entrepreneur; and 3) more likely among individuals working full or part time than among those who are not working or are not in the labor force. Furthermore, these individuals generally favor creating a small and manageable business rather than seeking large growth (Human & Matthews, 2004).

Moreover, these individuals typically invest small quantities of money in their businesses (Kim, Aldrich, & Keister, 2006)

During the 2003 Global Entrepreneurship Monitor (GEM) in which 31 countries participated and approximately 100,000 adults were interviewed, estimations were made that there were approximately 14.689 million nascent entrepreneurs in the U.S., 1.843 million in Germany and 1.271 million in the U.K. (Reynolds, Bygrave, & Autio, 2004b).

Entrepreneurial Intentions

According to this study's definition, a courageous act must be intentional. Consequently, in this section I will examine the research literature on intentionality as it relates to courage and entrepreneurship.

There is burgeoning research suggesting that intentions play an important role in the decision to create a new business (Obschonka, Silbereisen & Schmitt-Rodermund, 2010; Lee et al., 2011, Linan & Chen, 2009; Moriano et al., 2012). For instance, one longitudinal study following the lives of 6,116 young British people (born in 1970) from birth to age 34 found that for both men and women, becoming an entrepreneur was related with social skills and entrepreneurial intentions expressed at age 16. The study also found that for men, becoming an entrepreneur was predicted by having a self-employed father; for women, it was predicted by their parents' socioeconomic resources (Schoon & Duckworth, 2012).

Other research found strong predictive power between two models of entrepreneurial intentions: Ajzen's (1991, 1987) Theory of Planned Behavior and Shapero and Sokol's (1982) model of the Entrepreneurial Event (Krueger, Reilly, &

Carsrud 2000). As a result, they argued that intentions are the single best predictor of any planned behavior (including entrepreneurship), highly influencing attitudes and the motivation to act (Krueger et al., 2000).

Process Courage

Similar to Rate et al.'s (2007) definition, Pury and Woodard (2009) explained courage as "the intentional pursuit of a worthy goal despite the perception of personal threat and uncertain outcome" (p. 247). This explanation of courage focuses on the process by which an individual overcomes personal challenges and perceived risks in pursuit of an intended outcome. Building on these explanations of courage, Pury and Starkey (2010) explain courage as a process as the progression an individual experiences by overcoming their subjectively perceived risks in pursuit of personally relevant goals. Thus, process courage is generally looking forward toward the attainment of a goal.

Accolade courage. Courage as an accolade is closely associated to many definitions of bravery; and is exhibited when an individual overcomes significant risks while pursuing and often achieving a good of significant value to society (Pury & Starkey, 2010). Rate et al.'s (2007) definition highlights aspects of this form of courage in that the risks are perceived as objective and significant, meaning the risks and outcomes are recognized after the fact by people who value the goal being pursued.

These courageous acts are often attended by public praise and awards, or are even made into permanent reminders in the form of statues and memorials (e.g., war heroes) (Pury & Starkey, 2010). Pury et al. (2007) described such actions, in pursuit of significant goals against extreme risks, as enormous courage which they contend merit the highest

forms of public praise. Building on these conceptions of courage as actions perceived (both by the self and others) as rare, extraordinary, and worthy of societal recognition, Pury and Starkey (2010) distinguished this perception as courage as an accolade.

Pury and Starkey (2010) explain that these behaviors are considered by society as worthy of praise. Consequently, rewards and praise are given far more often if the goal attained. On the other hand, if the goal is not attained, the worth of the goal can be called into question in relation to the risks involved. For instance, Pury et al. (2007) found that individuals overwhelmingly share experiences with successful outcomes when asked to describe their own courageous actions. Another study found that actions with successful outcomes were rated as more courageous than actions with unsuccessful outcomes (Pury & Hensel, 2010). Thus, unlike courage as a process which is looking forward toward the attainment of a goal, courage as an accolade occurs by looking back on an act that has already been performed; and is often based on whether or not the act was successful or not.

Both courage as a process, and accolade courage seem to fit well in this study. Understanding the nature of latent and nascent entrepreneurs seems to indicate that entrepreneurship is a process—from the initial idea of becoming self-employed to the point of actually being self-employed. Thus, it seems courage as a process may be a component in the overall process of starting a business. Indeed, an individual may spend years preparing themselves to make the decision to confront perceived risks. Once started, it seems highly likely than an individual will be required to confront various risks along the way toward goal completion.

Courage as a process is often undetected by others and does not usually merit societal recognition (Pury & Starkey, 2010). For instance, an individual may have the goal of starting her own business, but is halted by the many perceived risks associated with starting a business. She may experience these risks as either internal (e.g., lack of competence) or external (e.g., market fluctuations) resistances of her goal (Pury & Starkey, 2010). If she were to continue her goal of starting a business in the face of her subjectively perceived risks (both internal and external), she would be demonstrating courage as a process. Indeed, it may take several attempts to work up the courage to face the perceived risks (both internal and external) associated with this goal.

Despite these arguments for entrepreneurial courage, entrepreneurship may also be perceived as a non-courageous endeavor because 1) not all people would consider entrepreneurship to be risky, and 2) not all people consider entrepreneurship as noble. Indeed, Pury and Starkey (2010) have found that regarding courage as an accolade, the venture must be considered both risky and noble from the outside observer's perspective. Regarding nobility, it seems some might consider entrepreneurship a hedonistic endeavor (Baumol, 1990) unless the entrepreneur was prosocially motivated (i.e., social entrepreneurship). Of entrepreneurial goals and motivations, Jurik and Bodine (2014) found in their qualitative study a considerable emphasis on altruism and social responsibility goals compared to strictly business or personal motives.

Additionally, courage as an accolade may only arise if the business is a success rather than a failure. Indeed, unlike courage as a process which is looking forward, courage as an accolade generally occurs by looking back on something that already

happened. However, it seems likely that individuals may be awarded with courage simply by attempting their entrepreneurial goals due to widespread belief that most ventures fail. Simply trying may warrant courage as an accolade. Hypotheses regarding these variations of courage will be included in the next chapter.

Enhancing courage. Lester et al. (2010) proposed that courage can be developed and mastered through social learning, observation, cognitively modeling, and emulation. They highlight the importance of role models' ability to enhance the development of courage in their protégés by providing them opportunities for mastery experiences, vicarious learning, social persuasion, and physiological and emotional arousal.

Furthermore, Hannah et al. (2007) present a model suggesting that courage, and a courageous state of mind promoting courageous behavior, is enhanced when an individual believes in morals such as integrity, honor, valor, independence, duty, selflessness, and loyalty. They identify four mind-states which enable an individual to act courageously: 1) self-efficacy empowered by competencies and skills required to attain desired goals; 2) means efficacy, or an individual's belief that their current means (e.g., resources, skills) are adequate for achieving goals; 3) state hope, or an individual's belief that achieving desired goals is possible, that plans, tactics, and strategies can be developed and executed for goal attainment; and 4) resilience, or an individual's belief in their ability to recover from resistance and continue progressing toward goal accomplishment.

These mind-states seem to fit into Rate's (2010) components of courage as an intentional act persisting through risk in order to attain a goal. Indeed, the act of

persisting toward a goal despite risk seems to involve self and means efficacy, in that the individual believes they have the competencies and resources to achieve their arduous goal. Furthermore, persisting toward a goal despite risk seems to relate to state hope, in that the individual 1) believes that goal attainment is possible; and 2) makes plans to navigate through the risks which make goal attainment a more likely outcome. Lastly, persisting toward a goal despite risk seems to involve resilience, in that the individual believes in their ability to recover from mistakes or failures involved in the inherent risks of the goal.

Building off Hannah et al.'s (2007) work on enhancing courage, the following section seeks to determine the extent to which courage can increase. Specifically, the next section seeks to examine literature highlighting potential antecedents which may create a context where courageous behavior would more likely occur.

Point of No Return

A point of no return can be illustrated in aviation when a pilot reaches the point on a flight at which, due to fuel depletion, the plane is no longer capable of returning to the airbase from which it took off. According to the Gulfstream G450 Performance Handbook (Haskel, 2011), there is a formula used to calculate the ground distance from the departure airport to the *point of safe return* (PSR) based on endurance (i.e., fuel quality and flow) in addition to outbound and return ground speed at cruise altitude. According to the formula, the point of safe return is the final point on a route at which it is possible to return to the departure airfield. When a pilot goes past the point of safe

return, they become committed to landing at their charted destination or in case of emergency, a different destination than the one intended.

These ideas of reaching a point of no return seem to relate to other aspects of life. Indeed, some pursuits may require continual and sustained commitment due to the long process involved. In such cases, it seems possible that the individual may experience a *point of no return* after which there becomes a narrower range of alternatives. That is, when an individual's level of commitment to a particular goal escalates to such an extent that they refuse withdrawal from their course of action. For instance, does an individual who decides to become an entrepreneur engage in activities (e.g., quitting their job) that make the pursuit more likely? If so, what is the experience like after this threshold is crossed? Is courage more or less likely?

As a point of technicality, the study seeks to distinguish between a literal point of no return and a *point of difficult return.* As it relates to point of no return, the following will be a review of literature on goal commitment and escalation of commitment. In this study, escalation of commitment will reflect a point of difficult return. However, this study also seeks to examine whether entrepreneurship and perhaps by extension, other courageous behaviors can move past the point of difficult return into a realm where no return is an option, be it a psychological or physical state. To examine this, we look to the research literature of goal commitment and escalation of commitment.

Goal commitment. Goal commitment can be defined as the fortitude to accomplish a goal and the persistence in pursuing it over time (Hollenbeck & Klein, 1987). Hollenbeck, Williams and Klein (1989) found that commitment to difficult goals

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increased when goals were made public. Thus, as goals are made public, they seem more difficult to retract from.

Escalation of commitment and sunk-cost. Staw (1976) found that when an individual is personally responsible for initiating a course of action, they may become overly committed to this course of action despite negative feedback. Additionally, a positive relationship has been found between sunk cost and escalation of commitment; the more resources an individual has invested, the more they are willing to persist despite negative feedback (Arkes & Blumer, 1985; Garland, 1990). Indeed, a business may escalate commitment when additional resources, which may or may not be economic, are allocated to continue the project (Staw, 1976; Schmidt & Calantone, 2002). Moreover, it has been found that once a business starts to participate in a collaborative project, that commitment to that project may escalate (e.g., Arkes & Blumer, 1985; Conlon & Garland, 1993). Thus, it seems likely that goal commitment may escalate as an individual progresses in their goal of starting a business.

Another example of escalation of commitment may be an individual who allocates large quantities of time into their entrepreneurial endeavors. Despite receiving negative feedback (e.g., business failure, lack of relational support) it seems possible that an individual may persist toward their goal due to enhanced commitment. However, could this escalating commitment reach a point of no return? Stated another way, could commitment become so strong to a goal that withdrawal no longer becomes an option, be it physical or psychological? Such heightened commitment may facilitate both virtuous and non-virtuous outcomes.

The following section will outline ways in which courage can occur in non-virtuous forms. Indeed, as with escalation of commitment where an individual persists forward despite negative feedback, individuals may courageously persist forward toward non-virtuous goals. In the context of entrepreneurship, an individual may courageously push toward their subjectively worthwhile goals in a non-virtuous manner.

Non-virtuous forms of courage. Non-virtuous courage may result from a disagreement between actor and observer regarding the voluntary action, risks, and goals of an action (Pury et al., 2015). Pury et al. (2015) examined key features of courage (intention, risk, and value of goal) among individuals who had either committed suicide or killed other people. They found courage, albeit *bad courage*, in these individuals. Indeed, an individual may believe a certain goal to be noble that society views as a wrong.

Other types of non-virtuous courage that Pury et al. (2015) describe are *futile courage* and *foolish courage*. Futile courage may occur if the observer sees that the action is unlikely to bring about the desired outcome, such as an individual donating a kidney to someone unlikely to survive the transplant operation (Pury & Hensel, 2010). Foolish courage may occur if the observer sees no harm but also no benefit in the goal being pursued.

All three of these forms (i.e., bad, futile, and foolish) of courage seem possible among individuals seeking entrepreneurial goals. For instance, an individual may sabotage their marriage due to over commitment to their entrepreneurial goals, which may be deemed bad courage. An example of futile courage in entrepreneurship may be an

individual, who, despite negative feedback from others and the marketplace, persists in a business idea that is highly likely to fail. Lastly, an individual acting courageously in a foolish manner may be told by a friend that their entrepreneurial goals will unlikely provide benefit for themselves or anyone else, yet despite this feedback they persist forward.

The following section highlights how highly committed individuals may heighten their commitment to certain outcomes. Specifically, this next section examines more deeply the concept of point of no return as it relates to various aspects of life; as well as its possibility in entrepreneurship.

Removing alternative courses of action. The ability to suppress and abandon actions is a core element of cognitive control, and deficiencies in this ability relate to impulsive and compulsive behaviors such as drug addiction and attention- deficit hyperactivity disorder (Frank, 2006). Indeed, various forms of human behavior seem to reflect a *point of no return* psychology. In this section, I will review positive and negative examples of this level of commitment.

Point of no return. Cardiovascular atherosclerotic disease is brought about by detrimental lifestyle behaviors but can be reversed by positive lifestyle change (Fletcher & Oka, 2010). Fletcher and Oka (2010) argue that to make an impact on this fateful disease, an individual must make successful lifestyle changes that result in positive and permanent change. Anything less than permanent change does not seem strong enough to ward off this disease for certain individuals. Thus, if a reversal of negative health is

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desired for individuals with cardiovascular atherosclerotic disease, a point of no return seems necessary as it relates to detrimental lifestyle behaviors.

The previous example resembles a prevention focused point of no return because the permanent change in behavior is to prevent the negative consequences of cardiovascular atherosclerotic disease. This seems similar to individuals who strive to make permanent lifestyle changes to overcome addiction or other harmful behaviors.

There also seem to be promotion focused point of no returns. For instance, can one become so committed to healthy eating that eating a formerly desirable but bad-for-you foods, such as cake or chips, become undesirable? This seems highly likely. Indeed, it is advised that when making healthy dietary changes that such changes should be maintained long-term (Kumanyika et al., 2000).

Covenant marriage. Another possible example of promotion focused point of no return is covenant marriage. The U.S. Covenant Marriage is an optional contract that marrying couples may select if they desire. A covenant marriage contract indicates a couple's enhanced commitment to their marriage, and their voluntary severing of traditional access to hasty, effort-free, no-fault divorce in the future (Rosier & Feld, 2000).

In order for a couple to engage in covenant marriage, they must first complete at least some pre-marital counseling. Moreover, the couple must sign and file affidavits testifying to their comprehension that marriage is a life-long commitment, a point of no return. Indeed, in the context of such a contract, the couples must agree to seek divorce 1)

only with approved-fault grounds, and 2) only after completing mandatory counseling intended to save the marriage if possible (Rosier & Feld, 2000).

Covenant marriage seems to signify a promotion point of no return. Specifically, the various actions involved which are intended to cut off alternative courses of action. Such acts may be seen as courageous in that an individual moves toward their goal (e.g., committed marriage) in spite of potentially perceived risks (e.g., being stuck in an unhappy marriage, deciding later in life a different course of action). It seems possible that starting a business may be perceived similarly to covenant marriage in that certain acts may signify a point of no return. Hypotheses regarding these possibilities will come in the following chapter.

Courage. Due to the inherent physical and psychological risks involved in various courageous behaviors, some seem to represent either a point of difficult return or a positive point of no return. Indeed, certain courageous behaviors seem to demonstrate prevention point of no return behaviors while others seem to demonstrate promotion point of no return behaviors.

Certain courage-related constructs, both prevention and promotion, seem to constitute a point of no return. For instance, *whistle-blowing*, is a prevention-focused act of reporting a prohibited organizational activity (Henik, 2015). Such acts may have required courage, if not general than perhaps personal (Pury et al., 2007), to perform. It is also possible that such acts would be awarded as accolade courage (Pury & Starkey, 2010) by management or society in general. Upon the information being disclosed, such acts may reflect a point of no return. Indeed, the consequences of whistle-blowing might

lead to job termination or being ostracized by fellow employees. Although the singular

point of no return event may have been crossed, the experience may likely continue for

the whistle-blower in the form of investigation and potentially a trial. Thus, after the

point of no return threshold has been crossed, the individual does not seem likely to be

done with the experience. However, after this point has been crossed, it seems the

individual will have a firmer resolution requiring less exertion to maintain.

A promotion-focused courage-related construct is *constructive deviance,* which is

shown among individuals who behave counter to norms to promote a perceived

honorable cause (Spreitzer & Sonenshein, 2003). Vadera, Pratt, and Mishra (2013) argue

that three underlying mechanisms to constructive deviance are intrinsic motivation, felt

obligation, and psychological empowerment. Again, such acts may have required

courage, if not general than possibly personal (Pury et al., 2007), to execute. Such acts

may also reflect a point of no return, in that the consequences of such acts could lead to

job termination or social rejection.

Another example of promotion courage may be an adolescent with large

ambitions for life who recognizes his current peer group is taking his life in an undesired

direction. Although the decision may be difficult and involve personal (Pury et al., 2007)

and or process courage (Pury & Starkey, 2010), to ensure he one day reaches his goals,

he may decide to permanently cut ties with certain friends he deems to be a negative

influence on him. Indeed, he may perform certain behaviors that constitute a point of no

return such as telling his friends he no longer wants to spend time with them or changing

schools to find new friends.

Entrepreneurial Motivations

In the context of the courage literature, the motivation to become an entrepreneur is important. As Rate (2010) has defined courage as an intentional act motivated to bring about a noble good or morally worthy purpose. Thus, if the goal is not considered noble or worthwhile to the individual, it may not be considered a courageous endeavor. Indeed, there has been extensive inquiry as to why individuals pursue entrepreneurial activity (Gatewood et al., 1995, Carter et al., 2003).

Key motivations for becoming an entrepreneur. Despite failure rates among new businesses being approximately sixty percent within the first five years (Cooper et al., 1988; Phillips & Kirchoff, 1989) and that average income of the self-employed is regularly well beneath that of similar employed individuals (Hamilton, 2000), each year there are many individuals who start new businesses. This seems to be due to certain intrinsic factors motivating individuals to pursue an entrepreneurial vocation. For instance, numerous studies indicate that many of the self-employed are more fulfilled with their careers than the employed (Benz & Frey, 2008a; Blanchflower & Oswald, 1998).

In this section of the literature review, I will focus on two primary motivations for becoming an entrepreneur: 1) need for achievement, and 2) self-realization; both of which seem like promotion goals.

Need for achievement. McClelland et al. (1958), the originators of the concept *need for achievement* (nAch) contend that individuals with high nAch are more likely than individuals with low-nAch to engage in active and innovative activities that require future

planning as well as responsibility for task outcomes. McClelland (1961) further argued that high-nAch individuals should also prefer occupations that offer high degrees of control over outcomes, personal responsibility, feedback on performance, and moderate degree of risk.

McClelland (1961) also maintained that entrepreneurial positions have more of these features than other types of positions. Collins, Hanges, and Locke (2004) performed a meta-analysis on need for achievement as a motivation for entrepreneurship and their findings reflect McClelland's findings.

Self-realization. According to Ashforth (2001), the self is a socially defined construct evoked from an individual's association in certain social groups. Cardon et al. (2009) argue that role identity is fundamental to behaviors driving the venture creation process. Powell and Baker (2014) found that entrepreneurs respond to adversity by using their firms as mechanisms to defend who they are or to become who they want to be. Seeking to a founder identity can motivate and individual to quit their job to start a business (Farmer, Yao, & Kung-Mcintyre, 2011; Hoang & Gimeno, 2010).

Founding a new venture may be a motivation to experience a sense of authenticity; or in other words, to remove oneself from societal and social norms or expectations. For instance, Iyer (2009) found that Indian women founded businesses as a method of resisting identities forced upon them through "socially provided roles" (p. 244). It seems that seeking identity and authenticity through entrepreneurship may involve courage. The following section illustrates how seeking authenticity and identity can often require courage.

The courage to be authentic. Authenticity has been defined as 1) unconventional, or associated to the road less traveled; 2) the more challenging path; and 3) genuineness in that there is an absence of deception (Thompson, 2006). Authenticity is further defined as "suggesting genuineness, originality, perhaps uniqueness, and honesty or truthfulness, and is held in contrast to imitation, falseness, or fakeness" (Woodard, 2010, p.113).

According to existential psychological theories, being a conscious being dependent on a physical world brings about several dilemmas, including 1) anxiety that results from knowing death is unpreventable, 2) freedom to make choices in an unpredictable world, 3) responsibility for these choices, and 4) a sense of isolation from all other people (i.e., no one else can be you) (Bugental, 1981). Woodard (2010) explains that each individual has the choice of avoiding or trying to escape these dilemmas; which can be done on one level by apathy or intoxication (e.g., drug or alcohol abuse), and on a lower more pervading level through mass culture, social norms, and attitudes of others. Heidegger (1927/1953) defined this as "the they," (p. 119) and described "the they" as an approach to life seeking to be ordinary, average, and mediocre (Woodard, 2010).

When individuals seek to escape the existential dilemmas of life by drowning out their authentic identity in the ocean of mass culture, social norms, and the attitudes of those around them, they are being inauthentic (Woodard, 2010). Thus, to be inauthentic is to hide from one's true identity by imitating those around them. Woodard (2010) further argues that it takes courage to diminish what he calls, "they-ness," (p. 115), which he describes as courageously choosing to be one's true and authentic self. He further explains that courage is required to accept the freedom and responsibility of one's

personal choices; which can involve isolation and loneliness from being different from everyone else. He also describes authenticity as a courageous choice, in that it involves risking becoming who one truly is.

Authenticity is often seen as the capacity to cope effectively with challenges, and is closely linked to the anxiety of being oneself (Thompson, 2006). Thus, authenticity seems to relate with courage as a process, in that an individual often needs to cope with challenges and perceived risks while pursuing their goals (Pury & Starkey, 2010). Indeed, it seems that inherent to courageously pursuing one's goals is the courage to seek one's authentic goals.

Humanistic-existential perspectives. Humanistic psychology assumes that inherent human potential can be identified and developed. Maslow stressed that when an individual meets their crucial deficiency needs (i.e., safety/security, love/belongingness, and self-esteem) that it is possible for that individual to reach a state of self-actualization (Maslow, 1968). At this actualized state, individuals can focus on growth needs, which represent humans at their best (Resnick et al., 2001).

May (1981) argued that healthy psychological development involves the capacity to develop a sense of individual freedom, which is the ability to act with a sense of values, purpose, and meaning in life as opposed to succumbing to social expectations and norms. Furthermore, Maslow (1970) and May (1975) argued that when an individual has met their base needs, they can make growth choices facilitating enhanced creativity, courage, love, affection, responsibility, and ego transcendence.

Entrepreneurial Risk

According to this study's definition, a courageous act must involve risk to the actor. Consequently, this section will examine the research literature on entrepreneurial risk.

The relationship between risk and entrepreneurship is an extensively studied topic in the entrepreneurship literature (Block, Sandner, & Spiegel, 2009). Indeed, risk taking is often considered a distinguishing characteristic among entrepreneurs (Kan & WeiDer, 2006). Moreover, risk tolerance is found to increase the probability of being self-employed (Grilo & Irigoyen, 2006). Starting a business is laden with unpredictability and uncertainties (Burke & Miller, 1999) and involves confronting various forms of risk (Lumpkin & Dess, 1996).

Caliendo, Fossen, and Kritikos (2009) found that generally, individuals with lower risk aversion are more likely to become self-employed. However, this is true only for individuals leaving regular employment, while for individuals coming out of unemployment or inactivity, risk attitudes do not seem to play a role in the decision process.

Conversely, Tyszka et al. (2011) did not find support for the claim that entrepreneurs are more risk-prone than wage earners. However, they argued entrepreneurs (both opportunity-driven and necessity-driven) inevitability reported more everyday risky investment activities than wage earners due to the nature of entrepreneurship, rather than personal preference and liking. This seems to highlight courage in that risks are not sought for the sake of risk-taking. On the contrary, risks seem to be an inevitable aspect of pursuing entrepreneurial goals.

Theoretical Understandings of Risk

Risk-taking is defined as the alacrity to take action based on the perception of potential future gains or losses (Jackson, 1994). According to classical decision theory, risk is generally perceived as a function of 1) the distinction in the distribution of possible outcomes, 2) the associated outcome probabilities, and 3) their subjective values (March & Shapira, 1987).

Yet, other researchers argue that risky decisions are not exclusively a matter of willful deliberation, but are also a matter of individual predisposition towards risk-taking. (Bromiley & Curley, 1992; Jackson, Hourany, & Vidmar, 1972; Plax & Rosenfeld, 1976). Accordingly, Sitkin and Weingart (1995) argue that individual predisposition impacts situational features on risky decision-making behavior. Thus, an individual with risk predisposition may be less likely than others to perceive a certain situation or decision as risky.

Challenges in Determining Entrepreneurial Risk-Propensity

Empirical studies inspecting the comparative risk-taking tendencies of entrepreneurs and managers have yielded contradictory conclusions, constituting an obstacle to theory development (Stewart & Roth, 2001). To clarify the varying research results, Stewart and Roth (2001) conducted a meta-analysis of 12 studies published between 1980 and 1999 that used, primarily, the risk-taking scale in the Jackson Personality Inventory (1976). The results of their meta-analysis indicated that the entrepreneurs have higher risk propensity than managers.

As a follow-up to the Steward and Roth (2001) meta-analysis, Miner and Raju

(2004) meta-analyzed 14 studies that primarily used the Risk Avoidance subscale of the Miner Sentence Completion Scale—Form T (Miner, 1986) and got a contradictory finding. The results of their meta-analysis indicated that entrepreneurs are more risk-averse than managers. In response the Miner and Raju's (2004) meta-analyses, Stewart and Roth (2004) meta-analyzed the same studies included in the former's meta-analyses and found that entrepreneurs had higher risk propensies than managers.

The opposing authors could not agree on studies that reliably measure risk and thus qualify a valid sample of entrepreneurs. Consequently, neither side could agree on which specific studies of risk taking propensity should be the correct ones to include for analyses. As a result, each set of authors combined different studies and produced different results.

The challenge of conceptualizing and measuring the nature of risk has persisted in entrepreneurship research. For instance, Zhao, Seibert, and Lumpkin (2010) performed a meta-analysis and found similar results to those found in Stewart and Roth's (2004) meta-analysis. Specifically, they found differences between nascent entrepreneurs intending to start businesses compared to others since both meta-analyses used only studies that used the Jackson Personality Inventory as well as studies with similar samples (Gartner & Liao, 2012). Furthermore, Zhao et al. (2010) found that risk-taking propensity was positively associated to intentions for starting a business, but not associated to actually starting a business. Though interesting, these findings may not have been novel, and perpetuated the same issue as before. That is, a clear selection bias occurred regarding the selection of studies that theorized risk a particular way.

Hongwei and Ruef (2004) used two models to examine entrepreneurial behavior toward risk: 1) a strategic model of risk tolerance based on investment decisions; and 2) a non-strategic model of risk tolerance based on information bias about business success. For both models, they found nascent entrepreneurs to be more risk-averse than non-entrepreneurs. Similarly, Gartner and Liao (2012) found that risk-propensity does not significantly distinguish nascent entrepreneurs from others; nor does risk-propensity distinguish between those that are successful or unsuccessful at starting businesses. This study will examine perceptions and focus on risk comparing latent/nascent entrepreneurs vs. actual entrepreneurs.

Entrepreneurial Orientation

The three Entrepreneurial Orientation (EO) dimensions originated in Miller's studies (1983 as cited in Miller, 2011): 1) risk-taking, 2) innovation, and 3) proactivity. EO is a widely examined construct that explains entrepreneurial behavior (Covin & Lumpkin, 2011). However, the scholarly community has yet to agree on a precise conceptualization of EO (Basso, Fayolle, & Bouchard, 2009).

Some of the challenge researchers have faced in conceptualizing EO is in determining whether it is a behavior or a disposition (Covin & Lumpkin, 2011). For instance, EO has been conceptualized as "a firm-level disposition to engage in behaviors [reflecting risk-taking, innovativeness, proactiveness, autonomy, and competitive aggressiveness] that lead to change in the organization or marketplace" (Voss, Voss, & Moorman, 2005, p. 1134). On the other hand, EO has been defined as "a set of distinct

but related behaviors that have the qualities of innovativeness, proactiveness, competitive aggressiveness, risk taking, and autonomy" (Pearce, Fritz, & Davis, 2010, p. 219).

Individuals characterized with an entrepreneurial orientation (i.e., innovative, risk-taking, and proactive) seem promotion, as opposed to prevention, focused. Moreover, individuals who are entrepreneurially oriented seem likely to act courageously to accomplish their goals due to competitive aggressiveness and willingness to take risks.

Conclusion

Current courage research emphasizes courage as a preventative mechanism in an isolated instant. In this thesis, I intend to use the unique strengths of examination in qualitative inquiry to 1) balance research understanding by exploring courage enacted toward promotion goals, in addition to 2) expanding literature on courage as an extended process (Pury and Starkey, 2010) rather than a singular event. Furthermore, this study explores in greater depth the volitional (Rate, 2010) component of courage by examining 3) how hope may relate to courageous action toward promotion goals, 4) how expectancy may relate to courageous action toward promotion goals, and 5) how felt responsibility may relate to courageous action toward promotion goals.

To explore these ideas, this thesis examines courage in the context of the early entrepreneurial stages. The study of entrepreneurship seems a good fit to expand courage research because entrepreneurship is often considered a risky endeavor (Kan & WieDer, 2006) toward promotion goals (Fairlie & Meyer, 1996). Moreover, entrepreneurship is less of a singular instance and seems more to be an extended process; which allows this study to examine the entrepreneur's subjective experience from impetus to business

launch. Furthermore, the constructs of hope, expectancy, and felt responsibility all seem to be relevant entrepreneurial characteristics with which to analyze in relation to the possibility of courage.

Additionally, this study seeks to explore a unique avenue of thought as it relates to courageous behavior and goal commitment, specifically, the idea that individuals may perform certain behaviors constituting a point of no return. For example, do entrepreneurs perform certain behaviors requiring courage that initiate a point of no return, such as quitting a job or getting a loan for a property? Hypotheses for these and other questions will occur in the next chapter as well as an explanation in greater detail of the aims of this study.

CHAPTER FOUR

SUMMARY OF HYPOTHESES

The primary inquiry of this thesis is better understanding courage in the context of the early entrepreneurial stages.

Latent/nascent vs. actual entrepreneurship. These hypotheses seek to determine key differences between latent/nascent vs. actual entrepreneurs in the initial stages of the startup process.

Hypothesis 1a (H1a): Actual entrepreneurs will spend less time planning before starting than latent/nascent entrepreneurs.

Hypothesis 1b (H1b): Actual entrepreneurs will perceive fewer barriers to starting than latent/nascent entrepreneurs.

Courage and entrepreneurship. Specifically, is courage a differentiating factor among latent/nascent vs. actual entrepreneurs? Indeed, entrepreneurship is considered a risky venture. Thus, courage, defined here as intentional behavior in pursuit of a subjectively worthy goal despite subjectively perceived risks (Rate, 2010; Pury & Starkey, 2010), seems to be an important consideration.

Hypothesis 2a (H2a): Actual entrepreneurs will perceive courage as crucial in starting a business more often than latent/nascent entrepreneurs.

Hypothesis 2b (H2b): Actual entrepreneurs will perceive their entrepreneurial goals as noble and important more often than latent/nascent entrepreneurs.

Hypothesis 2c (H2c): Latent/nascent entrepreneurs will be inhibited by their perceived risks more often and for longer periods of time than actual

entrepreneurs.

Hypothesis 2d (H2d): Latent/nascent entrepreneurs will perceive worse outcomes if risks occurred than actual entrepreneurs.

Hypothesis 2e (H2e): Latent/nascent entrepreneurs will perceive risks as more likely to happen than actual entrepreneurs.

Goal commitment and point of no return. The constructs of goal commitment as well as escalation of commitment have yet to be explored in relation to courage. However, it seems goal commitment may be related to courage in that the more resources (e.g., time, money) an individual puts into their pursuits, the more likely they will persist despite risks (Staw, 1976; Schmidt & Calantone, 2002).

Additionally, this study seeks to determine the extent to which commitment can reach in goal pursuit. Specifically in this case, the goal of starting a business. Indeed, as has been stated, commitment can escalate; but how far can that escalation rise? It seems likely that commitment can reach a point of no return, whether that be a physical or psychological state. For instance, two people may be in love and committed to their relationship. That commitment may reach a point where they enter a covenantal marriage, signing a document that makes it difficult to withdraw (Rosier, & Feld, 2000). Doing something that requires this level of commitment may involve courage because going back to how things once were may be difficult or impossible. Does this level of commitment occur among individuals starting a business?

Hypothesis 3a (H3a): Actual entrepreneurs will demonstrate goal commitment more often than latent/nascent entrepreneurs.

Hypothesis 3b (H3b): Actual entrepreneurs will demonstrate an escalation of commitment more often than latent/nascent entrepreneurs.

Hypothesis 3c (H3c): Actual entrepreneurs will demonstrate a point of no return more often than latent/nascent entrepreneurs.

Hypothesis 3d (H3d): Actual entrepreneurs will perceive confronting risks to achieve their goals as easier after they have crossed the point of no return more often than latent/nascent entrepreneurs.

CHAPTER FIVE

METHOD

Participants

I sought a purposive sample (Berg, 2001; Denzin & Lincoln, 1994) of individuals who were either 1) latent/nascent entrepreneurs ($N = 14$) or 2) actual entrepreneurs ($N = 17$). I defined latent/nascent entrepreneurs as individuals who have the desire to become entrepreneurs but have not yet fully committed to self-employment. I defined actual entrepreneurs as individuals who have started up and manage their own business. Consequently, participants were eligible for the study if they were actual entrepreneurs of if they had expressed interest in being an entrepreneur. All participants' names have been changed to pseudonyms to protect their identity, and the identity of their businesses.

To avoid confounded data, both types of participants (i.e., latent/nascent entrepreneurs and actual entrepreneurs) were found the same way. The first source for finding subjects was an entrepreneurial institute associated with a major university. Unfortunately, no participants were found using this entrepreneurial institute. Consequently, a number of this study's participants were found through entrepreneurial social media groups. The final source for finding study subjects was the primary researcher's social network. A consistent message was sent out to keep the research as consistent as possible. The message that was sent out on social media was as follows: "I'm looking to interview two types of people: 1) People who would like to be entrepreneurs that are still employed full-time, and 2) People who have already started up and are managing their own business. If you know anyone who fits these two categories,

would you please send them my information so they can contact me if interested? Thank you for your help!"

To keep the research within the bounds of good science, no one was interviewed with whom the researchers knew personally. At the end of each interview, the primary researcher asked the interviewee if they have any other contacts that could be interviewed who fit the desired demographics of this study; and, if so, the interviewee was asked to forward the primary researcher's contract information. A small number of this study's participants were such referrals.

Undergraduate participants. Undergraduates ($N = 104$) from a major university were recruited to rate interview responses from latent/nascent and actual entrepreneurs regarding perceived worst case scenarios. These undergraduates were also asked questions regarding their own personal point of no return experience in becoming college students.

Interview Methodology

Participants underwent a one hour interview found in Appendix B. Fundamentally, an interview is a directed conversation. The use of "intensive interviewing" (Lofland & Lofland, 1995) permits an in-depth examination of a particular topic or experience (e.g., starting a business) and is thus a useful method for interpretive analysis.

Individuals were asked 14 questions about starting a business (see Appendix B). These questions were reviewed by the primary research advisor and piloted by the primary researcher. The participants were all be asked the same set of primary questions

in addition to follow-up questions if clarification is needed. However, due to the variability of each subject's responses, some questions could not be asked to certain subjects. Indeed, certain subjects answered questions briefly and directly, while others spent large portions of time elaborating on rich details of their experiences. In order to respect the agreed-upon timeframe of the interview, questions not directly assessing the primary variables of the study were skipped. For instance, 74 percent of respondents were asked the question, "What would the worst case scenario be if it occurred in your business?" Additionally, 84 percent of the respondents were asked the question, "How much time do you spend stalling before you confront risks?" Lastly, 84 percent of the respondents were asked the question, "How long after you decided you wanted to start a business did you wait to start?

Data Analysis

Interviews were audio recorded and then transcribed and checked for accuracy. After the audio recorded interviews were transcribed, the primary researcher and a team of five undergraduate research assistants (i.e., secondary coders) coded the interviews. Four of the undergraduate research assistants did the initial coding, and the fifth undergraduate research assistant was called upon to break any needed coding ties at the conclusion of the coding process.

As this study was exploring relatively new concepts, the first round of coding was to identify themes, which become codes for later coding round. The second round of coding was to clear confusion from the first round by clearly defining the codes for each hypothesis. After the second round of coding, all ties were broken by the fifth

undergraduate research assistant. Table 1, listed below, details all measure items, the

codes and Cohen's Kappa (Landis & Koch, 1977) scores for each item, as well as the

types of statistical analysis performed to examine the data for each question.

Responses to the item: "What would the worst case scenario for your business

be?" did not allow for a clean coding structure. As such, the question and subsequent

response coding failed to adequately address Hypothesis 2d, that latent/nascent

entrepreneurs will perceive worse outcomes if risks occurred than actual entrepreneurs. In

order to properly test hypothesis 2d, an additional survey was constructed, listing all the

responses to the item: "What would the worst case scenario for your business be?" Those

responses were empirically rated on a 20-point scale (-10 being the most negative, 0

being neutral, and +10 being the most positive) by X undergraduate students at a major

university, who received course credit for their participation. After the data was collected,

each response was given a mean score and rank ordered from best to worst. Independent

Samples t-tests were performed to determine whether latent/nascent or actual

entrepreneurs had higher scores for each response. In this way, we were able to adequatly

test to this hypothesis.

CHAPTER SIX

RESULTS

Time Spent Waiting To Start

As seen in Table 2, the majority of respondents did not start immediately upon wanting to start a business. Individuals who did not start immediately varied in lengths of time waiting to start. For example, some individuals waited a few weeks to get started, while others waited months or years. Furthermore, five latent/nascent entrepreneurs reported not having started yet at all. As there was no clear cut-point between individuals who waited to start, I decided to make the coding cut-off between those who waited for anytime at all and those who started immediately. Although the majority of responses were direct and not elaborative beyond the specific amount of time, (e.g., "Probably within the next month I took a few steps.") individuals who did elaborate mentioned waiting to start while either saving funds or acquiring knowledge relative to the business they intended to start. As can be seen in Table 2, a similar percentage of actual entrepreneurs (74%, $N = 11$) and latent/nascent (69%, $N = 9$) did not started immediately, $\chi^2(1) = 0.06$, $p = .81$. Thus, Hypothesis 1a, that actual entrepreneurs will spend less time waiting before starting than latent/nascent entrepreneurs was not supported.

Perceived Barriers

As seen in Table 3, the majority of respondents perceived one or more barriers to starting. The primary barriers respondents reported were lack of capital, knowledge, experience, or ability (e.g., "I was real afraid that I wasn't smart enough to do it or do taxes"). However, other barriers included not having a particular degree or licensure.

Additionally, a number of participants reported fear of failing, rejection, or other people's opinions as barriers to starting a business. Lastly, individuals reported relational barriers, such as family demands (e.g., "My wife is getting ready to have our third child"). A larger percentage of actual entrepreneurs (31%, $N = 5$) perceived no barriers to starting a business than latent/nascent entrepreneurs (7%, $N = 1$). A Chi-square test of independence provided evidence of a marginally significant trend ($\chi^2(1) = 2.71$, $p = .10$) reflecting that actual entrepreneurs may perceive fewer barriers to starting a business than latent/nascent entrepreneurs. However, due to the small number of participants, there is not adequate evidence to determine the validity of this relationship. Consequently, hypothesis 1b, that actual entrepreneurs will perceive fewer barriers to starting a business than latent/nascent entrepreneurs was not supported.

Courage

As can be seen in Table 4, the majority of respondents reported courage as important in starting a business. However, there was diversity among respondents as to why courage was important in starting a business. For instance, many individuals seemed to consider courage as the impetus to action in entrepreneurship (e.g., "Courage definitely plays a huge part in it. If you have no courage you're not going to go anywhere. That's it"). Other individuals mentioned courage as a component of confronting risks or unknowns involved in starting a business (e.g., "Critical. I think it's probably the most important character trait because the reality is that there are risks"). Additional, some individuals reported courage as being the reason many people remain latent/nascent entrepreneurs and never progress to actual entrepreneurship (e.g., "I think it's very

important. There's a reason why a lot of people don't do it. You got to have a lot of courage to do something like this"). Furthermore, other individuals mentioned courage as integral in moving forward despite anxieties associated with starting a business (e.g., "I guess you can still be courageous while still having your doubts and insecurities, but I think courage makes this happen, makes you move forward"). As can be seen in Table 4, two actual entrepreneurs (13%) perceived courage as not important in starting a business compared to none of the latent/nascent entrepreneurs (0%). Both of the actual entrepreneurs who perceived courage as not important in starting a business suggested other behaviors or traits as more important (e.g., "I don't know if I'd say courage, but I would say determination"). This difference failed to reach significance ($\chi^2(1) = 2.00$, $p = .16$) between actual entrepreneurs and latent/nascent entrepreneurs in perception of courage being important in starting a business. Due to this lack of evidence, as well as it being actual entrepreneurs and not latent/nascent entrepreneurs among this sample who perceived courage as not important in starting a business, hypothesis 2a, that actual entrepreneurs will perceive courage as important in starting a business more often than latent/nascent entrepreneurs was not supported.

Perceived Importance of Goals

As shown in Table 5, the majority of respondents perceived their goals in starting a business as important. However, there were qualitative differences among individuals regarding why they perceived their goals as important. For instance, a number of individuals coupled the importance of their goal with the amount of work they've currently put into achieving it (e.g., "It's very important that I achieve this goal because I

don't want it to be a waste of all these years"). Other individuals put perceived their goal as important by placing it in the broader context of the world (e.g., "Because I feel like this world is more than just about us. We need to work and co-exist and work with other people and learn how to intermingle with people and learn how to be"). Additionally, some individuals explained the importance of their goals based on how consumed they were by their goals (e.g., "That was all that we thought about"). Lastly, some individuals discussed their goals as providing deeper meaning to their lives (e.g., "If I'm just doing it for money, it's not worth it. If I'm doing it for something that has a deeper meaning, that's what gets me out of bed"). As can be seen in Table 5, one actual entrepreneur (8%) did not perceive their goals as important compared to none of the latent/nascent entrepreneurs (0%). This difference was not significant ($\chi^2(1) = 1.11$, $p = .29$). Consequently, hypothesis 2b, that actual entrepreneurs perceive their entrepreneurial goals as noble and important more often than latent/nascent entrepreneurs was not supported.

Time Spent Waiting Before Confronting Risks

As can be seen in Table 6, several individuals responded immediately to entrepreneurial risks. Individuals who did not start immediately varied in lengths of time waiting to confront entrepreneurial risks. For example, some individuals waited a few days or weeks to confront risks, while others waited several months. Furthermore, one actual entrepreneur and one latent/nascent entrepreneur reported not yet having confronted their entrepreneurial risks (e.g., "I start working on other things. I start doing other projects and other things to make money. That puts the jewelry business on hold"). Lastly, some individuals reported that the amount of waiting time depended on each

specific risk (e.g., "I think it depends on the risk, like the risk of what role I would play in the company that was not immediately because I have to make that before I make a decision to jump on board"). As seen in Table 6, a larger number of actual entrepreneurs (50%, $N = 7$) reported acting immediately to entrepreneurial risks than did latent nascent entrepreneurs (33%, $N = 4$). This was not a significant difference ($t(24) = .86$, p = .40). Consequently, hypothesis 2c, that latent/nascent entrepreneurs will be inhibited by their perceived risks more often and for longer periods of time than actual entrepreneurs was not supported.

Perceived Worst Case Scenario

Participants were asked to describe the worst case scenario that could happen in their business. After all interviews were conducted, undergraduate students at a major university ($N = 104$) rated each response given, in addition to two control variables (i.e., "Your business does fairly well, but you're still required to work another job to make ends meet" and "Your business does fine, and you're glad you did it"), on a 20-point scale (-10 being worst possible, 0 being neutral, and 10 being best possible) to determine the severity of each response (see Table 7). After the undergraduate ratings occurred, mean scores and standard deviations were calculated, exhibiting clear cut-points which were then categorized as high, medium, and low risk; with all mean scores between -10 and -5 classified as high risk, all mean scores between -4.99 and -3 classified as medium risk, and all other mean scores classified as low risk as seen on Table 7. Types of risks classified as high risk included 1) financial strain, 2) family strain, 3) partnering with the wrong people, 4) losing everything, 5) being labeled as a failure, 6) bankruptcy, 7) being

sued, 8) losing credentials, and 10) going backwards as a person. Types of risks classified as medium risk included, 1) boredom, 2) running out of savings and having to go back to a corporate job, and 3) not putting the time into the business and it not succeeding. Lastly, types of risks classified as low risk included failing but learning a lesson (e.g., "It's not good to fail, but it kind of good cause you learn for your mistakes"). As can be seen in Table 8, a similar percent of latent/nascent entrepreneurs (84%, $N = 11$) and actual entrepreneurs (72%, $N = 8$) reported high risk outcomes as their perceived worst case scenarios. This was not a significant difference ($\chi^2(2) = .64$, p = .72). Consequently, Hypothesis 2d, that latent/nascent entrepreneurs will perceive worse outcomes if risks occurred than actual entrepreneurs was not supported.

Perceived Likelihood Of Worst Case Scenario

As can be seen in Table 9, the majority of respondents perceived a substantial likelihood that a worst case scenario would occur. Most individuals gave a specific percentage in which they believed the likelihood of such an event occurring (e.g., "The chances of that happening are, I want to say at this point in time it feels like it's 50, 50. It's not the safest bet in the world"). Interestingly, those who perceived a low likelihood that a worst case scenario would occur did not give a specific percent likelihood, but rather, answered more broadly (e.g., "It's not likely. I just don't think there's really any chance of that happening"). As there was no clear cut-point between individuals who perceived a specific percentage likelihood of worst case scenarios occurring, I decided to make the coding cut-off between those who perceived zero or nearly zero likelihood (e.g., "Slim to none") with those who perceived anything above nearly zero percent (e.g., "The

chances of me losing all of my money that was about 1/5 of a chance, pretty nervous about it but took the risk"). As can be seen in Table 9, a similar percentage of latent/nascent (62%, $N = 8$) and actual entrepreneurs (55%, $N = 6$) perceived a substantial likelihood that a worst case scenario would occur, ($\chi^2(1) = .12$, $p = .72$). Thus, hypothesis 2e, that latent/nascent entrepreneurs will perceive risks as more likely to occur than actual entrepreneurs was not supported.

Commitment

As can be seen in Table 10, a larger percentage of actual entrepreneurs demonstrated commitment to their entrepreneurial goals than did latent/nascent entrepreneurs. Several individuals who reported high commitment to their goals straightforwardly responded with "100 percent" or something similar (e.g., "I would say that I'm fulling committed to it"). Individuals were coded as having low commitment to their goals if they reported anything less than responses reflecting either "100 percent" or "full" commitment. For example, many individuals gave a specific percentage of their commitment as lower than 100 percent (e.g., "I'm actually like halfway in, halfway out, because of time constraints"). Others reported being "Mostly committed," or describing themselves as not fully committed (e.g., "The funny thing is I'm not 100% committed"). As can be seen in Table 10, nearly every actual entrepreneur (89%, $N = 15$) reported being highly committed to starting a business compared to less than half of the latent/nascent entrepreneurs (42%, $N = 6$). This finding was statistically significant ($\chi^2(1) = 7.23$, $p = .01$). Consequently, hypothesis 3a, that actual entrepreneurs will demonstrate goal commitment more often than latent/nascent entrepreneurs was supported.

Change In Commitment

As can be seen in Table 11, a similar percentage of entrepreneurs and latent/nascent entrepreneurs reported an increased commitment to their entrepreneurial goals overtime. Individuals whose commitment increased overtime mentioned seeing things from a longer-term perspective, better learning how to balance life demands and priorities, experiencing a heightened sense of vision regarding their goals, and having a lessened sense of fear about their entrepreneurial goals. Many respondents reported an increase in commitment overtime based on learning and experience (e.g., "Understanding the process has definitely changed the commitment. Now I'm more committed"). Individuals whose commitment decreased overtime mentioned frustration with the start-up process, a change in goals overtime, and other life demands (e.g., "Yeah. Less now that I have kids"). As can be seen in Table 11, a similar percentage of the actual entrepreneurs (60%, $N = 9$) and latent/nascent entrepreneurs (50%, $N = 7$) reported an increased commitment to their entrepreneurial goals overtime. This was not a significant difference ($t(27) = -.62$, p = .54). Consequently, hypothesis 3b, that actual entrepreneurs will demonstrate an escalation of commitment more often than latent/nascent entrepreneurs was not supported.

The Point of No Return

As can be seen in Table 12, more actual entrepreneurs (83%, $N = 14$) had a point of no return experience compared to latent/nascent entrepreneurs (35%, $N = 5$). These findings reflect a significant difference ($\chi^2(1) = 7.00$, $p = .01$). As a result, hypothesis 3c, that actual entrepreneurs will demonstrate a point of no return more often than

latent/nascent entrepreneurs was supported.

I had no hypotheses for latent/nascent entrepreneurs and actual entrepreneurs regarding specific types of point of no return experiences they might have. However, after performing a post hoc exploratory analysis, there appeared to be multiple types of point of no return experiences reported. Unlike the previous sections, this data will be reported as the entire sample of individuals who experienced a point of no return rather than divided by entrepreneurial type. Regarding various point of no return experiences, all interviewees except one fit clearly into one of four categories: 1) commitment, 2) external change prompted by self, 3) internal change, or 4) external change prompted by external agent (as seen in Table 13). The one individual whose response fit into the more than one category described their point of no return experience as both an external change prompted by self as well as commitment (e.g., "When I started school and got a ton of student loans. I would say that's about it because I'm not a quitter. I'm want to start things and finish them to the end"). Consequently, as the categories are not exclusive, and this one individual is counted in two categories, the total percentage of all categories found in Table 13 exceeds 100 percent.

Commitment. Several individuals (32%, $N = 6$) described their point of no return experience as a commitment to their goals (e.g., "When I started school and got a ton of student loans. I would say that's about it because I'm not a quitter. I start things and finish them to the end"). For instance, several individuals described their point of no return experience as committing to one of multiple projects or businesses they were simultaneously pursuing (e.g., "I actually have a small handyman business on the side,

and I would say that at that point, is basically when I started telling people I'm no longer picking up that extra handyman work because I'm focusing on this").

External change prompted by self. Other individuals (36%, *N* = 7) described their point of no return experiences as an external change brought about by the individual themselves (e.g., "I did. It was all or nothing and it was two years ago. I quit school and started into photography. I won't ever quit photography"). Another individual reported their point of no return as being the investment of a large sum of money on physical product (e.g., "Yeah, once we had all of our money in the same inventory it was all or nothing. That really scared me, just knowing that it was like do or die. I had to sell the shoes. You couldn't turn back, you couldn't just get rid of them and get cash back, you had to go forward"). Another individual reported their point of no return experience as purchasing an online course, which exhibited to themselves how invested they were in their goal (e.g., "When I had started writing and editing for my dad while I was in school over 10/12 years ago. It was something I had been doing on and off, on and off. This year I started to explore that aspect of my abilities and then to monetize it and put it into use. I was doing all these courses here and there and then I stumbled on course. By the time made the investment for get blogging courses and then serious blogger course ... There was a freebie for $1 and a $49 course but login course was 2 payments of $99. I don't know how I did that. I just told myself, look you're investing into this. It's not something you're going to do at a fluke"). Another individual reported their point of no return as quitting their job (e.g., "Yeah, it'd be for sure quitting the job").

Internal change. Several of the individuals who reported having a point of no return

experience (26%, $N = 5$) described it as an internal change of various types. For example, some individual's point of no return experience seemed to reflect a realization of the potential consequences of their own inaction (e.g., "I wanted to do it even though my husband and my friends were like, 'No. That's not gonna work. You shouldn't do that.' I knew in my mind that I could make it work, but I wasn't confident enough to start it. Once I talked myself into starting it I was like, 'Well, I'm just gonna go for it.' If I don't start it than I've lost something"). Other individual's point of no return experience seemed to reflect a recognition of personal attributes (e.g., "I just started to believe that I have something, we all have something to offer if we work from our strength hard enough. I think that that's kind of what we need is just to be like, yeah, this is what I'm going to do"). Another individual's point of no return experience was the belief she needed to change everything in her life (e.g., "This all came through a crisis back in August when I was like I can't cope. I just can't cope. I need to do something. Writing is something that I can do. I was scared to take it on because it meant changing everything. It meant going on to LinkedIn and changing my profile. Changing entirely what I do"). Another individual reported their point of no return as the moment they decided to pursue their innate talents (e.g., "Yeah when I was in college I went to school for a year and I couldn't figure out what I wanted to do and I knew that photography was something that I always kind of leaned back on when I can't figure out what I want to do and so you know my life has very God given talents and not to waste them that's when I knew that that's what I wanted to do from now on"). One individual reported their point of no return as a shift in perceived identity related to their work (e.g., "Internally, there was no more of the

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sense that I wasn't a writer").

External change prompted by external agent. Lastly, two individuals (10%) who reported having a point of no return experience described the experience as an external change brought about by someone or something outside of the themselves (e.g., "When I got accepted into the business school. I worked so hard at it, I was like, this is definitely what I'm doing"). For instance, one individual reported their point of no return experience as the death of their brother (e.g., "It was my brother killing himself earlier this year. It was like I realized how significant what I'm doing is or maybe not significant but how important it is. How needed it is and I realized that I just don't have a choice. I have some skills and some knowledge and some things that I can pass on to parents and young people that can prevent that from ever happening to someone else or another family and for me there's just no going back. I have to dedicate the rest of my life to that").

Aftermath of the Point of No Return

As can be seen in Table 14, the majority of respondents perceived confronting risks as easier after experiencing a point of no return. Some individuals expressed an increased capacity after they experienced a point of no return (e.g., "Once you've crossed that threshold you're never the same again in life. It's like they say 'Providence moves too.' It's like everything suddenly in the universe just lines up with everything you need all of the sudden. Kind of like Neo in the Matrix. All of a sudden you can see the bullets coming at you and move out of their way and stuff like that"). Most individuals mentioned a heightened sense of confidence and commitment after having experienced a point of no return (e.g., "I think I'm more motivated and more confident in myself, even

though nothing has really changed other than my idea that I wasn't going to quit. My confidence took over, and I just kind of went, 'All right, I can totally do this, and if I can't, I'll figure out how'"). Another form of confidence mentioned by individuals after experiencing a point of no return was their ability to live life on their own terms, as opposed to the terms of others (e.g., "Really I guess confidence is what had changed, realizing that I don't need to give people my power. I can determine where I need to be, solely based off how I'm feeling and what I'm thinking and what I know is right. That was a really big change for me, after that realizing that I could determine what was best for me and I didn't need to allow others to prioritize that for me"). Other individuals discussed an emotional change that occurred after their point of no return experience (e.g., "I don't know, becoming comfortable with the fact that I'm not going to give up"). One individual, whose point of no return experience was investing a large amount of money in merchandize, explained how his sense of identity changed in response to his point of no return (i.e., "At that point, I was like okay, I actually started a company, I've invested in it and now I need to run this thing. That's when I think I really saw that I was running the company. It really changed my leadership role, I think, with my partners"). Only participants who said they had experienced a point of no return were asked about their experience after the point of no return. As can be seen in Table 13, all of the actual entrepreneurs ($N = 15$), and all of the latent/nascent entrepreneurs except one (20%, $N = 1$) perceived risks as being easier to confront after experiencing a point of no return. These differences reflect a marginally significant trend ($\chi^2(1) = 3.15$, $p = .08$). Consequently, hypothesis 3d, that actual entrepreneurs will perceive confronting risks to

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achieve their goals as easier after having crossed the point of no return more frequently than latent/nascent entrepreneurs was not supported.

Why point of no return experiences made it easier to pursue goals. As has just been detailed, nearly every participant described the aftermath of their point of no return experience as being easier than before their point of no return experience. The primary reasons having a point of no return experience made it easier to move forward seemed to be 1) enhanced sense of meaning and purpose, 2) an inability to go back to one's previous state, thus making moving forward the only option, and 3) being highly invested. For instance, one individual previously mentioned reported the death of their brother as being their point of no return experience (i.e., "It was my brother killing himself earlier this year. It was like I realized how important and needed my work is. I realized that I just don't have a choice"). This individual's brother's death seemed to instill a deep sense of meaning and purpose in the work they do. Having this sense of mission in their work would likely make it easier to confront risks and strive for their goals. Another individual reported their point of no return experience as quitting their job (e.g., "Yeah, it'd be for sure quitting the job"). Quitting their job may have made it easier for this individual to pursue their goals because if they do not succeed, they will not have money. Furthermore, they could not go back to their previous job. Consequently, they may have felt compelled to continue forward. Lastly, another individual reported their point of no return experience as investing a large sum of money in inventory (e.g., "Yeah, once we had all of our money in the same inventory it was all or nothing. That really scared me, just knowing that it was like do or die. I had to sell the shoes. You couldn't

turn back, you couldn't just get rid of them and get cash back, you had to go forward"). Pursuing this individual's goals may have been easier because they were highly committed and invested. As a result, this individual may have felt compelled to move forward and not hesitate.

Point Of No Return Vs. No Point Of No Return

Rather than comparing latent/nascent entrepreneurs with actual entrepreneurs as has been done throughout this study, this final section is an exploratory analysis with no priori hypotheses made. The purpose of this section is to compare differences found between individuals who experienced a point of no return (62%, $N = 19$) with individuals who did not experience a point of no return (38%, $N = 12$). Specifically, this final section of results will 1) review differences found in this study among individuals who had experienced a point of no return with individuals who had not experienced a point of no return, 2) discuss point of no return experiences and why those experiences may have made it easier to pursue one's goals, and 3) to discuss why some point of no returns are more difficult than others to retract from.

Perceived likelihood that worst case scenario would occur. Seventy percent ($N = 7$) of individuals who had not experienced a point of no return perceived a high likelihood that a worst case scenario would occur, whereas 50 percent ($N = 7$) of individual who had experienced a point of no return perceived a high likelihood that a worst case scenario would occur (as seen in Table 15). This was not a significant difference ($\chi^2(1) = .96$, $p = .32$). Although both groups perceived high risk potential in starting a business, individuals who had experienced a point of no return, and more

specifically, actual entrepreneurs who had experienced a point of no return, seem to perceive a lower likelihood that those risks will occur. Put another way, it seems these individuals have a higher confidence that things will work out (e.g., "There's no chance of that happening now"). In some cases, this confidence seems to relate to an individual's sense of identity, as opposed to solely what actually happens in their business (e.g., "Now, nothing because I don't care. I'm already successful and I know it. I, myself am successful, so if I were to crash or if I was to go under that's just what happened").

Commitment. Furthermore, 50 percent ($N = 6$) of individuals who had not experienced a point of no return reported high goal commitment, whereas 79 percent ($N = 15$) of individuals who had experienced a point of no return reported high goal commitment (as seen in Table 16). This reflects a marginally significant trend ($\chi^2(1) = 2.82$, $p = .09$). Many individuals reported enhanced levels of commitment to their goals, which seemed to make confronting their goals easier. For example, one individual described the fact that they felt their commitment relegated their ability to retract (e.g., "To cut off any other possibility and like commit yourself a hundred percent in the future if you're really into and once you've crossed that threshold you're never the same again in life"). Thus, it seems possible moving forward would be easier if you felt you had only one option as opposed to feeling torn between several options. Another individual linked their newly enhanced commitment with their ability to be productive (e.g., "Yeah. I became a lot more committed to this, and I actually started getting stuff done, and I started producing more. It changed my level of dedication"). Thus, the increased

commitment that seems inherent in a point of no return experience seems to facilitate

attributes and behaviors that would make it easier for an individual to for goals.

Although most individuals who reported having a point of no return also reported

high goal commitment, some individuals who reported having a point of no return also

reported having low goal commitment. Specifically, of the 19 individuals in this study

who experienced a point of no return, four (21%) reported low goal commitment.

Interestingly, among these four individual, two of them seemed unsure if they had truly

experienced a point of no return (i.e., "I think that I have" and "Yeah, I think I recently

just... It's hard to describe it"). The other two were more certain (e.g., "Yes definitely").

The fact that some individuals who reported having a point of no return yet also reported

low goal commitment challenges the notion that the point of no return must always

involve high or even complete goal commitment. Furthermore, there was only one

individual who reported not experiencing a heightened sense of self-efficacy after their

point of no return (i.e., "After I got accepted, there wasn't a difference, I don't feel like"),

and this individual also reported low commitment. These findings may suggest that there

could be different types of point of no return experiences, with some comprising high

commitment and others comprising low commitment. These findings may also reflect

different stages of the point of no return. For example, one low committed individual who

reported a point of no return said their commitment was low now because they had

children. Yet, they always saw themselves as a photographer, which they did in response

to dropping out of college years before having kids. This individual seems to still have a

sense of point of no return, yet their commitment to their goals has lessened or changed

in response to other life demands. Thus, it still seems possible that the initial point of no return experience reflected a complete sense of high commitment, which initiated the point of no return itself. Yet, it seems this sense of commitment could change and decrease overtime based on changes in life.

CHAPTER SEVEN

DISCUSSION

The purpose of the current study was to explore the differences between latent/nascent entrepreneurs and actual entrepreneurs. Specifically, this study sought to determine if courage may be a theoretical bridge between latent/nascent and actual entrepreneurship. In other words, does it take courage to start a business? Said another way, is a lack of courage what stands in the way of latent/nascent entrepreneurs from becoming actual entrepreneurs? This study only begins attempting to answer these questions. Yet, it provides a foundation for discussion and directions for future research in this area that lacks representation in the extant literature. Beyond determining if courage is important in starting a business, this study sought to explore other differences between latent/nascent and actual entrepreneurs, such as differences in their level of commitment to their entrepreneurial endeavors, and if either latent/nascent entrepreneurs or actual entrepreneurs had experienced a point of no return. A brief summary of this study's results will be provided 1) in the context of previous research, and 2) to detail limitations in this study and how future researchers may address those limitations.

Every latent/nascent ($N = 14$) entrepreneur and 87 percent ($N = 13$) of actual entrepreneurs interviewed in this study reported courage as being important in starting a business, with some interviewees reporting courage is the most important aspect of starting a business. Thus, there were no significant differences between latent/nascent entrepreneurs and actual entrepreneurs in their perception when asked directly about courage being important in starting a business. Consequently, this study provides

evidence that both latent/nascent entrepreneurs and actual entrepreneurs view courage as an important feature of starting a business. These findings make sense in relation to Rate's (2010) definition of courage as 1) and intentional behavior, 2) toward a meaningful goal, 3) involving risk. Indeed, entrepreneurship is a goal-oriented pursuit, often considered a risky endeavor (Kan & WeiDer, 2006). However, in order to more fully examine Rate's distinct aspects of courage, this study directly asked questions regarding the perceived goals and risks among latent/nascent entrepreneurs and actual entrepreneurs.

From the interviews performed in this study, there did not appear to be a substantial difference in how latent/nascent entrepreneurs and actual entrepreneurs perceive their goals. Both groups perceived their entrepreneurial goals as personally important. Furthermore, there didn't appear to be a substantial difference in how latent/nascent entrepreneurs and actual entrepreneurs perceived or responded to risk. Both groups reported 1) spending similar amounts of time waiting to confront risks, 2) perceiving high risks in starting a business, and 3) perceiving high likelihoods that their perceived risks could occur. Consequently, this study suggests that latent/nascent entrepreneurs and actual entrepreneurs do not differ in their courage as it relates to starting a business. These findings go contrary to this study's hypothesis, that courage may be an important bridge dividing latent/nascent entrepreneurship from actual entrepreneurship. However, other findings from this study may expound on aspects of courage not present in the extent literature. For instance, this study found that actual entrepreneurs were significantly more committed to their goals than latent/nascent

entrepreneurs. Furthermore, this study found that actual entrepreneurs were significantly more likely to have experienced a point of no return experience, which seems to be a convergence of high commitment and high self-efficacy. Yet, previous research has yet to examine the relationship between courage and commitment, and little has research examined the relationship between courage and self-efficacy. For example, Baumert, Halmburger, and Schmitt (2013) found that self-efficacy related to moral courage intentions. Additionally, Pury et al. (2007) asked individuals to write about a time they acted courageously, and to subsequently rate that action on personal and general courage. They found that actions rated high on general courage were taken with higher levels of confidence. Thus, some evidence exists to support the notion that self-efficacy may relate to or predict courageous behavior.

In regards to Rate's (2010) definition, it seems possible that commitment and or self-efficacy may fit into the aspect of courage of being an intentional behavior. Indeed, to act with intention is to act according to plan, and self-efficacy by definition reflects an individual's belief regarding their ability to organize and effectively execute actions to produce desired outcomes (Bandura, 2001). Thus, it seems possible that acting with intention implies self-efficacy. This inference is reflected in Zhao, Seibert, and Hills' (2005) research, which found that that self-efficacy fully mediated the effects of perceived learning from entrepreneurship-related courses, previous entrepreneurial experience, and risk propensity on and individual's entrepreneurial intentions. Furthermore, individuals with low self-efficacy believe they cannot be successful, and thus are less likely to make a concerted, extended effort and may consider challenging

tasks as threats that are to be avoided (Margolis & McCabe, 2006). Chen, Greene, and Crick (1998) created a measure of entrepreneurial self-efficacy comprised of dimensions related to marketing, innovation, management, risk-taking, and financial control. Using this measure, Chen et al. (1998) found entrepreneurial self-efficacy to significantly differentiate entrepreneurs from non-entrepreneurs.

Similar to self-efficacy, goal commitment, which has been defined as the fortitude to accomplish a goal and the persistence in pursuing it over time (Hollenbeck & Klein, 1987), may mediate the likelihood of an individual to confront risks and thus courageously strive for their objective. Furthermore, goal commitment may also be implied in Rate's (2010) definition in that intentionally pursuing a worthy goal despite risk seems to reflect persistence. For instance, Pury and Kowalski (2007) found evidence that persistence is part of courage. In their study, they asked college students to describe a time they acted courageously in addition to rating their courageous action on each of 24 Values in Action (VIA) strengths (Peterson & Seligman, 2004). They found that persistence, a component of goal commitment, in addition to hope, which involves self-efficacy, were among the top five strengths rated by the students regarding their courageous experience. Thus, it seems both goal commitment and self-efficacy may mediate or underlie an individual's likelihood to confront risks and thus courageously strive for their objective.

The Point of No Return

That the point of no return seems to relate the constructs of commitment and self-efficacy makes sense in relation to the extent literature. Indeed, the relationship between

self-efficacy and commitment has been established in the literature, although the direction of the relationship remains ambiguous. For example, Cervone and Peake (1986) found that the higher the perceived self-efficacy, the longer individuals persevered on difficult and seemingly unsolvable problems before they quit. Locke, Frederick, Lee, and Bobko (1984) performed a study in which half of the subjects were assigned a difficult goal, whereas others set their own goals. When subjects set their own goals, self-efficacy was related positively to goal level and commitment. Similarly, Lerner and Locke (1995) showed that goal commitment related positively to self-efficacy, personal goal level and performance.

Rennesund and Saksvik (2010) found that commitment increases the likelihood of going from latent to nascent entrepreneur and eventually creating an operating business. Additionally, they found that self-efficacy also increases the proportion of personal wealth invested in the venture and the amount of hours per week the entrepreneur devotes to the venture. Thus, it seems self-efficacy, in large measure, determines the determination and commitment one puts into their goals. Indeed, self-efficacious individuals recover quickly from set-backs, and ultimately are likely to achieve their personal goals (Bandura, 1997). Rennesund and Saksvik's (2010) findings are supported by this study's findings that actual entrepreneurs are more committed and more likely to have experienced a point of no return than latent/nascent entrepreneurs. Moreover, this study also found a connection between commitment and the point of no return, which may further highlight how commitment distinguishes actual entrepreneurs from latent/nascent entrepreneurs. Indeed, a point of no return experience may facilitate

increased commitment, which translates into an individual becoming an actual entrepreneur.

Despite the extent literature highlighting strong connections between self-efficacy and goal commitment, no research to date seems to describe the point of no return, which may reflect a sense of complete commitment coupled with a heightened sense of self-efficacy. The closest concept to the point of no return seems to be overcommitment. However, overcommitment is not characterized in the literature as a positive or healthy behavior. Indeed, overcommitted individuals are often characterized as having a high need for approval which can facilitate inappropriate perceptions of social demands and their own coping resources (Siegrist 1996, 2002). Furthermore, the relationship between self-efficacy and overcommitment seems negative. Indeed, Rennesund and Saksvik (2010) examined overcommitment and self-efficacy as they relate to work-related stress, and found that overcommitment was positively related to work-related stress while self-efficacy was negatively related to work-related stress. Thus, the point of no return seems to be relatively novel connection between commitment and self-efficacy. Additionally, the point of no return seems to reflect a unique conception of commitment, which seems similar to the idea of a covenant marriage (Rosier & Feld, 2000), where the commitment is complete and definite.

Point of no return and identity status. The point of no return seems to reflect Marcia's (1966) identity status theory, which suggests an individual must go through identity crisis to experience identity achievement. Whereas identity crisis is characterized by exploration of alternative options, both in ideology and occupation, identity

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achievement is characterized by commitment to these things. Thus, according to Marcia and others (e.g., (Erikson, 1956, 1963) an identity achievement individual has experienced a crisis period and is committed to an occupation and ideology. Thus, it seems, the point of no return may reflect a point when an individual has emerged from an identity crisis and committed to a particular ideology and path. As it relates to entrepreneurship, the point of no return may reflect the moment an individual has passed through their crisis period regarding their ideology and occupation, and reached a sense of identity achievement on the matter. Thus, after their point of no return, they are committed to their path as an entrepreneur.

Other Findings

Regarding other findings in this study, there were no significant differences found between latent/nascent entrepreneurs and actual entrepreneurs regarding 1) time spent waiting before taking first steps in starting a business, 2) in perceived importance of goals related to starting a business, 3) in time spent waiting to confront risks, 4) in perceived likelihood of worst case scenarios occurring, and 5) in changes of commitment to entrepreneurial goals overtime. This study did find that actual entrepreneurs more likely to perceive no barriers in starting a business than latent/nascent entrepreneurs. Additionally, this study found that actual entrepreneurs being more likely to perceive risks as easier to confront after experiencing a point of no return than latent/nascent entrepreneurs.

Limitations and Future Research

The primary limitations of the present study include 1) small sample size, 2)

potential lack of content and construct validity and reliability of the point of no return as a construct, 3) cross-sectional design, and 4) lack of current literature on courage as a construct. The current study interviewed 31 individuals, 13 of which were latent/nascent entrepreneurs and 18 of which were actual entrepreneurs. Consequently, with such a small sample size, it is difficult to draw generalizable conclusions with the data from this study. In general, finding participants for qualitative studies involving lengthy interviews can be difficult. Furthermore, regarding the specific populations of this study, locating latent/nascent entrepreneurs is difficult because most of them do not publicize themselves as latent or nascent entrepreneurs. However, there are increasing numbers of entrepreneurial social media groups and websites, which may be a good source for locating latent and nascent entrepreneurs. Future research examining the differences between latent/nascent and actual entrepreneurs should use larger samples, as well as more global samples to examine potential cross-cultural differences.

The point of no return is a novel concept, and thus, this study sought to establish initial understanding in determining 1) if the point of no return exists, and 2) what it may be related to. This study seems to provide evidence that the point of no return as a construct does exist, as reported by several latent/nascent and actual entrepreneurs. However, a clear limitation of this study's examination of the point of no return regards validity and reliability. Specifically, the content validity of the point of no return remains questionable. Indeed, there is much about the point of no return as a construct left to be determined. However, based on the themes which emerged from this study, it seems clear that the point of no return as a construct does exist, that it relates to entrepreneurship, and

that it involves, at least initially, a heightened sense of commitment and self-efficacy. Consequently, as an exploratory study, the construct validity of this study's interview in capturing the point of no return can be improved in future research by directly addressing commitment and self-efficacy. These constructs should be examined before, during, and after the point of no return experience itself. As a result of the lack of strong content and construct validity the reliability of this study's findings is hard to determine. Consequently, future research is needed to better understand the point of no return as a construct and its relationship to other constructs, particularly goal commitment and self-efficacy. Eventually, a valid and reliable measure of the point of no return should be constructed from which future research could use as a criterion for further exploration.

This study was limited by its cross-sectional design. Measuring latent/nascent entrepreneurs over time could establish temporal order to better determine how and when the point of no return occurs, and to what extent courage may be involved in starting a business. Future research should longitudinally examine the development of latent/nascent entrepreneurs as they become actual entrepreneurs to better understand courage and the point of no return in this process.

Finally, this study was limited by the current literature on the construct of courage. Specifically, this study highlighted potential mediating relationships that may influence the likelihood of an individual acting courageously, specifically, goal commitment and self-efficacy. Indeed, it seems unlikely an individual will confront risks to achieve their goals if 1) they aren't committed to those goals, and 2) if they don't believe they can achieve their goals. Thus, future research should further examine the relationships

between goal commitment and courage, as well as self-efficacy and courage.

Conclusion

In conclusion, this study contributes to the literature by providing evidence that courage is an important part of starting a business, and that the point of no return as a construct merits further examination. Specifically, this study found that actual entrepreneurs may be more committed to their entrepreneurial goals than latent/nascent entrepreneurs, and that actual entrepreneurs seem to be more likely to have experienced a point of no return. Future research should attempt to establish directional, causal relationships between courage and becoming an actual entrepreneur. Lastly, future research should examine 1) the efficacy of the point of no return as a construct, 2) how the point of no return relates to becoming an actual entrepreneur, 3) what predicts the point of no return, and 4) the potential outcomes of actual entrepreneurs who have experienced a point of no return compared to those who have not.

APPENDICES

APPENDIX A

Demographics Questions

What year were you born?

What is your sex?
- Male
- Female

How do you describe yourself? (please check the one option that best describes you)
- American Indian or Alaska Native
- Hawaiian or Other Pacific Islander
- Asian or Asian American
- Black or African American
- Hispanic or Latino
- Non-Hispanic White

Are you:
- Married
- Divorced
- Widowed
- Separated
- Never been married
- A member of an unmarried couple

What is the highest grade or year of school you completed?
- Grade 12 or GED (High school graduate)
- College 1 year to 3 years (Some college of technical school)
- College 4 years (College graduate)
- Graduate School (Advance Degree)

APPENDIX B

Interview Measure

At the beginning of the interview: The primary research will say the following:

"To make sure that I don't forgot anything, I will be working from a list of questions I have with me. It would be helpful if I could make an audio recording of our interview, so that we can go back later and make sure I got down exactly what you said. After we have a record of your exact words, we will destroy the recording, and no one outside of our research team at Clemson University will hear the recording. Is it OK if I turn on the recorder?"

1. Are you planning to run your own business or are you actually running your own business?
2. How long have you been planning? Or, how long have you actually been running?
3. How long after you wanted to did you actually start?
4. Were/Are there barriers or reasons that prevent(ed) you from starting a business? If so, what were they?
5. How important are your entrepreneurial goals to you?
6. How long do you stall or wait before you confront the risks?
7. How bad would those risks be if they occurred?
8. What do you think the chances of _____ happening is?
9. How committed are you to _____(insert goal)?
10. Has your commitment to starting a business changed?
11. Have you experienced a point of no return, where turning back from your business goals was no longer an option?
12. If so, would you describe the moment?
13. Did anything change after you reached this point?
14. How important is courage in starting a business?

APPENDIX C

INFORMED CONSENT TO BE A RESEARCH SUBJECT

Psychology And Entrepreneurship Research

Benjamin Hardy, a graduate student in the department of Psychology at Clemson University, is conducting a research study with the help of his thesis committee, Dr. Cindy Pury, Dr. Fred Switzer, and Dr. Elizabeth E. Powell, to examine the early stages of entrepreneurship among various populations.

Participation in this research is voluntary. Therefore, refusal to participate will involve no penalty or loss of benefits to which the subject is otherwise entitled; and the subject may discontinue participation at any time without penalty or loss of benefits, to which the subject is otherwise entitled.

PROCEDURES: Your participation in this research will involve a meeting either in person or via Skype or phone call with a graduate researcher at Clemson University. You will be participating in one or more of the following data gathering procedures.

1) Participants will be given a brief demographic survey via email which will take 2-5 minutes to complete. The purpose of this survey is to determine if the participant is a proper fit for the research.
2) Participants will undergo an interview (approximately 1 hour) regarding their experience with entrepreneurship. These interviews will be audio recorded.

RISKS/DISCOMFORTS: No known physical risks are associated with participating in this study. Your identity and information will remain completely confident (see below). There will be no deception in this research. All questions will be directed toward your experiences with or desires for starting a business.

BENEFITS: There are no known benefits to individuals participating in this study. The impact of this research on society includes a contribution in the literature concerning entrepreneurship.

CONFIDENTIALITY: Your identity and your responses will remain confidential and will not be revealed in published or unpublished results of this study. Interviews will only be recorded with your permission and will be transcribed using pseudonym.

INCENTIVES: There are no tangible incentives of being involved in this study such as compensation.

CHOOSING TO BE IN THIS STUDY: You do not have to be in this study. You may choose not to take part and you may choose to stop taking part at any time. You will not be punished in any way if you decide not to be in the study or to stop taking part in the study. (If you will be collecting data from students of any of the researchers, include the following statement: If you decide not to take part or to stop taking part in this study, it will not affect your grade in any way.)

CONTACT: Contact Benjamin Hardy at bhardy@clemson.edu for answers to pertinent questions about the research and research participants' rights.

If you have any questions or concerns about your rights in this research study, please contact the Clemson University Office of Research Compliance (ORC) at 864-656-6460 or irb@clemson.edu. If you are outside of the Upstate South Carolina area, please use the ORC's toll-free number, 866-297-3071.

Consent

I have read this form and have been allowed to ask any questions I might have. I agree to take part in this study.

Participant's signature: _____ Date: _____

A copy of this form will be given to you.

Table 1

Measure Items, Codes, and Cohen's Kappas

Measure Item	Codes for Item	Cohen's Kappa	Measure of Analysis comparing latent/nascent vs. actual entrepreneurs
Are you planning to run your own business or are you actually running your own business?	• Actual entrepreneur • Latent/Nascent entrepreneur	1.0	Chi-Square
How long after you wanted to did you actually start?	• Started immediately • Delayed Starting	.94	Chi-Square
How important is courage in starting a business?	• Important • Not Important	1.0	Chi-Square
Were/Are there barriers or reasons that prevent(ed) you from starting a business? If so, what were they?	• No barriers • One or more barriers	1.0	Chi-Square
How important are these goals to you?	• Personally important • Not personally important	.78	Chi-Square
How long do you stall or wait before you confront the risks?	• Immediately • Soon (e.g., days & weeks) • Postponed (e.g., months & years) • Never • Depends on risk	1.0	Independent Samples t-test

What would the worst case scenario be if it occurred in your business?	• Mean ratings by undergraduates in follow-up study	.76	Independent Samples t-test
What do you think the chances of _____ happening is?	• Low chance • High chance	1.0	Chi-Square
How committed are you to _____(insert goal)?	• High commitment • Low commitment	.79	Chi-Square
Has your commitment to starting a business changed?	• Higher commitment • Lower commitment • No change	.94	Independent Samples t-test
Have you experienced a point of no return, where turning back from your business goals was no longer an option?	• Experienced • Not experienced	1.0	Chi-Square
Did anything change after you reached this point?	• Easier • Not Easier	1.0	Chi-Square

Table notes if desired

Table 2

Hypothesis 1a: Time Spent Waiting Before Starting

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
Didn't start immediately	Let's see. I think probably my real, honest effort in trying to pursue something on my own was probably in, let's see, 2011, so about 4 years ago. I guess it took me a good nearly 3 years to really get the ball rolling and get into the niche that I wanted to get into and try to focus on that explicitly, so 3 years probably.	69% (9)	74% (11)
Started immediately	I started right away pretty much.	31% (4)	26% (4)

$(\chi^2(1) = 0.06, p = .81)$

Table 3

Hypothesis 1b: Perceived Barriers

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
No perceived barrier	None.	7% (1)	31% (5)
One or more perceived barriers	Yes, because I had kids at home and I wanted to be at home for them. I was afraid that I would end up working full time, and it happened.	93% (13)	69% (11)

$(\chi^2(1) = 2.71, p = .10)$

Table 4

Hypothesis 2a: Courage

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
Courage as important	I think it's very important. There's a reason why a lot of people don't do it. You got to have a lot of courage to do something like this.	100% (14)	87% (13)
Courage as not important	I would just say I don't know if I'd say courage, but I would say determination.	0% (0)	13% (2)

($\chi^2(1) = 2.00$, $p = .16$)

Table 5

Hypothesis 2b: Perceived Importance Of Goals

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
Goals as important	Very. I've been wanting to do this, I've been very set on doing this since my junior year of high school so I put three or four, five years of planning into it.	100% (14)	92% (12)
Goals as not important	I don't know. Well, first thing, I don't know if anybody ever has enough. There is always more money.	0% (0)	8% (1)

$(\chi^2(1) = 1.11, p = .29)$

Table 6

Hypothesis 2c: Time Spent Stalling Before Confronting Risks

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
Acted immediately	Head on. As soon as I can.	33% (4)	50% (7)
Depends on risk	It depends on how big they are.	25% (3)	14% (2)
Acted soon	Yes. If I see there's a risk I'll probably wait a few weeks just to think about it.	16% (2)	14% (2)
Delayed action	Well, I would say at least a few months, maybe 3 or 4. I'm getting faster at it because I'm realizing that that's just what they are is they're risks. The quicker I can make a decision now, it's kind of better off, even if it's the wrong decision.	16% (2)	14% (2)
Never acted	At this point, I don't have the gut feeling that it's time to move forward yet.	8% (1)	7% (1)

(t(24) = .86, p = .40)

Table 7

Undergraduate Ratings Of Worst Case Scenario Outcomes

Theme	Number of Participants (N)	Mean (M)	Standard Deviation (SD)
You fail and lose everything.	104	-8.84	2.33
You fail to achieve your goals and in so doing put your family at risk.	104	-8.66	2.65
You get sued, end up losing your company, and going bankrupt.	104	-8.30	2.69
You fail and feel completely worthless.	104	-8.29	2.61
You get charged for malpractice and the business fails.	104	-8.25	2.67
You get no clients, lose your certifications, and end up forgetting the skills you worked hard to develop.	104	-8.17	2.61
You fail and lose your financial security.	104	-7.99	2.45
You fail and go backwards as a person.	104	-7.98	2.51
You fail and lose all of the money you invested.	104	-7.97	2.84
You fail and lose your business.	104	-7.87	2.58
You fail and go backwards financially.	104	-7.33	2.95
You run out of money and have to close the business.	104	-7.14	2.96

You're stressed out financially for a long period of time.	104	-6.67	3.30
You spend lots of time and money trying to market and sell your products but nothing sells.	104	-6.65	3.67
You fail and people label you as a failure.	103	-6.64	3.10
You partner with the wrong people.	104	-5.93	3.13
You put lots of work into your business, making it excellent, but it still fails.	104	-5.13	3.94
You're bored because you have no business.	104	-3.89	3.78
Because you spent all of your savings on a failed business, you need to go back to a corporate job and possibly relocate.	104	-3.81	3.97
You start a business but don't put the time in, so ultimately it goes nowhere.	104	-3.69	3.77
Your business fails, but you learn from your mistakes.	104	-2.12	4.82
Your business does fairly well, but you're still required to work another job to make ends meet.	104	-1.61	3.84
Your business does fine, and you're glad you did it.	104	6.19	5.36

Table 8

Hypothesis 2d: Perceived Worst Case Scenario

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
High Risk	Failing to do what I set out to do and putting my family at risk.	84% (11)	72% (8)
Medium Risk	Worse case scenario is when it's so slow that I have absolutely nothing to do.	8% (1)	18% (2)
Low Risk	It's not good to fail, but it kind of good cause you learn for your mistakes.	8% (1)	10% (1)

$(\chi^2(2) = .64, p = .72)$

Table 9

Hypothesis 3a: Commitment

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
High commitment	I would say that I'm fulling committed to it.	42% (6)	89% (15)
Low commitment	At this point I feel I'm figuring out logistics of it, so I'm thinking about what's ... I feel I'm committed, but it's all a matter of time when I do it.	58% (8)	11% (2)

$(\chi^2(1) = 7.23, p = .01)$

Table 10

Hypothesis 2e: Perceived Likelihood Of Worst Case Scenario

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
High likelihood	Pretty good. Chances of business failing are fairly high I feel.	62% (8)	55% (6)
Low likelihood	It's not likely. I just don't think there's really any chance of that happening. Because the business that I'm starting is like a part of who I am. The skills that I have are so integrated into my identity that it would be easier to forget who I am than to forget, like I'd have to forget who I was in order to forget these skills.	38% (5)	45% (5)

$(\chi^2(1) = .12, p = .72)$

Table 11

Hypothesis 3b: Change In Commitment

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
Increased commitment	I'm very committed and I think my own level of commitment has just grown since having my baby.	50% (7)	60% (9)
No change	No, and I got to say that that's because I experienced the failure of my software business.	28% (4)	26% (4)
Decreased commitment	I think as we went along it started to go down, the commitment was worse.	21% (3)	13% (2)

(t(27) = -.62, p = .54)

Table 12

Hypothesis 3c: Point Of No Return

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
Experienced point of no return	Yes, yes, and quite recently actually.	35% (5)	83% (14)
Not experienced point of no return	Nope, I haven't had that yet.	65% (9)	17% (3)

($\chi^2(1) = 7.00$, $p = .01$)

Table 13

Types of Point of No Return Experiences

Type of Point of No Return	Example Quote	Number of Individual's in Each Category (N)
External change prompted by self	Yeah, once we had all of our money in the same inventory it was all or nothing. That really scared me, just knowing that it was like do or die. I had to sell the shoes. You couldn't turn back, you couldn't just get rid of them and get cash back, you had to go forward.	36% (7)
Commitment	I would say that's about it because I'm not a quitter. I'm want to start things and finish them to the end.	32% (6)
Internal change	I just started to believe that I have something, we all have something to offer if we work from our strength hard enough. I think that that's kind of what we need is just to be like, yeah, this is what I'm going to do.	26% (5)
External change prompted by external agent	When I got accepted into the business school. I worked so hard at it, I was like, this is definitely what I'm doing.	10% (2)

The total percentage equals more than 100 because each category was not exclusive. Consequently, some individuals were counted in more than one category.

Table 14

Hypothesis 3d: Aftermath Of The Point Of No Return

Theme	Sample Quote	% of Latent/ Nascent Entrepreneurs (N)	% of Actual Entrepreneurs (N)
Easier after point of no return	I think I'm more motivated and more confident in myself, even though nothing has really changed other than my idea that I wasn't going to quit. My confidence took over, and I just kind of went, "All right, I can totally do this, and if I can't, I'll figure out how."	80% (4)	100% (15)
Not easier after point of no return	After I got accepted, there wasn't a difference, I don't feel like.	20% (1)	0% (0)

$(\chi^2(1) = 3.15, p = .08)$

Table 15

Point of No Return Vs. No Point of No Return Related to Perceived Likelihood of Risks

Construct Related to Point of No Return	Entrepreneurial Type	Point of No Return (N)	No Point of No Return (N)
High Perceived Likelihood of Risks Occurring	Both	50% (7)	70% (7)
Low Perceived Likelihood of Risks Occurring	Both	50% (7)	30% (3)
High Perceived Likelihood of Risks Occurring	Actual Entrepreneur	56% (5)	50% (1)
Low Perceived Likelihood of Risks Occurring	Actual Entrepreneur	44% (4)	50% (1)
High Perceived Likelihood of Risks Occurring	Latent/nascent Entrepreneur	40% (2)	75% (6)
Low Perceived Likelihood of Risks Occurring	Latent/nascent Entrepreneur	60% (3)	25% (2)

Before controlling for entrepreneurial type, there was no significant difference between individual who experienced a point of no return with individuals who had not experienced a point of no return regarding perceived likelihood of worst case scenario occurring ($\chi^2(1) = .96$, $p = .32$). After controlling for entrepreneurial type, there appeared to be more within group effects among latent/nascent entrepreneurs ($\chi^2(1) = 1.59$, $p = .20$) than actual entrepreneurs ($\chi^2(1) = .02$, $p = .88$) regarding the perceived likelihood of worst case scenarios occurring between individuals who have experienced a point of no return and those who have not experienced a point of no return.

Table 16

Point of No Return Vs. No Point of No Return Related to Level of Commitment

Construct Related to Point of No Return	Entrepreneurial Type	Point of No Return (N)	No Point of No Return (N)
High Commitment	Both	79% (15)	50% (6)
Low Commitment	Both	21% (4)	50% (6)
High Commitment	Actual Entrepreneur	93% (13)	67% (2)
Low Commitment	Actual Entrepreneur	7% (1)	33% (1)
High Commitment	Latent/nascent Entrepreneur	40% (2)	44% (4)
Low Commitment	Latent/nascent Entrepreneur	60% (3)	56% (5)

Before controlling for entrepreneurial type, individuals who experienced a point of no return appear to have higher goal commitment than individuals who had not experienced a point of no return regarding commitment ($\chi^2(1) = 2.82$, $p = .09$). After controlling for entrepreneurial type, there appeared to be more within group effects among actual entrepreneurs ($\chi^2(1) = 1.63$, $p = .20$) than latent/nascent entrepreneurs ($\chi^2(1) = .02$, $p = .87$) regarding commitment level between individuals who have experienced a point of no return and those who have not experienced a point of no return.

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